

21

THE

FORGET - DANSEREAU

CONTROVERSY

The Forget-Dansereau Controversy

The recent rather serious dispute between Hon. Senator Forget and Mr. Arthur Dansereau, of "La Presse", having given rise to much discussion in English-speaking circles, within the last few days, we believe that the following documents, which cover the whole ground, will prove interesting for the public : —

MR. DANSEREAU'S LETTER

To the Honorable L. J. Forget,

Senator.

Sir,

For some days past, I have furnished you an opportunity to reconsider your explanations of Sept. 23, by refusing, as professedly as I possibly could, to admit their accuracy. However, every one pilots his own ship as he thinks best, and you considered yours sufficiently well anchored in the current of millions to have nothing to fear from the powerless land-breeze. Perhaps you never thought of the wind of retribution. I know not whether I am now bringing such wind to you; I do not wish it to be so, but still I feel that my message will not constitute a security for you.

You are the one who crowned the insults offered me by your journal, with the greatest of all insults: a charge of lying, over your own signature. It is painful for me to have to reverse the parts, in self-defence, and to nail you for ever to one of the greatest impostures in the world.

I come to prove you : 1o. That you painfully deceived me in 1885 ; 2o. That although your memory may not be able to follow all the guiles of your purse, you are still possessed of such a subtlety of stratagems that the manner of deceiving is, so to speak, immaterial to you.

I can now more clearly understand the desertion so surely brought around you by the scorn of customers, for a man who has lost the sacred sense of truth, is no longer in a position to loyally meet and treat his fellow-beings.

On Sept. 19, you wrote me through the press as follows :

"I am still at a loss to know why our banking-house is the subject of your attacks. We have surely done you nothing but good. You remember having several times done "stock-jobbing" at my office and never having deposited any margin. NEVER, TO MY KNOWLEDGE, DID YOU SUS-

TAIN ANY LOSS. On the contrary, you often realized profits that were duly paid to you."

I answered you at once : —

"My dealings with you were not of long duration and are of very little interest for the public. You were kind enough to purchase Pacific for me in exchange for an information, a "pointer", and you wrote me that I had realized, I do not know exactly how much, probably \$1,200. You KNOW THAT I NEVER LAID MY HANDS ON THAT MONEY, for on the day when I called at your office for payment, you showed me a telegram ANNOUNCING THE SUICIDE OF AN ENGLISH BROKER, and, "unfortunately", said you to me, "instead of going on the New York market, I had gone to that London broker. WE LOSE ALL." In no way did I insist upon recognizing but you alone in that transaction, and I never again spoke to you about it.

Great was my surprise when I read the following reply duly signed by you and dated Sept. 24 : —

"Allow me to refer more accurately to that Pacific transaction. At the time when Mr. Dansereau gave me the "pointer" referred to by him, March 26, 1886, we purchased for him 400 Pacific shares at 66½; on April 1, 200 more shares, of which 50 at 66¾ and 150 at 67. Those shares were sold as follows: on Sept. 16, 1886, 200 shares at 67½; on Sept. 17, 200 more shares at 67½, and on Sept. 21, 150 shares at 68¼; on Sept. 22, 50 shares at 68. Deducting from that transaction interest, commission and one hundred dollars (\$100.00), which we had loaned Mr. Dansereau on March 24 (two days before the first purchase), there remains to his debit a balance of \$3.56, which was carried to profit and loss account, on Dec. 31 of the same year. So you see, Mr. Dansereau is mistaken when he refers to a profit of \$1,200 that he might have made. I may add that WE NEVER PURCHASED PACIFIC IN LONDON FOR MR. DANSEREAU, NOR FOR ANY ONE ELSE, through the medium of a broker who committed suicide without our being able to recover the money owed us by him."

So then, that suicide of an English broker was a mere pretence not to hand me a legitimate profit! You caught that news by the wing, you clipped it, you posted it yourself, while I was in your office, on your certificate of shares, which I presented to you on a certain morning, and all that because, relying on my good nature, you had a greater liking than I had for the \$1,400 to which I was entitled.

Had you suffered any loss through the death of that broker, you would recollect it; but as that mishap, wholly invented in your mind, affected my humble person alone, it is quite natural that the thing should have escaped your memory. I do not know how it is and I am quite astonished that I did not destroy the slip of paper which I will now read out and which will condemn you. Here it is : —

Memorandum.

