

IN THE PRESS GALLERY AT OTTAWA

MR. GEORGE E. FOSTER REVILES THE INSURANCE COMMISSION

In an Effort to Wash his Skirts of the Questionable Transactions of Which Insurance Report Shows Him to Have been Guilty—Minister of Justice's Masterly Review of the Case and the Revealing of Mr. Foster in his true Light.

(From Our Own Correspondent in the Press Gallery.)

Ottawa, April 11.—Yesterday Mr. Foster dragged his leader and his colleagues into the mire in a frantic attempt to extricate himself from the unenviable plight in which the insurance investigation revealed him. This was the net result of a speech which consisted half of excuses for himself and half denunciation of the Insurance Commission, which occupied upwards of an entire afternoon and which left the salient points of his condemnation untouched.

The Party Involved.

Despite the more or less explicit refusals of Conservatives of certain sections of the country to be held responsible for the doings of Mr. Foster and his associates and despite the conspicuous failure of certain of his parliamentary friends to rush to the rescue yesterday, Mr. Borden for himself, and in so far as he speaks for the party, has willingly and enthusiastically entered the lists on behalf of these comrades in distress. Whatever individual conservatives may profess or decline, the party as a party stands pledged to justify and defend the careers of these speculative syndicates in the handling of trust funds.

Reviling the Judges.

Mr. Foster said he regretted to occupy the time of the House with matters which did not properly concern it and conjured up the Cinqu Mars to prove that he had political opponents and the commission itself thought was not born in malice but had been perverted into an inquisition, had examined business in no way connected with insurance and had shifted to his shoulders burdens for which others were responsible. In short, as Mr. Aylesworth put it, Mr. Foster availed himself of the full prerogative of the disappointed lawyer or client, and reviled the judges to his complete satisfaction.

Must Company Make Money.

Mr. Foster was at great and rather unnecessary pains to point out that the Union Trust Co. had had a most prosperous career had infact made as much during the first five years of its existence as the Toronto General Trust Corporation had during the last five of its twenty-five year history. It did not appear to strike him that this in itself was pretty good evidence that the Union Trust Co. was "taking chances" which other Trust Companies regarded as too speculative for them. Had he been observant, however, the hint might have been conveyed to him from the conduct of Mr. Ames, of Montreal, who suddenly ceased applauding when the great profits of the Union were being related. Mr. Ames has had experience in Trust Companies and apparently understands how abnormally large profits are made by such enterprises.

If Lost, What Then?

This phase of the question was ably dealt with by Mr. Aylesworth a few hours later pointing out that the fact that the Trust Company had made large money was mighty poor evidence that it had not imperilled the money placed in its charge. The fact that the Co. had made or lost money was not the criterion as to whether or not the funds had been used in unsafe investments. It was not so long since the managers of the Ontario Bank had been ruined and imprisoned because he had imperilled and lost the funds and Mr. Foster had imperilled the Trust funds of the Foresters and whether or not they would be lost was not even yet assured beyond accident. If they were returned with interest all well and good but if they were lost then what? As to whether they were lost or saved did not determine whether or not they had been imperilled.

Directors—But

Mr. Foster was strong in insisting that his investments had been sanctioned by the Board of Directors, not a material point when three of those directors were personally interested in the investments and when it appears favorable that at a very important meeting this trio had constituted an actual majority.

Specious But Absurd.

Another point raised by Mr. Foster and relied upon by him as the

whole ground work of his defence was that the money ceased to be "trust funds" when the Foresters invested it in the Union Trust Co., that then the Trust Co. was its possessor and at liberty to do as it pleased. Mr. Aylesworth shot this to pieces by pointing out that if so then insurance laws were of no value whatever. If an insurance company by the simple expedient of starting a trust company could avoid all restrictions in investment and speculate at will then the safeguards of the policyholder were valueless and the whole spirit and purpose of insurance law was of no avail.

Commissions From Foresters Money.

Mr. Foster was particularly desirous that it should be understood that the money advanced the Montague-Foster syndicate came from the Foresters and not from the Union Trust Co., and that in consequence the commissions he pocketed on the deals came not from the Trust company but from the Foresters. This of course was simply insisting that he took the money from the Foresters direct instead of via the Union Trust Co., a distinction that would be scarcely observable in the ultimate effect on the funds of the Order. Moreover, as pointed out by Mr. Aylesworth, the Foresters were under contract to turn over to the Union Trust all invested surplus money and if this advance came direct from the Foresters it looked like a violation of the agreement.

