

9

had the option of taking a mortgage on the land or of taking stock in the Land Company. In the minutes of the meeting of the Union Trust Directors the matter is set out thus, presumably, in Mr. Foster's language: "The Union Trust Company is to have the option of taking fully paid-up stock at par for the whole or any part of this advance and interest thereon, and is to receive in addition as a bonus $237\frac{1}{2}$ shares of \$100 each, par value, of the paid-up capital stock of the company."

What other meaning can this have than that the Trust Company was to have $237\frac{1}{2}$ shares stock in any event, and entirely independent of whether stock or mortgage were taken for the cash advanced? The bonus stock was an inducement to the Trust Company to finance the transaction, and was not given on any condition that the Company should take its security in the shape of a mortgage or in the shape of stock.

At the same time a block of 100 paid-up shares of the Great West Land Co. stock was put in the name of Dr. Oronhyatekha. Why this was done has not been made clear, but the evidence of the Chief Ranger was that he believed he held it in trust for either the Union Trust Co. or the Foresters.

Accepting this, the Union Trust, or the Foresters, had a total interest of $337\frac{1}{2}$ shares, or \$33,750, in the stock of the Great West Land Company given them as bonus stock, independent altogether of whether they should take stock to the amount of the money they advanced or should take a mortgage on the land to secure it.

But did the Union Trust or the Foresters get the benefit of this \$33,750 stock? Did they receive any of the dividends on it? Was it sold and the proceeds added to the funds of the Trust Company or of the order? Not at all. When the enterprise began to appear likely to return profits, means were found to dispossess the Union Trust Co. and Dr. Oronhyatekha, and the $337\frac{1}{2}$ shares.

Both the ethics and the courtesy of this chivalrous re-adjustment are reflected in the fact that it took place when Dr. Oronhyatekha was in India and when Mr. Stevenson, a vigilant "outsider" in the Union Trust Directorate, was absent from the country. The transfer of Dr. Oronhyatekha's stock was effected by means of a general power of attorney which he left behind him. That it was done without his sanction and against his wishes is proven by the fact that he wrote Mr. Wilson demanding a re-transfer of his 100 shares—but in vain.

Another significant circumstance is that while the deal is recorded in the minute book as having been discussed at Directors' Meetings said to have been held during November, 1905, there is no signature in the minute book on the 13th and 28th by way of confirmation to the minutes of either alleged meetings, and the directors' attendance book is an absolute blank from November 7th to December 26th, between which dates the deal was consummated.

Mr. Stevenson is credited in minute book with moving the resolution sanctioning the surrender of this stock. He declared flatly on oath, "I say that no such resolution was prepared or offered by me." Colonel Davidson supports him, saying: "The idea of its (the bonus stock) not belonging to the Trust Company has never entered my head." Hon. G. W. Ross did not remember the agreement for the transfer of the bonus stock ever having been before the directors, and thought he would have remembered it, if it had been discussed.

However it may have been accomplished, the fact remains that \$23,750 stock belonging to the company of which Mr. Foster was manager, and \$10,000 stock held in trust by Dr. Oronhyatekha for the Company or for the Order which had formed and financed it was taken from its owners without compensation being given, and was divided among the syndicate of which Mr. Foster was a member, and this was done at meetings of directors at which (if they ever took place) the three men who were transferring this property from the Company to themselves were either one-half or an actual majority of the directors present.

And still Mr. Foster professes to have seen no impropriety, no conflict of interest, no failure of duty, in sitting as Director of the Great West Land Com-