From

L. J. Forget & Co

Stock Brokers:

(Members of the Montreal Stock Exchange)

325 Notre Dame Street,

Montreal, 27 July 1885

To C. A. Desmarais & Co
City

To Purchase of 225 shs of Can Pacific in New York
@ $37\frac{7}{8}$ plus $\frac{1}{4}$ B. \$ 8465.63.

By Sale of 225 shs Can Pacific in N.Y @ $39\frac{7}{8}$ 8971.88

Profits less \$ 506.25

6% Interest 88.08

Net Profit \$ 418.17

P. B.

175 shs. Bk. in London by
@ $38\frac{3}{4}$ & sold @ 47 to
settled when statement
of London Broker is received
which will be about Sat. August.

It is believed that William Upward, the London stock broker who failed on Thursday, has committed suicide.

You have well read. On July 27, 1886, you alleged to have bought for me, in London, 175 shares that brought me, on their face, a profit of 8¼ per share, that is to say, \$1,443.75, or, deducting commission and interest (about \$75.00), a net profit of \$1,368.25. That does not appear in your books. What kind of books do you keep ?

Go a little more deeply into your conscience, and try to remember that you held yourself in your hand the following short paragraph, clipped from the Montreal "Gazette", annexed to the above quoted document :

"It is believed that William Upward, the London stock-broker, who failed on Thursday, has committed suicide."

A few days later, it was quite solemnly admitted, upon the strength of your informations, thoroughly confirmed, that he was really dead... and my Pacific stock also.

Let us now put the whole of this baggage on the scales, the same as is done to test the sterling at the mint, so as to ascertain the real value of your words and of your books.

THE WORD OF THE HON. MR. FORGET

WHEN YOU WERE NOT A SENATOR

July 27, 1885.

N. B. — 175 shares bought in London, Eng., at 38¼ and sold at 47, to be settled when statement of London broker is received.

Annex : It is believed that William Upward, the London stock-broker, who failed on Thursday, has committed suicide.

SINCE YOU ARE A SENATOR

September 23, 1902.

I may add that WE NEVER PURCHASED PACIFIC IN LONDON neither for MR. DANSEREAU, NOR FOR ANY ONE ELSE, through the medium of a broker who committed suicide without our being able to recover the money owed us by him.

THE BOOKS OF THE HON. MR. FORGET

DURING THE COURSE OF A TRANSACTION

July 27, 1885.

To purchase of 225 shares of Can. Pacific, in N. Y., at 37¼ . . . 88,465.03

By sale of 225 shares of Pacific, N. Y., at 39¼ 8,971.25

Less interest 88.08

Profit \$418.17

Profit in London 1,308.25

Total of profits to C. A. Dansereau \$1,787.42

AFTER A TRANSACTION IS MADE

At the time when Mr. Dansereau gave me the "pointer" referred to by him March 26, 1886, we purchased for him 400 Pacific shares at 66½ ; on April 1, 200 more shares, of which 50 at 66¼ and 150 at 67. Those shares were sold as follows : on Sept. 16, 1886, 200 shares at 67½ ; on Sept. 17, 200 more shares at 67½, and on Sept. 21, 150 shares at 68¼ ; on Sept. 22, 50 shares at 68. Deducting from that transaction interest, commission and one hundred dollars (\$100.00) which we had loaned Mr. Dansereau on March 24, (two days before the first purchase), there remains to his debit a balance de \$3.56, which was carried to profit and loss account, on Dec. 31, of the same year. AS YOU SEE, MR. DANSEREAU IS MISTAKEN WHEN HE REFERS TO A PROFIT OF \$1,200 THAT HE MIGHT HAVE MADE.

