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MONDAY MORNING, JAN. 30, 1888.

The World has the largest circulation of any morning paper in Canada.

A Folly's Crown of Folly.

The Opposition press is criticising the Dominion Government for purchasing presses for their job—and jobbery!—printing office in the United States. Every Canadian printing office, whether private or public, is constrained to buy certain sorts of presses abroad. We have not yet got the length of making them.

But the Opposition critics miss the point. The point is that this expense is being incurred to carry out a cumbersome and complicated scheme of fancy franchise. The inference is that the local Tory organs which secured the printing of the first edition of the voters' lists "socked it to the Government," as the organic custom is, and that Sir John thinks it will be cheaper to have the job and the jobbery done at Ottawa—all under one canvas, as Barnum hath it.

A plain way out of the difficulty could have been found in the adoption of manhood suffrage, and Sir John displayed an unwonted lack of progressive sagacity when he failed to take that way. His failure to do so has and will cost the country hundreds of thousands of dollars that might just as well be saved as not, and his Government job office will be but an additional double for the galled jades of the party press, no matter which party happens to be in power.

The suggestion has been made that The Globe be removed to Ottawa, and set up there with a job printing attachment, so that the Government's opinions and hand bills might both issue from the same press, but Sir John has never shown a disposition to have his leading organs near the throne. Upon the contrary, he has always manifested a desire to keep them at a respectful distance.

But our Liberal contemporaries should quit barking up the wrong tree. This printing office extravagance is the natural offspring of the franchise extravagance—a folly's crown of folly.

For Whom Does It Speak?

Will the Globe kindly tell the public, especially such as make up its readers and supporters, for whom it speaks, and what its relations are to the Reform party?

A Divided Nation—And a Divided Party.

It is well enough known that the great American nation is seriously divided on the question of Protection or Free Trade; also that this question is the leading one of all now agitating the country, and that upon the answer given to it by the majority the result of the election next November must turn. The event of this year is likely to prove one of remarkable importance in American history; still there is nothing unusual in the fact of a nation having parliamentary government dividing on one great issue. It is just what we expect to see wherever there are real political parties, and real political freedom. At the same time we hold that The World is perfectly right in urging that a year in which the Great Republic is, with much toil and trouble, going through the process of settling what its tariff policy is to be, is most emphatically not the year for settling what its tariff relations are to be with Canada. It seems to us that The World struck the nail on the head when it said that up to the present we had been negotiating with a nation—or a government—that does not know its own mind on the question of international trade, which is the very question most affected by the matters now in dispute between the two countries. Once our neighbors have settled who their next President is to be and what their tariff policy is to be—then, we submit, they will be in better trim for making a square agreement of some kind or other with Canada. The peculiar circumstances of 1888 fairly considered, it has appeared to us most likely that the fishery dispute will have to be settled—not this year, but some other year. No sensible man will say that the year of a Presidential election, when statesmen over the border are governed mainly by what will bring votes—or lose them—is a suitable year for treaty negotiations with Canada. In fact, the very worst time to try it, we should say. So don't be astonished should it turn out that the time "can't be did"—as all events not this year.

But if we take a scrutinizing look at matters and things over the border, we may recognize, not merely the familiar spectacle of a great nation divided into two political parties, but also the rare one of a party—and that the ruling party in possession of executive power—to all appearances hopelessly divided against itself on the very issue whereon hangs the result of the present gigantic struggle. At present we cite only one particular indication, but that most significant. The Democratic managers in Congress recently made the rash resolve that among their tariff "reforms" they would include free wool; in other words, that protection to the American wool-growers should be wholly abolished. This they proposed to do in the interest of "the consumer," who would thereby get his clothing cheaper, as they contended. But apparently "the consumer" aforesaid does not set them two cents' worth for their solicitude on his behalf; while the wool producers have suddenly sprung up, an unterrified host, vowing vengeance against any Free Trade fiddle-dee-dee theorizer who would dare interfere with protection to American wool. And already Mr. Mills, chairman of the House Committee of Ways and Means, talks in most despairing tone. "The great stumbling-block in our way is the wool question," he sadly confesses. "It is difficult to say how far the committee will go on that subject. . . . But it is a question in my mind whether *any bill* will be able to run the gauntlet of the present Congress." This, coming from the chief organizer of Free Trade and alleged revenue reform in the House, is significant. Still, he repeats his belief that free wool would be a blessing, "in spite of the howl to the contrary," he adds. Evident enough that there *is* a howl, and that he fears it, too.