A Tempest Instead of an Explanation.

When he got in the vicinity of the Kamloops Lumber company deal Mr. Foster went off at a tangent again and stormed strenuously at the Commission. In his fury, however, he neglected to tell us whether or not he really got the \$25000 take-off from Fowler or whether the Commission were correct in surmising that the amount might run up to \$7000. It may have been that the tempest affected his memory but it looked much more as though the tempest was provoked for the purpose of belounging the observations of his opponents.

Again Lost in the Storm.

Another most significant lapse of memory occurred when Mr. Foster came to the point of the Great West Land Co. deal. He recounted the transaction substantially as reported by the public and insisted that the 337 1-2 shares bonus stock were given the Union Trust Co. to persuade them to finance the deal which no one questioned. Later on he said when the company decided to take a mortgage on the land instead of stock in the company there was a family quarrel as to whether or not the bonus stock should be surrendered. This is quite true and one of the points of the story—and here again Mr. Foster launched a tirade against the Commission—and while the turmoil lasted gracefully stepped around the whole point as to what became of this bonus stock.

Mr. Aylesworth supplied the information during his speech by pointing out that at alleged meetings of the directors—of which meetings having taken place there is a very tangible doubt—the bonus stock was surrendered by the Union Trust Co., and swept back into the coffers of the Foster-MacGillivray-Wilson combination. This bonus stock he calculated was now worth about \$85,000.

Mr. Foster concluded with asking the House to send the report back to the Commission for amendment.

A Masterly Summary.

Mr. Aylesworth followed and after pointing out the purpose and scope of the Commission traced the story of the transactions under discussion of the meeting of the directors in the manner indicated above. His speech was a review possible only to a man of outstanding ability and long legal training. The Commission was clothed with authority and duty to investigate the insurance business in the public interest without fear, favor or malice and had performed that duty regardless of consequences.

Borden to the Rescue.

Mr. Borden followed the lead of Mr. Foster in berating the Commission, with desultory references to the Minister of Justice. He was particularly displeased because Mr. Ayles-

worth pointed out that Mr. Foster et al had knocked down \$4,300 stock on account of the second purchase from the Pope-Fowler syndicate, for which they had made no pretense of rendering service.

Another sore point was that the investigating attorney should have had the presumption to ask if he (Borden) had any part or lot in these transactions of his colleagues.

He produced nothing new and merely endorsed the former position of himself and party as the defenders of Mr. Foster and his associates in their aromatic transactions.

W. H. Bennett of East Simcoe closed the debate in his characteristic view by assailing the personnel of the Commission.

Conservative Organ Castigates Mr. Geo. E. Foster

(From the Montreal Star of April 11.)

Mr. Foster was in a difficult position when he arose yesterday to state his case against the Insurance Commission. Any man who protests against the finding of a court in his own case must always have an uphill fight. His personal interest in the success of his protest is always so obvious and often so great as to entirely rob his statements of anything approaching impartiality; and we cannot avoid listening to him as to a desperately concerned "special pleader" and not as to an unbiased judge of the facts.

It would be fatuous to pretend that in this case Mr. Foster helped his cause by his vicious attacks upon Judge MacTavish and Mr. Shepley. He can hardly expect the country to take the view that the commission and its counsel were actuated, wholly or chiefly by party rancour when it is only a few days since Senator Cox—one of the most influential Liberal leaders—felt it necessary to arise in the Senate and clear his reputation from the effects of some severe condemnation of his conduct contained in this same insurance report. The findings in the case of Senator Cox were certainly not sham findings. They bit. And although the Senator took council of calmness learned in many a financial battle, and made his explanations with a moderation which commanded sympathy and a skill which enhanced even his great reputation in that line, it is not thought that he succeeded in proving the commission to be in the wrong when it protested against "one man power" in an insurance company, when it feared the policy of investing insurance funds with the hope of making a profit for concerns outside of the insurance company but controlled by this "one man" and when it criticized the calling up of the Canada Life stock for no apparent reason except that of making the profits of the stockholders less formidable.

A Hopeless Task.

But—however that may be—Mr. Foster is engaged in a hopeless task in endeavoring to persuade the country that the commission was a partisan instrument solely and that it sought his head as a political opponent. It is curious that a part of his defence is in line with that of Senator Cox; and that is that his dealings with the funds of the Union Trust Company brought that company profit. In fact, we have been hearing this argument constantly from insurance men ever since the investigation opened. When it has been shown that they invested their funds in securities which the law forbade them to touch, they have replied: "Yes, but we made money out of them." This is the plea of every speculator; and it might well have been left to one side by Mr. Foster when he was defending himself—not against any allegation that he managed the Trust Company unprofitably—but against the charge that he advised the use of its funds to earn profits for his own pocket.