As you see, nothing tallies; neither you with yourself, nor your certificates with your books. Do not demand from the public a credulity that would be ridiculous, but remember, you who insult me every morning in the columns of your paper, that the \$1,368 of 1865 are now worth over \$3,000, and that if I do not demand from you the reimbursement thereof, I have at least the satisfaction of considering myself your platonic creditor for life. I will not go into any further comments, for you already understand the whole thing. May I be simply allowed to add that, by means of anonymous articles in a newspaper, you thought you could hire injustice and spread it around you with impunity, forgetting that the paths of journalism are not those of the stock-exchange. Your specialty as a destroyer wrecked on the very threshold of our province, as if an avenging arm had cast you on the way of expiation. You stepped in journalism with the idea that prose or marmalade, talent or flannel could be purchased indifferently. In your hands of petty shop-keeper, prose remained marmalade, and Nabille talent mere buffoonery. As regards yourself, not being destined to change, you have the means to bear humiliation, and the fortunate faculty of not realizing the position to any extent. That is one of your many blessings which nobody seems to envy, but which it is important for you to preserve. I know how stock speculations dull all sentiments and shrink the soul. I take that into account in your case, for the same phenomenon exists in all countries. A few days ago, I read an eloquent page from Jules Simon, of the French Academy, in his book "Le Devoir". Here it is: "We seem to be more scrupulous in money matters. Theft proper is branded by public opinion, but it remains to be seen whether, outside of theft and swindling, as defined in the law and condemned by our morals, we do not tolerate, under assumed names, real assaults upon our neighbor's goods! Among well-bred people, who would honestly take care of a deposit, and whom you might, without fear, trust with the key of your safe, there are many who would not hesitate to speculate on public anxiety or credulity, and pocket millions as their share of profits in an enterprise the plans of which have not yet even been traced on paper.

Those big stock speculations, in which so many fortunes are made and by means of which one can get rich without talent or work, are, for the most part, swindles, and in default of the courts, should be punished as such by public opinion.

You sentence a starving man who steals a loaf of bread from a baker's shelf, and you spare a millionaire who, making use of all possible advertising, trebles his fortune, by means of shameful devices, and sometimes ruins as many as one hundred families in a single day.

There is no honest way of earning a million, without previously investing money, WITHOUT WORK, or without some useful invention.

Every one knows this, nobody is imposed upon by those honest people who believe they have probity, because they do not sin against the written law, and who, like so many leeches, swallow up the very substance of a nation, BUT NO ONE IS SPIRITED ENOUGH TO KEEP AWAY FROM THEIR PARLORS, to refuse the hand they stretch out, and to treat them as they deserve, that is to say, as rogues and swindlers. They hold the first rank everywhere.

"Lucri bonus est odor, ex re
Quálibet."

They are even jurymen in their turn, and they apply to poor devils our severe laws on gambling, usury and begging.

Their ostentation and impurity are an insult to labor and virtue." (13th edition, page 408).

Yours truly,

ARTHUR DANSEREAU.

Montreal, Sept. 30, 1902.

HONORABLE MR. FORGET'S ANSWER

Montréal, Oct. 1, 1902.

Mr. Editor of "Le Journal",

Allow me once more to set right the facts which Mr. Dansereau PERSISTS IN MISREPRESENTING, as regards his purchases of Pacific shares in my office.

First of all, Mr. Dansereau is obstinate in mingling a transaction which took place on July 27, 1885, with another one of March 26, 1886. Let us take up the first. I must say here that the document reproduced in last evening's "La Presse" is not a contract for the purchase of 225 Pacific shares, but simply a memorandum of such a transaction made in New York on July 2, 1885; the \$418.17 profit which appears on that memo was duly paid Mr. Dansereau, by cheque No. 18,473, on the Banque du Peuple, dated July 28, 1885. So much for the first transaction made for Mr. Dansereau. As regards the purchase of 175 shares of stock, in London, I have already stated that my firm had never made such a purchase, and I persist in repeating it. The note inserted in the above mentioned memorandum, is no evidence to the contrary, for it reads as follows :

"N. B. — 175 SHARES BOUGHT IN LONDON, ENG., AT 38% AND SOLD AT 47, TO BE SETTLED WHEN STATEMENT OF LONDON BROKER IS RECEIVED, WHICH WILL BE ABOUT 5TH AUGUST."

What proof can be found there that the shares referred to were bought BY the firm of L. J. Forget & Co. ?

Those few lines had been written simply for the purpose of keeping Mr. Dansereau posted on a transaction WHICH HE HAD REQUESTED ME TO MAKE FOR HIM IN LONDON. As my firm had no agent on the London market at that time, IN ORDER TO BE PLEASANT towards Mr. Dansereau, I requested Messrs. Stuart & Co., then brokers in this city, to have the stock purchased by their correspondent, who, by the way, was absolutely unknown to me. Messrs. Stuart & Co. were then the parties who purchased Mr. Dansereau's shares, at the latter's own risk, which fact explains how it is that the transaction does not appear in my books. When Mr. Upward's suicide was announced, Mr. Stuart came to tell me that the unfortunate man was indeed his correspondent, and that he could not get one cent of what was due him by Upward. I conveyed the news to Mr. Dansereau.

