

Were Used For Purposes of **Private Speculation.** 

The examination of Hon. George E. \* Foster by opposing counsel, E. F. B. Johnston, K.C., was the feature of yesterday's proceedings in the Foster-Macdonald libel suit before Mr. Justice Magee. Mr. Foster was in the witness box all day. From 10 a.m. till 3.30 p.m., he was engaged in the re-lation of his side of the story, and dur-ing the last two and a half hours of the day was under cross-examina-

the transactions were all recorded in the books of the syndicate kept by the trust company. That money was the property of the syndicate and I am accountable to the other members not surveyed out at the time?" "Oh, I meant by that that a deducof the syndicate for their shares and tion was to be made for water spaces." to no others.

"You did not know how much was At a meeting of the Union Trust Co. held on April 19, 1904, the three blocks land or how much was water?" "No. of land known as the secondary syn-dicate purchase were purchased from the syndicate,

"Passing on now to another matter, I suppose I may assume that you, of "That very eminent and fair body. the syndicate, bought those lands for the royal commission, held that those lands had been purchased for the Union Trust Co. in the first place," The original purchases were for the syndicate."



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A GENERAL DOMESTIC WANTE Mrs. C. S. Ellis, 146 Carlton-street.

tion The cross-examination was not concluded when court rose at 6 o'clock and will be resumed this morning.

The court room was jammed to the dcor, it having been generally anticirenowned political orator and one of. he leading lights of the bar would provide some foreworks. Mr. Foster, however, did not appear to be in a scrappy mood, but contended himself with speaking guardedly and giving answers which were often considered by Lands transaction. Messrs. Pope and "The counsel to be evasive. By dint of Fowler had secured an option from he money. counsel to be evasive. much questioning and cornering, Mr. Jchnston pinned the plaintiff down to an admission that the syndicate of carry on private speculations with dicate suggested that the syndicate might borrow the more of the syndicate The Purchases,

When the court opened yesterday morning, Mr. Foster resumed his explanation of the various transactions in which the syndicate was involved, operating with I.O.F. or Union Trust funds.

the witness classed the Aird or Battle River lands, 19,200 acres; the Car-Land Company's holdings, 40,960 acres; and the Swan River or Whitla lands deal. The cheque he received from Mr. lots was advanced by the I.O.F. Dr. Montague had optioned the pri-

mal purchase to Green and Sheden, who deposited \$10,000, and then failed to complete the deal. Therefore, \$10,-000 came into the hands of the syndlest account, while the balance was used up in expe

## \$5000 Rebated.

In connection with the purchase of the Carrot River lands, \$5000 was rebated to the syndicate by Prichard, the agent for the vendor.

Explaining the manner in which he came into \$2480 from the Swan River purchase, Mr. Foster said:

Mr. Pritchard represented himself to me as agent for the vendor and asked \$7 an acre for the property. I refused topay that price, but after talking the matter over with Mr. McGillivray it was decided to pay him \$5.25 an acre, providing he rebated 25 cents an acre to the syndicate. He agreed and I received a cheque for the re-



continued Mr. Foster, "but the minutes of the Trust Company meeting will that the company purchased the lands, pated that a trial of wits between the about a year after they had been secured by the syndicate." Some time later the primal purchase, or Montague acres, you don't put a cent into them,

Trust Gets First Chance.

Co.

Mr.

Foster told of the Great West

C.P.R. on 200,000 acres at \$3.50 an acre and had approached the syndicate with leagues?" a view to turning the proper's over at \$4.50 per acre. A member of the syn-plans to make a profit.

might borrow the money from some has something to offer as security, trust company, so it was decided to and enters into a covenant to repay." give their own company, the Union returned counsel. Trust, the first chance. Forthwith the "We weren't as "We weren't asked to give a coven

money was raised and Pope & Fowler ant. were paid a dollar advance per acre. transaction as that?' Afternoon Session.

