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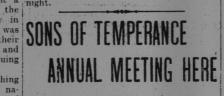
THE SEMI-WEEKLY TELEGRAPH. ST. JOHN, N. B., WEDN Y, OCTOBER 7, 1908

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ing the balance of the subsidy, \$24,500. That memorandum was filed with the deputy provincial secretary and as Mr. Powell produced before the commissioners ropies of some of the papers on file he must have seen this also. The memoran-dum is as follows:— "Memorandum for provincial secretary re 'New Brunswick Coal & Railway. "The subsidy to this road is provided for by the Act 45. Victoria, Chapter 34, and is at the rate of \$3,000 per mile." By the order in council authorizing the

payment on account of the branches of to the \$12,000 paid in respect to the sleep ers furnished for the work done on the second section authority for the payment second section authority for the payment



Dr. Geo. N. Pearson Comes Great Dispute Settled, Men Accepting the Arbitration Award Which They at **First Refused**

> GREAT INFLUENCE BIG VICTORY FOR THE MANAGEMENT

BOMBSHELL

sex, and Says : He Will Do Utmost Men Will Be Taken Back as Vacan-

Montreal, Oct. 4 .- The strike of the Canadian Pacific mechanics, probably the at activity tonight, and the greatest labor dispute that ever occurred by an agreement between Bell Hardy and

Pension Fund.

cies Occur Without Discrimination; Employes Lose Right to Share in

C, P, R, STRIKERS

SURRENDER

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HOW THE FORESTERS' MONEY WAS JUGGLED

Some time in 1903, Mr. Fowler, on behalf of himself, Mr. Irwin and Mr. Mc-Cormick, brought a proposition before the Union Trust Co., to jointly purchase certain limits and mill property in British Columbia. The proposal was that the Union Trust Co. should buy the property and should turn it over to a new company to be formed, in which Messrs. Fowler, Irwin and McCormick should have 49 per cent. and the Union Trust Co. 51 per cent. Eventually, whenever that might be, the three associates were to pay for their

Mr. Fowler claims that he was out-andout owner of the option on the property, and approached the Union Trust simply as a vendor: Mr. Foster, however, avers that Mr. Fowler entered on the negotiations for the purchase of the property for and on behalf of all "those who were ex-

presumably, the Union Trust Company. Whoever may be right, Mr. Fowler obtained from the agent, Mr. Peter Ryan,

on January 26, 1904, two agreements for sale, one of which was to be operative between Ryan and Fowler, and selling the latter the property for \$170,000; the other to be put forward to the Union Trust Co., as the real bargain, proposed to sell him the same property for \$225,000.

The deal went through as arranged; the Trust Co. paid Ryan the \$225,000, and he rebated to Fowler the \$55,000 difference between the agreements, or the greater part of it. From this, Fowler paid Mr. Foster \$2,500, and probably paid him \$7,000. He paid Irwin \$1,000 and Mc-Cormick \$12,000. Steps were then taken to form the Kamloops Lumber Co., the shares being distributed as suggested in the original purchase.

FOWLER ET AL CAME BACK AGAIN

While these negotiations were in progress, another property was offered to complete the estate of the concern, known as the Okanagan Lumber Co. for \$40,000. At the end of 1903, a statement of assets and liabilities had been submitted to the shareholders, showing assets \$65,544.66, stock liabilities \$50,000, other debts \$11,-026.81, leaving profit and loss account at \$2.517.85.

This property in which Fowler, Irwin and McCormick were also interested, it was proposed to turn over to the Kamloops Co. at the moderate price of \$175,-000, and \$42,000 for logs, or a total of \$217,000. And this was what happened, the money being put up by the Union Trust Co. This was divided among Messrs. Fowler, McCormick, Irwin, Hall and Beattie, in what proportion the Royal Commission could not discover.

Practically, the plan worked out that Mr Fowler and his associates unloaded on the Union Trust Co. for \$400,000 property which cost the former owners (\$210,000. The unloading process meant, to a very considerable extent, that they simply turned over their property to the Union Trust at double its cost. The Union Trust put up the money for the whole proposition, but Mr. Fowler and his associates retained 49 per cent. interest in the whole property, for which they were to recoup the Union Trust some time in the future. Meantime, the cash profit on the sale to the Union Trust was about equal to 49 per cent. of the whole transaction. Accepting the statement of Mr. Foster

that Mr. Fowler was really representing the Union Trust Co. and the "others expected to be interested" in the new company, there are several points worthy of note in these transactions.

So What business had Mr. Fowler, while acting as representative of the prospective company in which they were to be jointly interested, to knock down \$55,000 of the Union Trust Co.'s money, or to sell to the company a \$40,000 property for \$175,000?

Mr. Foster received a portion of the \$55,000 rake off. What was this for? Does it support the view that Mr. Foster did not know there was a rake-off? And if he knew this, what was his position in not conveying the information to the Union Trust? Was this the exercise of "forethought" and "care" in the handling of the funds committed to his keep-

GEO. W. FOWLER'S HANDSOME "RAKE OFFS"