THAT IS THE REASON WHY MR. DANSEREAU NEVER GOT HIS FAMOUS TWELVE HUNDRED DOLLARS.

I leave it with you to judge which of the two demands more ridiculous credulity on the part of the public, Mr. Arthur Dansereau, who pretends that the firm of L. J. Forget & Co. has owed him \$1,200 since 17 years, or MYSELF, when I simply relate a stock transaction made to OBLIGE MR. DAN-SEREAU ?

Thanking you in advance, Mr. Editor, for the kindness with which you will publish this letter,

I beg you to believe me

Yours very truly,

L. J. FORGET.

MR. DANSEREAU'S REJOINDER

To the Hon. L. J. Forget,

Senator,

Sir,

It required a terrible gale, such as that of two days ago, to draw from you a truth which you had fully determined to conceal from the public, and the impossibility of escaping, by means of a new falsehood, what was self-evident, has alone been able to bring about your humiliating confession of this morning. I had to wait seventeen years to learn that you had caused to be purchased in London, by a third party, the 175 Pacific shares placed to my credit. When, being a young boy, I attended my parish school, I never saw a pupil caught in the act admit his guilt; it was always the fault of his neighbor. Such

is the very essence of our poor human nature, since our father Adam himself tried to throw the fault on Eve, and Eve on the serpent. You have then yielded to the instinct of those at fault, by throwing upon others the responsibility of a suspicious action. I will prove you, within a minute, how untrue and deceitful you were in the whole matter.

First of all, remember that this question so disastrous for you had been brought up by yourself, when you said to me :

“You remember having several times done stock-jobbing at my office and never having deposited any margin. NEVER, TO MY KNOWLEDGE, DID YOU SUSTAIN ANY LOSS. On the contrary, you often realized profits that were duly paid to you.”

Nothing more natural than my reply :

“You were kind enough to purchase Pacific for me in exchange for an information, a ‘pointer’, and you wrote me that I had realized, I do not know exactly how much, probably \$1,200. You know that I never laid my hands on that money, for on the day when I called at your office for payment, you showed me a telegram announcing the suicide of an English broker, and, ‘unfortunately’, said you to me, ‘instead of going on the New York market, I had gone to that London broker. We lose all’. In no way did I insist upon recognizing but you alone in that transaction, and I never again spoke to you about it.”

Now, lay your hand on your heart and tell me if your rejoinder was honest, for, in order to divert attention, you chose another date, so as to deceive the public with figures irrelevant to the issues, and you said to me : “At the time when Mr. Dansereau gave me the ‘pointer’ referred to by him, March 26, 1886, we purchased for him 400 Pacific shares at 66½; on April 1, 200 more shares, of which 50 at 66¾ and 150 at 67. Those shares were sold as follows : on Sept. 16, 1886, 200 shares at 67½; on Sept. 17, 200 more shares at 67½, and on Sept. 21, 150 shares at 68¾; on Sept. 22, 50 shares at 68. Deducting from that transaction interest, commission and one hundred dollars — \$100.00 —, which we had loaned Mr. Dansereau on March 24, — two days before the first purchase — there remains to his DEBIT a balance of \$3.56, which was carried to profit and loss account, on Dec. 31 of the same year. As you see, Mr. Dansereau is MISTAKEN WHEN HE REFERS TO A PROFIT OF \$1,200 THAT HE MIGHT HAVE MADE.”

Had I not had my slip of paper, would I not have been nailed on the spot as the boldest of liars? I had not mentioned any precise date. At once you

fix one: "At the time when Mr. Dansereau gave me the pointer, March 26, 1886." What, for goodness' sake, had passed through your head, and who had spoken to you about 1886 ?

If you understood your business as a broker, you knew that there were no "pointers" concerning the Pacific in March 1886. But in 1885, there was a crisis in the business of the Company ; most of the employees had not been paid since six and nine months, and the personal credit of Sir George Stephen and Sir Donald Smith alone kept the Company going. At the request of Sir George himself, who honored me with his friendship, I reported those difficulties to the members of Quebec, and after pretty long parleys, Sir John Macdonald finally informed Hon. J. A. Chapleau that his policy, namely a loan of \$35,000,000 to the Company, of which \$5,000,000 right down, would be announced the second week in June. I was present at that interview, and no one asked me to keep it secret. I gave you the information, which proved useful to you, since you say in your interview of yesterday in "Le Journal" : "One can see there the purchase of 225 Pacific shares. I HAD PURCHASED MUCH MORE THAN THAT, and I had given Mr. Dansereau the profit of those 225 shares."