Here is another "woolly" sign of the times. Recently a Democratic paper, with more enthusiasm than discretion, made the foolish observation that "the activity of the Republicans in manipulating the sheep-raisers indicates that the shirt they will wear this year will be woolly if not bloody." Whereupon The New York Sun (Protectionist Democrat) thus speaks out:

"But if the chance should be given to the Republicans to raise this woolly shirt, then beyond question it will be the banner of victory. It would stand for the banner of Protection, and the majority that would rally to its support would be too great to justify any prolonged consideration of the chances of the other side."

The Sun rightly estimates the weight and force that must attach to the great wool-growing interest; of which we may say that it largely, though not wholly, coincides with the farming interest. And this powerful interest Mr. Mills has thought he might defy. His party is now the party in executive power; but what the Administration he supports has much to fear from is—the vengeance of Democrats who raise wool. These "sheep-raisers" may prove a dangerous crowd next November. We repeat that the Washington Administration is in no condition this year to settle trade matters with Canada, when the trade question, and none other, is the great issue of the contest now pending, and when on this very question, with all that it implies—the ruling party has not yet made up its mind. Therefore we say: Not this year; some other year. So must it be.

Happy Haldimand.

Haldimand is happy at last. At last she has elected a representative, who stays elected. His majority is not so high as the Alps nor so wide as the Church, but it suffices him.

It was only right and proper that justice should be done in the premises. It matters little to the county—as a county—whether its member be a Tory or a Grit. Barring death, this Government is here to stay out its full term, and a vote more or less is neither here nor there to the Administration, but serious charges had been made, not only against Dr. Montague and his agents, but also against the returning officers, the sworn servants of the Crown, who were alleged to have perjured themselves in the most shameless fashion. Every good citizen will be glad that no such outrages were committed.

The Globe Repudiated in Halton.

Another county has been heard from in repudiation of The Globe's "face the music" policy. The Liberal candidate for Halton, Wm. McLeod of Georgetown, says this in his address to the electors of Halton:

"I am opposed to sudden or extreme changes in the tariff, which I believe could for present purposes be readjusted beneficially for the manufacturer and consumer."

No Commercial Union, no Unrestricted Reciprocity, no direct taxation, no absolute Free Trade, no Globe nonsense for Mr. McLeod. The World congratulates him upon his sagacity, and would like to know what The Globe and The Hamilton Times are going to do about it. What is the good of their preaching a policy which their own candidates are compelled to repudiate at the hustings?

A Methodist Minister.

Although the province is well supplied with Methodist ministers, yet have we no Methodist minister in the Cabinet, and this is the cry that makes Mr. Drury's prospect for the new portfolio of Agriculture very promising. He belongs to that church. Sir John has recently made several appointments for the express purpose of placating that denomination and Mr. Mowat does not wish to be left behind; indeed it is said that a strong intimation has been given here that he had better not pass over their claims.

Bad Banking.

From The Monetary Times.

These things (failures) are bringing to light what has long been expected, namely, that a large amount of rotten trading has been going on in the country for years back. No one can be surprised at this who understands how bad banking fosters rotten trading; and that there has been bad banking everybody knows. There is a close connection between these two—far closer than most people think.

When a bank fails, it is a sign that its customers have been doing a bad business; for, otherwise, they would be in a position to pay the bank, and the bank would be sound. This is clear enough. But it is not so clearly seen that bad bank management supplies the funds with which bad trading is carried on. Now, bad trading injures good traders. Men that are doing an honest and prudent business suffer by the follies and frauds of their neighbors. Bad banking, therefore, injures honest and respectable traders by supplying with funds the impecunious and extravagant schemers, who pretend to be doing an honest business.

Recent bank failures must result in two things: greater care all round in the management and a denial of credit to weak and unnecessary traders. Bank credit and credit for goods have been got too easily, or, rather, both have been given to traders trying to do business in a field already more than supplied. It is therefore in the interest of the banks and their present paying customers to keep others out of business, and to weed out the weak ones as soon as possible. When that is done a healthy and profitable stage will have been reached. The business world of Canada is at present passing through this thinning-out process. There is nothing wrong with "the times," but there has been "over-trading," and consequently a slaughter of the weak is now in process.

Where is Brother Conmee?

The World trusts that it is true that Mr. Conmee, member for Algoma, intends moving in the matter of the development of our mines, that he is now preparing a speech on the subject and that he prefers interrogating the Government as to their intentions. He ought to be backed up by Mr. Lyon, Mr. Murray, Mr. McAndrew, Mr. Bronson and all other members who represent constituencies supposed to be rich in minerals.

The next bank to go into liquidation will be the snow bank.

Louise Michel shows the consistency of her anarchist principles by protesting against the punishment of the man who pistoled her the other day. That's all right. Let the anarchists show their consistency by killing one another, and law-abiding citizens show theirs by hanging the survivors.