Should Admit His Mistake.

When he comes to deal with the case of the Great West Land Company, it is impossible to escape the feeling that he would have been better advised if he had admitted frankly that he made a mistake. No amount of hair-splitting or challenges to all and sundry to put their fingers upon any illegal step in the whole business, will make those listening to him believe that a man should act in the dual capacity of leading director of a trust company, which is risking its money and a member of a speculative land syndicate which is borrowing that money—there being a

startling similarity between the syndicate and the directorate. For a man to consent to occupy such a position—even if every transaction to which he lends himself in that capacity be as white as snow—is to show that he holds a low standard of what is required of a public man and a man in a position of trust. Mr. Foster, for example, might be able to argue that he could act for a company having a claim against the government and a finance minister at the same time. He knows himself, and he knows that he would deal fairly and honorably by both the claimant and the country. But the country would never willingly permit the Angel Gabriel to hold such a position. We cannot make laws or establish customs for men of very unusual probity.

An Unworthy Argument.

As for the argument that the funds of the Union Trust Company were not insurance funds at all—that they became transmuted from "the trust funds of the widow and the orphan" to something quite different by the mere process of being handed by the supreme court of the Foresters to the Union Trust Company which the Foresters created for the investment of their own surplus—was altogether unworthy of the ex-finance minister. If the Union Trust Company had lost those funds, who would have been the real losers? Surely the widows and the orphans who are depending upon the policies which their husbands and fathers have taken out in the Foresters' Society. The Trust Company was an investing body for the Foresters; it invested Forester money; the Foresters held practically all the stock; the Foresters would have been the losers if Mr. Foster's investments had shown a loss "instead of a profit. To attempt to evade the moral responsibility involved in the investment of insurance funds under such circumstances is about as convincing as the contention that a thief's money may be knowingly taken by a church on the ground that the material coins do not carry the "taint" of crime.

FRANCE MENACING MOROCCO.

Naval Demonstration Looks Like Attempt to Provoke Hostilities.

Associated Press Dispatch. Tangier, April 17.—A menacing French Naval demonstration is taking place off Morocco, and the general situation is grave, owing to the resentment of the Moors over the French occupation of Oudja. Native opinion is unanimous that France is seeking to pick a quarrel with Morocco in order to make further annexation of territory. In the meantime the country is swarming with "provocative natives". The despatch comes from the regular correspondent of the associated press at Tangier.

Woman Suffrage Necessary to Peace.

Associated Press Dispatch. New York, N.Y., April 17.—The extension of suffrage to women is regarded by Rev. Anna Shaw, President of the National American Women's Suffrage Association as necessary to a speedy realization of the hopes of the advocates of universal Peace organizations held in conjunction with the National Peace conference by Mrs. Shaw in an address to-day before a conference of the Women's Peace Conference. Other speakers were Mrs. Harry Hastings, Mrs. Carrie Chapman Call and others.

Criminal Court of Appeal for Britain.

Associated Press Dispatch. London, April 17.—A bill constituting a criminal court of appeal which has not existed in Great Britain was introduced in the House of Commons today by Attorney General Walton. He explained that the measure would create the right of appeal in criminal cases similar to that now existing in civil cases. The bill passed its first reading.

C.M.B.A. Supreme Treasurer.

Associated Press Dispatch. Cornell, N.Y., April 17.—Supreme President Hynes of the Catholic Mutual Benefit Association announces the appointment of William Muench of Syracuse to succeed the late James M. Walsh as supreme treasurer of the order.

General Booth Now in Japan.

Associated Press Dispatch. Tokio, April 17.—General Booth of the Salvation Army was accorded an enthusiastic reception on his arrival here this afternoon from Canada. The governor and mayor of Tokio were among those who welcomed him at the railroad station.

THE STRIKE MAY TIE UP THE C.N.R.

Morinville Coal Miners Are Out. C.N.R. Gets its Entire Supply There.

The mines at the Morinville coal mines from which the Western end of the C. N. R. has been securing its entire coal supply for motive power, have been on strike for the past few days, but it is expected that the difficulty will be arranged this afternoon.

