

FRENZIED FINANCE AND THE FORESTERS

THE PLOTTERS

The investigations of the Royal Commission into the conduct of insurance business in Canada two years ago laid bare one of the boldest schemes ever devised by a party of speculators for enriching themselves at the expense of other people and at the risk of other people's money.

This plot becomes of paramount public interest and of tremendous public significance from the fact that the plotters were leading members and ex-members of the Parliament of Canada, men some of whom would be called to Cabinet positions if their party were returned to power, and one of whom would be put in charge of the public money as Minister of Finance. The manner in which they handled the funds of other people which came into their possession must be taken therefore as indicating how they would handle the money of the people of Canada if they were permitted to gain possession of it.

The scheme of these gentlemen was nothing else than to take the money of the Independent Order of Foresters, speculate with it in all manner of risky ventures, and pocket the profits. From the speculator's view-point, it was a splendid game. If the speculation succeeded, he was the winner; if it failed, the Foresters were the losers.

This money came from the premiums paid into the Order by the members on their insurance policies. It was held as a "trust" fund, from which the insurance policies had to be paid as members died. It belonged therefore to the widows and orphans of the Foresters. Upon it they were dependent if the husband and father were taken away. If it were lost, they must suffer. It had been paid in for them. It was held in trust for them. It belonged absolutely to them. No one but they had any right, title or claim to it in any manner or form. No one had any right to use it but for their benefit. Any interest it earned belonged to them, and any of its earnings which were taken by anyone else was so much money taken from them.

In Canada, such moneys are safe-guarded by laws. The Companies or organizations holding them are permitted to invest them only in certain classes of absolutely safe securities. On no condition and in no circumstance is an Insurance Company or an officer of an Insurance Company permitted to speculate with these funds, even to earn profits for the policy-holders, much less to earn profits for himself. The law demands that the first obligation of the Company and its officials is to keep such money absolutely safe for its owners. Speculation of all kinds is strictly forbidden, including land gambling, stock gambling, and every other financial game of chance. Not even in the hope of earning larger interest for the owners of the money has any man a right to invest that money in any kind of a speculative enterprise. Much less has any man a right to invest it in any kind of enterprise, speculative or not, for his own benefit.

Such was the money which these speculative gentlemen wished to use for their own enrichment by gambling in western lands, British Columbia timber limits, saw-mills, and whatever other speculation offered a chance of making gain. Such were the laws by which this money was safe-guarded and withheld from the use to which they would put it. Their problem became therefore how to evade the law and secure control of the money without any restrictions as to how it should be used.