

H.P. sauce
finds that
lost appetite
H.P. contains no
preservatives.

Supreme Court

(Continued from 8th page.)

Blakstad deal. Originally the offer of February, 1921 was an outright sale to the Blakstad Company. It is true that the Blakstad company had not been formed; but at this time it was not a case of retaining the Power and Paper Co. It was a case of killing the Power and Paper Company by selling its assets, and some of the assets of the Blakstad Company to the Blakstad Company, for which Blakstad was to pay the various interests involved, so much cash, so much bonds, and about thirty per cent. of the share capital of the Company to be formed. It was an outright sale which would kill the Products Company.

Now Mr. Conroy informed the court, and Reid personally—this is important, my Lord—he informed Messrs. Parkers and Hammond and Mr. Reid personally that in his considered opinion it would be dangerous to carry out that scheme, because under the contract between the Products Company and the Government, the Products Company was given certain concessions which were not assignable; and so Mr. Conroy consequently suggested that instead of selling the assets to a new company to be formed, that Blakstad should get a certain proportion of the stock of the Products Corporation, and that Reid should get a certain proportion, and that he be given certain bonds of the Products Company.

Mr. Reid did not even know of that, although Mr. Conroy wrote him a letter enclosing a letter to Messrs. Parkers and Hammond. He did not know that under the amended scheme instead of Blakstad taking an option on the lands of the Reid Co., outside of the Humber Valley at \$1.50 an acre, and paying Reid in cash, bonds and shares \$5,830,000.00, of which \$1,200,000.00 was to be shares, that under the amended scheme he was to get \$2,600,000.00 in shares.

Now if this was the way that Mr. H. D. Reid was attending to the interests of his company, that he did not know these facts, is it any wonder that he did not know about the making of this agreement in December, 1919. The whole truth of the matter is that H. D. Reid was not, in December, 1919, sufficiently seriously interested in the Trust. He was completely overcome by his tremendous difficulties in connection with the Railway. He was in a general way interested in this Trust over there that Thomson had formed, and he would be very pleased to have them work for him under options, or under commission, or under any scheme, but the main point in his mind was to get Thomson down here

to help him with the Railway; and we can see throughout the whole correspondence at that time that that was the one paramount desire in his mind, and that the Trust was looked upon as a plaything; and, after all, he did not mind paying them ten per cent. if he got thirty per cent. of the value that he placed on his properties. He would have been satisfied; and I am quite prepared to believe to-day that he has forgotten about this agency agreement, and that R. G. Reid has forgotten about it too.

In the first place, they do not seem to know what an agency is. They certainly do not know what options are. So, I suggest to your Lordship that if it comes down to a choice between saying that Thomson and MacDonald have fabricated the whole of this story, or that the Reids have forgotten it, I submit that the Reids themselves have made it impossible for your Lordship to find that their memory is reliable even on important matters, and this at that time was not an important matter for them.

Now, how did the Trust treat the matter?

After all, we cannot imagine that the Trust at this stage was going to create the agency which had been refused them. What happened when the Reid proposition came up? Did they say to the Reids, "We must have an option"? They were carrying on the Reid negotiations for a month before the question of their remuneration arose at all and then it arose at the investigation of the Reids. They had been carrying on the Reid negotiations for a month—I shall deal with the absurdity of my learned friend's contention about an option on the Humber in a moment—they had been carrying on for a month—that is the Blakstad negotiations; although they had the Humber matter in their hands since March—before there was any question about an option. Now, my learned friends themselves almost in so many words have characterized the personnel of the Trust as being of a comorant disposition. Can one imagine that these men were going to allow these negotiations to be carried on by them under no agreement. It is obvious that we never considered in connection with the Reid that we would have an option. We never asked for one; we never suggested one; and if we had been entitled to one, this comorant like corporation could have made two dollars on an acre on the sale of the Reid Co. outside of the Humber Valley at \$1.50 an acre, and paying Reid in cash, bonds and shares \$5,830,000.00, of which \$1,200,000.00 was to be shares, that under the amended scheme he was to get \$2,600,000.00 in shares.

