

\$100,000, was divided in such manner that Mr. Foster and his allies held \$48,250 interest; Messrs. Pope and Fowler came in for \$5,000; Dr. Oronhyatekha got \$10,000; and the Union Trust Co. were given \$23,750 stock as bonus for financing the enterprise. Sir John Boyd bought forty shares and paid for them; Mr. Scholfield bought 40, paid half their cost, and was forgiven the balance. This \$6,000 was all the cash put into the concern for stock. Aside from this every cent of the money expended by the Great West came from the Union Trust Company, yet the Union Trust Company was the shareholder which in the end was robbed of its stock, and thus prevented from sharing in the profits on the land.

The Great West Land Company was to all intents and purposes the Foster-McGillivray syndicate, its capital represented their expected profits and its business was to divide these profits among the parties concerned. The members of the syndicate were the executive committee of the Great West Land Company. The purpose for which the Company was formed was to enable Messrs. Foster-McGillivray and Wilson to make their desired profits on the land.

Under this arrangement what was the situation from the standpoint of the Union Trust, and of the Foresters who supplied the money to the Union Trust? It must be remembered that the land had yet to be paid for. The \$700,000 due the C.P.R. must be paid by some one. Who was to do it? The Pope-Fowler syndicate had neither the intention nor the means of doing it. They had not paid for the option out of their own pockets; how then could they pay for the land itself? The newly formed Great West Land Company had no money. Who, then, was expected to supply the money? The Union Trust was the only party in the transaction capable of doing so. It is obvious that from the first the intention was that this Company should extend to the Great West Land Company the generous treatment it had already accorded to the Foster syndicate, and should continue to provide the funds.

And supposing the Union Trust advanced the funds, who became responsible for them to the Union Trust? The Union Trust could take a mortgage on the property, but is it the custom of financial institutions to provide all the funds for an enterprise without security other than that of the enterprise itself? The Union Trust could take stock in the Great West Land Company, but this would be nothing more than receiving a part interest in a concern for which they were supplying all the money. In either case the position resolved itself into this: if the venture proved profitable, the Trust Company would receive back their principal with either interest or dividend; if the venture proved unprofitable, the Trust Company had no one to hold financially responsible, but the Great West Land Company; the Great West Land Company had no assets save its prospective profits; and if the venture were unsuccessful there would be no profits.

This was the way Mr. Foster discharged the trust reposed in him—by perverting the Union Trust from an investment agency of the Foresters' money into a money-lending concern supplying the funds to himself and his friends to carry on their speculations. This was the position into which the Union Trust Company was led that Mr. Foster and his accomplices might make a profit on a huge land transaction, and it was in this position and for this purpose that the Company was made to advance \$980,000. How did this position accord with the purpose for which the Foresters had formed the Company, and put their money in its keeping? Was this an example of "forethought" and "care" that the funds should be absolutely secure, and that they would certainly return a satisfactory profit for those whose welfare members of the order had in mind when they were paying the premiums on their life insurance policies?

## ROBBIN. THE BANKER

When the Great West Land Company was formed it was decided to give the Union Trust Co. a block of stock as a bonus for undertaking to finance the enterprise. Besides this, for the actual cash it advanced the Trust Company