The fact that Maxwell, alias Brooks, who admittedly killed Preller in St. Louis three years ago come next April Fool Day, still survives to plead for gubernatorial clemency, suggests that in the United States justice is not only blind but also lame.

A crack in the ceiling of the new and costly legislative chamber at Albany threatens the members of the New York Assembly with annihilation. The contractor who erected the pile got in on the ground floor, "and that was the cause of it."

The Montreal Star says that the Liberal party "will have to be made over." To whom

In an article published in The Varsity Thomas Hodgins, Q.C., shows that the Toronto University Income Fund is legally entitled to interest at the rate of 6 per cent. on the value of the land expropriated by the province as a site for the new parliament buildings. By an act of the old Province of Canada, passed in 1853, the Crown was authorized to expropriate so much of the University lands at the head of College-avenue not required for collegiate purposes, as might be found requisite for parliament buildings, and it was declared that such lands when so expropriated should be vested in the Crown for the public uses of the province. An express condition of such expropriation, however, was that the lands so taken should be properly valued and the interest on the value so ascertained, at 6 per cent. per annum, paid yearly out of the Consolidated Revenue Fund to the credit of the University Income Fund, of which it should form a part.

Mr. Hodgins' contention is held to have much force, and he urges that graduates take up the question and petition the Government to grant to the University what it legally is entitled to.

Secure your seats early at Nordheimer's for Mr. Belford's recital to-night.

The Counties Adopting the Scott Act Should Pay For It.

BERLIN, Jan. 27.—The Waterloo County Council, now in session here, passed by a unanimous vote a memorial protesting against the Ontario Legislature voting public money in aid of the enforcement of the Scott Act, which, the Council holds, should be enforced entirely at the expense of the counties adopting it, and not at all at the expense of the counties under the license law.

THE JUDGE MAKES THE 7th

"PETER'S" DEPARTURE TO WITNESS THE MARDI GRAS FESTIVITIES.

He "Say" Return in a Few Days—Some of the Addresses of the Absent Ones—Broker E. S. Cox's Evidence Before Examiner Evans—A Scene at the Hoffman House Cafe—Mr. Cox at Cleveland.

The events of Saturday in connection with Central Bank affairs was the filing in court of E. S. Cox's evidence taken in private before Special Examiner Evans and the departure from town of Mr. C. K. Humphries (better known as "The Judge"), Mr. Cox's confidential clerk. This swells the number of the departed to seven. "The Judge" told his friends that he was merely going to Buffalo for a trip, and that he would return in a few days. A portion of his baggage is still at Thomas' European Chop House, where he was a guest. The Judge did not, as some of the illustrious gentlemen who helped to wreck the bank, steal away under the cover of night. Like a presumably honest little gentleman, he took the 3.55 Grand Trunk train, which, when on time, leaves the city in broad daylight, for Buffalo the Blest. Several of his friends were at the station to see him off. From the rear steps of the Erie sleeper he waved his elegant, bejeweled, snow-white Italian hand to the little party on the platform and promised to see them later. He said he would probably visit his native New Orleans to attend the mardi gras festivities ere his return. There is a lurking suspicion around town that Mr. Humphries is the mysterious "Peter," mentioned frequently in the cypher despatches that passed between Broker Cox and Cashier Allen prior to the bank's suspension.

The World has these addresses of the absent ones to give:

DAVID BLAIN, Tiffi House, Buffalo.

A. A. ALLEN, West House, Minneapolis, Minn.

E. S. COX, Weddell House, Cleveland. Mr. Cox arrived in Cleveland a week ago Saturday morning.

R. G. I. Barnett and S. Magnus Davis are in New York. Barnett anxiously scans the Toronto arrivals at the hotels, and invariably calls on any of them woo are known as "the boys."

D. Mitchell McDonald, it is said, was seen in Omaha on Friday. He and his family were en route for California.

A Gathering at the Hoffman House, New York.

A party of Toronto merchants and business men were seated in the Hoffman House cafe in New York City Saturday morning. At an adjoining table sat Roland G. I. Barnett, who has played such an important part in Central Bank affairs. The "Wandering Jew" and the Toronto visitors were soon engaged in conversation and the talk naturally turned upon the defunct bank and the men alleged to be responsible for the wreck. Barnett said he could tell quite a story if he was in a position to talk, and endeavored to create the impression that he had not got away with any of the spoil. "Why," he said, "I haven't even got a watch and you know I had one in Toronto."

BROKER E. S. COX AT CLEVELAND.

He Will Return to Toronto as Soon as His Affairs are Straightened Out.

Special Despatch to The World.