The men demand increased pay per car. At present they are getting 50 cents a car, and claim an increase of 2 cents. The seam of coal contains a great deal of waste, which requires on an average of two hours per day to remove. For this extra work the miners receive nothing. They demand that where the waste seam exceeds 4 inches they are entitled to 5 cents an inch for its removal. In some places the waste seams are 14 inches thick.

A third complaint is that the pay for cross-cutting is too low. The rate now is 50 cents a yard, but the men claim it is worth every cent of \$1 per yard to do this work.

There are between 50 and 60 men out and work is at a standstill. Should the mines be tied up for any length of time the C. N. R. will have great difficulty in moving their trains as they are entirely dependent on the Morinville mines since the C. P. R. became unable to supply them with the Crow's Nest coal, some months ago.

BELIEVE HE IS A BAD MAN.

North Battleford Liveryman Held on a Charge of Theft.

North Battleford, April 18.—Fred Derocher, liveryman of this place, is held on a charge of theft of wire from the yards of J. R. Chisholm. Derocher was caught in the act by Town Constable Morrison and Constable French, on the Sunday morning, but escaped on horseback. Later in the day Derocher was captured coming out of church. The authorities think they have in Derocher a bad character, who has been mixed up in several recent robberies. He will be sent up for trial.

BRIDGE NOT SINKING.

And C. N. R. Will Not Move Main Line Away from Battleford.

North Battleford, April 17.—Rumors circulated to the effect that the C.N.R. bridge over the North Saskatchewan river was slowly sinking, were given the lie by W. H. Hutton, the company's engineer, who has been investigating the statement. "It has not moved a hair's breadth," he said. Because of the unstable bridge, rumors said, the C. N. R. would move its main line south of the river.

A Year for Misappropriation.

Associated Press Dispatch. Hamilton, April 17.—Sentence today was passed on Peter Kenney, collector for Frank E. Walker, who was charged with misappropriating the firm's funds. Kenney was sent to central prison for one year.

WILL NOT OPPOSE APPLICATION.

The directors of the Northwest Gas and Oil Co. will in no way oppose the application of the International Heating and Lighting Co., of Cleveland, for an artificial gas franchise. This statement was made this morning by T. McNaughton, managing director of the company.

FIRE AT NEWTONBROOK.

Toronto, April 17.—The general store of Robert A. Wilson at Newtonbrook, a village on Yonge street about twelve miles north of here, was destroyed by fire. It is believed that somebody dropped a cigar stub or a spark from a pipe into the wooden box used in the store as a cuspidor. Mr. Wilson's loss is \$3,000 on the store, on the stock \$5,000, and on the furniture \$2,000. A strong north wind caused the fire to spread to a cottage occupied by Mr. Stevenson, which was completely destroyed with a loss of \$1,500. Mr. Wilson carried no insurance.

STEAMERS ICE-BOUND ON LAKE ERIE.

Buffalo, N.Y., April 17.—Ten steamers, coal laden and bound for ports on the upper lakes, are fast in the ice between here and Point Abino. A strong northwest wind and the lower temperature have caused an ice-jam at this end of Lake Erie. There is no prospect of releasing the steamers until warm weather sets in.

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SASKATCHEWAN HAS WITHDRAWN WILL CONFER A SECOND TIME

From Beef Commission, but Manitoba and Alberta Will Make Investigation.

Hon. W. T. Finlay, minister of agriculture, returned yesterday afternoon from Winnipeg and Medicine Hat.

Mr. Finlay's business in Winnipeg was to carry out arrangements with the Manitoba government with respect to the beef commission.

Mr. Finlay stated today that a definite announcement would be made in a few days. It is expected the commissioners who were named last fall, Jos. Scanlan, of Virden, Man., and A. Middle ton, of Coleridge, Alta., will form the coming commission of investigation with a secretary who will be appointed in a few days.

Mr. Finlay further stated that he was desirous of having the commission open its sittings about May 15, and certainly not later than June 1. Contrary to expectation Saskatchewan has withdrawn from the commission, but Manitoba and Alberta governments are determined to act in the matter and effect relief for the farmers.

WANT FRANCHISE RESTORED THEM

Indians From Brant Reserve Interview Mr. Whitney—Recently Saw Mr. Oliver.

