

Charges Affecting Mr. Foster.

MADE OR SUGGESTED BY THE COMMISSION OR BY THE PRESS—WITH THE ANSWERS AND FACTS IN REGARD TO EACH CHARGE

CHARGE No. 1.

That Mr. Foster formed the Union Trust Company and that as its manager he made improper and illegal investments of the Foresters' trust funds.

THE FACTS.

Mr. Foster did not originate the idea of a trust company for the investment of the Foresters' funds, and is in no way responsible therefor. The late Dr. Oronhyatekha, Supreme Chief Ranger; Mr. McGillivray, Supreme Chief Secretary; Mr. Stevenson, Supreme Chief Councillor, and the other members of the Supreme Court of the Foresters made that decision. They then bought up the Provincial Trust Company, expending the Foresters' money for this purpose. Afterwards they sought and obtained a charter for the Union Trust Company to take over the old Provincial company and decided to invest \$2,700,000 of Foresters' funds in the capital stock of the Union Trust Company, which gave the Foresters practical ownership. Next they authorized the investment of the capital stock thus provided in the securities permitted under the charter, and by the laws governing loans and trust companies of Ontario. After this they selected a board of directors and appointed a general manager to carry on the operations of the trust company. Mr. Foster was the general manager appointed, and under the board of directors made the investments of the \$2,700,000 capital stock.

Every dollar of that money was legally invested according to the law of the Province and the charter of the company of which Mr. Foster was manager.

Besides the above named capital investments, the Supreme Court of the Foresters made a contract with the Union Trust Company to invest such of its monthly surplus as the council decided. This surplus, according to the contract, was to be invested only in such securities as are permitted by the Insurance Act.

Every dollar of this surplus was invested by the directors and the general manager in such securities and in no others. The investments were not only legal but they were extremely profitable.