

letter, he states clearly how he regarded the funds and how he intended to use them. "To make our business foundation broad and firm, we should make sure of a generous paid-capital so as to give confidence to our patrons and provide a basis for operations on an active and enterprising scale." The "operations" became "active" and "enterprising" beyond doubt. Again Mr. Foster says, "I can see the elements of a powerful and profitable combination, if we can only bring them together." The elements were duly "brought together" and the "combination" became "powerful" and "profitable" for Mr. Foster and his friends. Just how "powerful" and "profitable" the scheme was for these gentlemen the following chapters will show.

THE MONTAGUE DEAL.

By this piece of manipulation and legal juggling the money held in trust by the Order for the widows and orphans of its members was supposed to be freed from the restrictions of the Insurance law and turned into the coffers of a so-called "Trust" Company, whose policy as proclaimed by its manager was none other than to use the money and permit it to be used, in speculation. And as the sequel proved, the owners of the money were even robbed of their share in the profits of the speculation.

The opportunity thus opened could not but appeal to the hungry speculator. Here was money in plenty, held in charge by a most obliging manager, always ready to collect "rake-offs" himself and always ready to help others to do so — provided they shared the spoils with him. Naturally the Union Trust soon became a "trust" company only in its willingness to "trust" the funds of widows and orphans to land sharks and commercial gamblers.

The speculator soon came. He came often and to good purpose. When he came he usually brought an option; when he departed he took away the cash. In time it came to be understood that the company formed to buy securities for the I.O.F. had become an unfailing fountain for the refreshment of distressed financiers of the Conservative persuasion. This was the next link in the chain, the second step in the evolution of the system. The funds were useless to the "Foster Group" while they remained locked in the vault of the Union Trust. They must be gotten into circulation, and the "Foster Group" were the gentlemen to do it. The modus operandi was usually to sell something the vendor did not own to a syndicate who couldn't pay for it, and then have the syndicate borrow the necessary money from the Union Trust. Usually, too, this meant that the vendor depended on his ability to sell to the Union Trust to keep him above the water when his obligations came due. In no single instance does he appear to have "trusted" in vain. A more obliging concern it would be hard to invent. Very literally these gentlemen bought things "without money" and "without price," and drew their cash profits from the coffers of the Union Trust.

First came Dr. Montague, then Deputy Chief Ranger of the Foresters, formerly Conservative member of Parliament, and Secretary of State, and among the chief orators of the Conservative party. This gentlemen saw the chance of profit from speculating in Manitoba lands, but he had no money with which to buy. This didn't trouble him long however. He took the Supreme Chief Ranger, the Supreme Secretary and Mr. Foster into the deal, and the way became easy. The money was taken from the coffers of the Union Trust.

First 40,960 acres were bought at \$5 per acre, every dollar coming from the pockets of the Foresters. Then 65,280 acres more were purchased for \$322,336, the funds of the Foresters providing every cent. Then another block of 9,920 acres were added for \$52,080, the Foresters providing every cent. In these little deals the safe of the Union Trust was touched for the neat little sum of \$579,216, and the whole invested in Manitoba lands in order that Mr. Foster and his associates might make a "rake-off."