Toronto, April 18.—A deputation of Indians from the Six Nations reserve, near Brantford, waited upon Prime Minister Whitney recently and asked that the franchise be restored to them. They have now neither municipal nor other vote, these privileges having been taken away from them by a change in the Act. An Indian of the reserve is allowed to vote, and this is looked upon as discriminatory. They were introduced by Mr. J. H. Fisher, M.P.P., and Mr. Whitney promised that the matter should have his closest attention, although it is too late for action at the present session.

The deputation consisted of Messrs. Jacob Miller, William Davis, Walter Davis, L. Roy Hill, Edward Davis and David S. Hill. The same men have waited upon the Hon. Frank Oliver at Ottawa, asking the Government to give them the right to use the elective system in the selection of chiefs. The request was very favorably considered. While in Ottawa they got a letter endorsing their attitude on the question of political franchise, signed by their representatives, Messrs. Cockshutt and Lawlor, and by sixteen other members of Parliament. This they brought to Toronto and handed to Mr. Whitney.

The reserve is in Brant and Haldimand Counties. There are 4,400 people there, representing 1,125 votes.

The big mill of the Staples Lumber Co., at Cranbrook, B.C., commenced operations on Monday. It is expected that this year's cut will be a record one.

HARRY K. THAW STAND A

Seven of the Jurors of Stanford White Five Wanted Acquitted. New Trial

New York, April 12.—The Thaw jury at 4.30 p.m. came into court as reported a disagreement. The jury was thereupon discharged by Judge Fitzgerald. The court was declared adjourned until April 29. Mrs. Evelyn Thaw immediately went to the prisoner's cell, and told her husband, a vast crowd filled the courtroom awaiting the announcement.

Disagreement of Jury.

The jury was, hopefully, divided. Seven were for a verdict of guilty, murder in the first degree, and five were for acquittal on the ground of insanity.

The jury, which since the twentieth of last January, had been trying Harry K. Thaw, reported after forty-seven hours and eight minutes of deliberation that it could not possibly agree upon a verdict. The twelve men were promptly let go by Justice Fitzgerald, who declared that he thought the task hopeless.

Thaw To Be Tried Again.

Thaw was remanded to the Tombs without bail to await a second trial on charge of having murdered Stanford White, the noted architect. When this new trial may take place no one connected with the case could give an opinion to-night. District-Attorney Jerome declared that there were many other persons accused of homicide awaiting trial, and that Thaw would have to take his turn with the rest. As to a possible change of venue, both the district-attorney and counsel for Thaw declared they would make such a move. Thaw's attorneys will confer tomorrow with the prisoner to decide upon their next step.

Jerome Will Oppose Bail.

They may make an early application for bail. Mr. Jerome said he would strenuously oppose such application. He held the belief that seven of the jury voted for guilty, his opposition probably would be successful. In that event Thaw has another long summer before his case of the already-crushed criminal calendar can be possibly reached next autumn.

The Jury's Announcement.

The scenes attending the announcement by the jury of its inability to agree upon any sort of verdict were robbed of any dramatic features by the general belief that after the protracted discussion and the reports of the wide division of sentiment, the jurors could make no other report than one of disagreement.

Thaw, surrounded by the members of his family, his aged and devoted mother, his hale young wife, his titled sister, the Countess of Yarmouth, his sister, Mrs. F. Carnegie, and his brothers, Edward and Jos. Thaw, received the news in absolute silence.

When it became known that the jury was also to make its report, and that the case would be disposed of, Thaw called his wife to a seat by his side and sat with his right arm thrown about her until he was commanded to stand up and face the jurors. He was smiling and confident when they entered the courtroom.

Thaw Unnerved.

Thaw sank limply in his seat when Foreman Deming B. Smith, in response to a question by Clerk Penny as to whether a verdict had been agreed upon, said: "We have not."

His mother, her features hidden behind a black veil, sat stolid and motionless. She appeared to have felt severely the stress of the long hours of anxious waiting. His wife by his side gripped his hand tightly as the foreman spoke, and then when he sank down by her side she tried to cheer him as best she could by saying she believed he would now be admitted to bail, and that a second jury would surely set him free.

Again Enters the Tombs.

The mother, the sister and the brothers well-nigh exhausted by the nerve-racking period of waiting, smiled wanly at Thaw as he was led away again to the Tombs. They were permitted to speak to him for a moment to bid him to be of good cheer before he crossed the "Bridge of Sighs" to the prison, which but a few minutes before he had hoped that he was about to quit forever.

Outside the Courtroom.

Outside on the square by the criminal courts building only a few hundred persons were gathered. Though Thaw had been there earlier but no police reinforcement had arrived with