What happened about the Humber? My learned friend suggests that we were working under an agreement for an option. Of course, the thing is absurd. If your Lordship will look at No. 78 in this volume, J. A. McD. 244, you will see a telegram dated the 24th June, 1920, from Comerfort to Harry Reid, St. John's. We had then been operating the Humber with Blakstad since March. We had been endeavoring to negotiate with Blakstad since

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VANISHING CREAM
The Best Ideal
before applying
Face Powder.
Delicately accom-
panied with
THREE FLOWERS
POWDER

the 20th March, and this is the 24th June.

"Bay Islands. Believe option will be accepted on payment one thousand pounds signing and ten thousand pounds 29th November"

Is that the message of a body that thought it was entitled to an option itself for the purpose of selling at a profit. That is obviously the message of an organization that were acting as agents for the Reids with other parties.

Then look at 77, which is J. A. McD. 247, dated the 30th June: "Humber group consider price excessive stop Water powers of no great value until they have been developed and land and pulp higher than can be purchased Scandinavia stop Mineral townsite and agricultural land problematical value"

Is that the message of an organization that had an option or was seeking an option. The argument is perfectly futile.

That is the evidence of the messages that passed between our principals and ourselves, but here is the message that we sent to Blakstad, No. 90, W.H. G. 19, on the 17th July, 1920:

"Principals Newfoundland anxious discuss Humber with you."
"Principals"—not even Vendors. We indicate that we are acting as agents, and we show throughout the whole correspondence, and it stands out as clearly as possible that we never considered ourselves to be anything but agents for the Reid Company.

Now, as I say, here we had the two most important assets of the Reid Company in our hands, and had them in our hands for months, and there never was a question either from the Reids or from ourselves as to whether we were going to get on option on them—it was never suggested by either party, and the only conclusion we can come to is that at this time neither party—neither the Trust nor Reids—thought we were entitled to an option; and if we were not entitled to an option, then certainly we must have been operating under an agency agreement.

Then there is the famous letter from the Trust, No. 67. That is a letter W.H.G. 16 dated the 25th May, from the Trust to H. D. Reid, dealing with the Humber, in which Greenwood says:

"Over and above the usual percentage for the Trust, we would like you to state what amount"
"Over and above the usual percentage to the Trust" showing that so far as my clients minds were concerned, they were operating under a commission agreement. There is then a very significant matter, which your Lordship will bear in mind. Your Lordship will remember the circumstances under which the action of the directors of the Trust was brought to the attention of the meeting of the Trust—the meeting that we have termed

The "Revolt Meeting,"

and you will remember that so far as this case was concerned, no reference was made to this matter until the cross-examination of Major MacDonald, by my learned friend, Mr. Howley, and at that time he endeavored to have produced and put in evidence some documents which had not been disclosed and as a result of the non-disclosure I objected to the documents going in; but then the matter was pressed so far that I felt compelled to put in the whole correspondence in connection with this.

I have already submitted to your Lordship that we found a very unworthy conspiracy on the part of the Reid Company to stifle this action. We found further a letter sent to Conroy, which has been marked CONC. 59, which is the document that my learned friend produced to Major MacDonald; a letter intimating in a formal manner to the Directors of the Trust that at this meeting to be held in May, they intended to oppose the adoption of the accounts and the election of the retiring directors, and other points upon certain grounds, and one of these points is that the Company was formed virtually to negotiate for the Reid Company the sale of their concessions in Newfoundland at a commission of ten per cent. This is not the only really important thing that I shall have to refer to in this correspondence. The matter was first brought to my attention here, and it had nothing to do with the suit, but the manner in which it was brought up made it essential that I should demand a production of this correspondence; and by this correspondence we find that as early as June, 1922, Mr. Conroy is told by his friends, the preference shareholders in the Newfoundland Banking and Trust Corporation, that they believed that the object of the formation of the Trust was to handle the Reid Co. property at a commission of ten per cent.; and there is no protest from Mr. Conroy when he reads this letter. Where did these men, Cusens and Hudson and Jackson, get the idea that the basis of the formation of the Plaintiff company was a ten per cent. commission on the Reid properties. They had no communication with us, but we know that they were in communication with Conroy, and we know that they were meeting him.

Now, my Lord, you will remember that my learned friend, Mr. Hunt, stated in his opening remarks that he was going to have Mr. Conroy give evidence that he never heard, and the Reid Board of Directors.

(Continued on page 10.)

GEORGE SAYS:



GEORGE SAYS



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