You go beyond the limits of shrewdness, when, caught in the act of lying, you say afterwards, CONTRARY TO YOUR LETTER OF SEPT. 23, that "I had requested you to make a transaction for me in London."

Who will believe that a man so unfamiliar as I am with stock exchange business should have had a preference for London rather than for New York or Montreal ? What a great transaction indeed ! Hurry to London for 175 Pacific shares ! For what object ? By what whim ? What difference did one market or the other make for me ? You know very well that the only agreement was that you were to purchase shares for me, and no amount was even specified. Had you bought ten, had you bought none at all, it would have been just the same for me. You had full liberty to do one thing or the other.

Why now pretend that I had mentioned the London market to you, when I did not even know what you would do for me ? Why except those 175 shares, when you admit yourself having purchased MUCH MORE than that. My shares were simply included in yours, and the proof of this lies in the fact that they were never entered to my credit in your books.

If the 225 shares purchased in New York and disposed of to my satisfaction, had been entered in my name, you would have found them for your letter of Sept. 24. You do not mention them ; consequently they are not there, unless you deliberately falsified your books, a charge that I do not make against you.

You admit not having my 175 London shares in your books, under pretence that this order went through another office. But as I ignored, and even had legally to ignore such a third party, if he existed, you were obliged to keep track of such a transaction in your office. You can find none. To whom then was Mr. Stuart to render an account, for he certainly never knew me in connection with that matter ?

It is quite evident that you had decided to give me a small share of your big profits in the venture, a thing for which I thank you all the same. But it is evident also that my lot was included in yours, since you had opened no special account for me. Now, it was you who solemnly stated, on Sept 24 :

“As you see, Mr. Dansereau is mistaken when he refers to a profit of \$1,200 that he might have made. I may add that WE NEVER PURCHASED PACIFIC IN LONDON, NEITHER FOR MR. DANSEREAU NOR FOR ANY ONE ELSE, through the medium of a broker who committed suicide without our being able to recover the money owed us by him.”

Since you NEVER SUSTAINED ANY LOSS IN LONDON through a broker who committed suicide, I sustained none myself, considering that my shares were your shares. If you were paid, I must have been paid also.

But what is most important for me is to have put down your impudence. You had interspersed blunt lies in your correspondence, and but for my slip of paper, you would never have admitted them. You know that I never had any dealings with Mr. Stuart, that he never acted for me, and that your new story, opposed to the first, caused an immense burst of laughter among the public, this morning. A man who declares that he “NEVER SUSTAINED ANY LOSS IN LONDON, NEITHER FOR OTHERS NOR FOR HIMSELF”, has not the right to come up afterwards, in the face of such crushing evidence as mine, and pretend, at the last moment, that I must have sustained that loss.

Let us go a step further and accept your argument that I had specially mentioned to you the London market. Was I to expect that you would take the first steamer to go and make the purchase yourself ? It would have been well understood that you were to act through agents. You chose your agents ; I am not responsible for such a choice. I keep your word that 175 shares had been SOLD for me. I can know no other but you in the matter.

It would really be too easy a way of escaping losses, if one could, afterwards, throw the responsibility thereof on third parties and keep clear of all that may happen.

No ; you see very well your false position, and you admit it by the storm of insults which, immediately after, you order your scribes to heap upon me.

One must have lost his head to write such things as these :

"Arthur Dansereau is a vulgar fellow, an emeritus go-between, a dishonest polemist and a tippler. The latest vilany of citizen Dansereau has reached a climax, it goes beyond all that the bad reputation of the director of "La Presse" could suggest. It is a shameless lie, a SATANIC IMPOSTURE that could have no other origin but a mind crazed by hatred and spite. For a journalist to solemnly assert that the firm of L. J. Forget & Co. owes him \$1,200, when such is not the case, constitutes a vulgar crime, which even the conscience of the WORST CONVICT would be loath to. However, such a thing must not astonish us on the part of Dansereau the traitor. He has devoted half a page of "La Presse" to that infamy, which makes every respectable citizen shrug his shoulders. The CRIMINAL BAD FAITH which he has displayed on this occasion will certainly become proverbial."

Honestly, do you realize the enormity of what you cause your "Journal" to do, and which gives me the absolute right to dispose of your name, your honor, your private life, according to my fancy, if I chose to do so ?

Yours truly,

ARTHUR DANSEREAU.