After luncheon Mr. Foster re-entered the box and went into an explanation acres, known as the Montague lands. of the Kamloops deal. He had had no gation was fulfilled when you sad-On the head of secondary purchase, interest personally in the Kamloops died all the obligations onto the Union proposition prior to its purchase by the Trust Company, while you and your Union. Trust Co., neither had he re- colleagues were to get the profits?" ceived any of the \$55,000 which Fowler deal. The cheque he received from Mr. "Why did you, as manager of the 9920 acres, all totaling about 70,000 Fowler for \$2500 was received in con-trust company, make your company acres. Money for the purchase of both nection with other business and not in liable to pay your debt? You obligated

transaction. The attention of the witness was private speculation." called to an agreement in which it was set forth that shares in the Kamloops Lumber Co. were held in trust by Mr. cate as a forfeit. Dr. Oronhyatekha Fowler for Mr. Foster. Witness said carried out the deal thru Dr. Montathat arose in consequence of his having gue, witness replied. %7,000 was paid to the I.O.F. on inter-

option was never taken up, So far as he knew any surplus funds other directors?" received from the I. O. F. for investment had not been put in any so-called speculative securities by himself "Can or the directors. Some of the surplus funds were invested in the Alexandra lend money which under certain conand St. George's apartments, but those ditions might become forfeited? of surplus I. O. F. funds could regular- Dr. Montague, according to the agreely be made.

the evidence submitted in this case was substantially the same as he had given before the royal commission before the royal commission "It is said that you provoked Mr.

Macdonala's attack upon you by your speech of Oct. 1?" asked Counsel Hellmuth, but Mr. Johnston objected to ship put the question, and Mr. Foster the question.

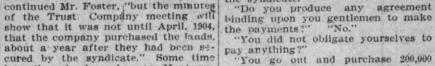
Witness' attention was directed to an editorial in The Globe of Sept. 23. 1908, in which he was criticized for his management of the Union Trust.

Witness said he had seen many edi-torials in The Globe, which seemed to attack his character and personality, aside of his political acts. In consequence of Mr. Macdonald's attitude towards himself, he had challenged Mr. Macdonald to meet him on the

platform. Witness was asked whether he had anything further to say before passing into the hands of opposing coupsel. Mr. Foster explained further his po-sition with regard to the so-cailed blackmailing letters which he said were not blackmailing letters at ail. but we e intended to business appeals to the I. O. 3º. for funds due on stock. Cross-Examination.

WM. MARA, 79 Yonge Street, Toronto. E. F. B. Johnston, K.C., took up the

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lands, were assigned to the Union Trust but you go to the trust company and make them put up the money "We entered into no covenant." "Who were to enjoy the profits?"

Bought for Syndicate.

"The persons who borrowed the "That means Mr. Foster and his col-

"Every man who borrows money "Yes, and every borrower, as a

"Did you ever hear of such another

"I haven't heard of any." "Then you thought that your obli-"The directors of the Trust Com-

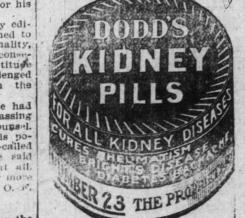
any way connected with the Kamloops transaction. The attention of the witness was

Obligation Without Profit. "If the Union Trust had not entered into the matter, the I.O.F. would have

tion on a block of the shares, in case he wished to dispose of any of them. tion to pay debts of its manager and

"I cannot give you any other an-"Can you tell me why you as manag-"The trust was acting in place of

have been responsible for \$180,000 still due on Carrot land." "I am not lawyer enough to answer.". After lengthy quibbling, his lord-



o get \$150 a month for doing any writduire. The commission was reduced. hystekha's death his cheque was re-he savs, in July, 1934, to 35 per cent., fused him. He claims that \$23 g reing and general work they might rehe savs, in July, 1994, to 35 per cent., and on Nov. 1, 1905, the advertising was discontinued an dhis salary raised to \$250 a month. This was continued was at an end when Dr. Oronhyatekha to \$250 a month. This was continued to \$250 a month. This was continued

till April 1, 1907, but after Dr. Oron- diedfl. The case goes on to-day,