CLEVELAND, O., Jan. 29.—E. Strachan Cox, broker, of Toronto, is in this city, and has been stopping here for a few days past under an assumed name. He registered at the Weddell House as "W. D. Darling, Hamilton, Ont.," and was not recognized until this evening, when a local newspaper man, who had met him in Toronto, saw him in the hotel and recognized him. He at first attempted to conceal his identity, but finally gave in. Though at first reluctant to make any statement for publication, Mr. Cox at last unbosomed himself.

The interview was in substance: "Why are you in Cleveland under an assumed name?

"That's easily explained. I knew if I came here and registered as 'E. S. Cox of Toronto' that I would be overwhelmed with reporters and would have no peace or comfort, so I concluded to carry another name for the time being. I came here a week ago Saturday and and shall remain here until my affairs are in such shape that I can form some estimate as to how I stand. I was attending a meeting of the International Baseball Association when the crisis came, and at once wired my head man in Toronto to make an assignment. Then I came to Cleveland. I had nothing to do with the failure of the Central Bank, directly or indirectly, and am not in any way responsible for the suspension of that institution. The published statements have done me a great injustice. My failure was brought about by too great an expansion of my business. I had too many irons in the fire. I lvas been in the brokerage business sixteen years and had nearly fifty exchanges throughout Canada. Then, too, the failure of the Central Bank crippled me."

"Will you return to Canada?"

"Most certainly. Just as soon as my affairs are in such shape as I can do so."

Mr. Cox was very nervous and excited during the interview. He bit his lip and walked up and down the room, trying to control himself. R. W. W.

MR. ROAF AGAIN ON THE STAND.

Letters and Papers Produced By Him—A New York Lawyer's Forewarning.

The Master-in-Ordinary and Mr. Foster worked from 11.30 o'clock on Saturday morning till 3 p.m. to find out what Mr. J. R. Roaf further knew about the Central Bank failure.

When Mr. Roaf mounted the stand the Master said he had been looking over the power of attorney put in by Mr. Roaf some days ago as a proof that he was not relieved from client's privilege. He had concluded that the functions of agent and the functions of solicitor were entirely distinct. Mr. Roaf was at liberty to disclose everything except matters professional. To clinch this Mr. Foster produced a letter from Barnett, written from Detroit, stating that Mr. Roaf was "at liberty to disclose all knowledge you obtained as my solicitor." Mr. Roaf was then examined.

The blue bag, which sat on the Master's left waiting for the decision, was opened, emptied, and a pile of documents were ready for Mr. Foster to dissect. They were a varied collection. There were many letters, one of Barnett's post books, some check books and a rod of James Baxter & Co.'s letter heads.

It appears that Mr. Allen was warned of Barnett's scoundrelly transactions in other quarters only when Barnett had become too heavy a "pull" on him, by some way nobody knows. This letter, written by Samuel G. Barnard, a New York lawyer, should have put Allen on his guard, if he did not already know with what kind of a man he was dealing.

NEW YORK, June 27, 1885.

A. A. Allen, Manager Central Bank, Canada.

It has just come recently to my knowledge that you are a victim in the hands of a notorious person by the name of Roland G. Barnett, who under the guise of friendship and confidence is insidiously working your ruin. I speak in this plain strain so that there may be no mistake. He has some few weeks since cashed a sight draft for $5000 on your bank, honored by you. He has two other drafts of a like amount, which he is now negotiating. Heaven only knows what large sums of money he has had prior from you. This much I know of the scoundrel, that your earlier confidence he is using as a vehicle to extort these large sums of money, which must eventually prove your ruin and disgrace. He is a swindler and a criminal of the most pronounced type, and even now is a fugitive from justice in England. Seargent Butcher of the C. Division, London, having a warrant for his apprehension. It is only the other day that one Fraser, a confederate of his, who, I understand got $2000 from you, got arrested here. Now, I wish to save you from the blackmailer and his harpies, and inasmuch as I am furnished with a full and complete history of his past and present I feel that I shall only be doing my duty in averting the further injury that must necessarily occur to the bank and you. Throw off the yoke at once and relieve yourself from further consequences. Telegraph me immediately on receipt of this letter, as I leave New York on Tuesday evening for the Arlington Hotel, Hot Springs, Ark. Pray do what I suggest and you may depend on my loyal and moral protection.

Allen must have either had great confidence in Barnett, or was obliged by circumstances to submit meekly to the control Barnett had over him, as the letter was never answered, but copied out by Allen and the copy forwarded to Barnett. This letter is the one which was produced in court. Mr. Barnard receiving no reply, wrote to Mr. Blain to the same effect some time after.

Barnett was amazingly importunate. Refusals, blunt and plain, counted zero win him. Here are a couple of Allen's letters to him:

TORONTO, Sept. 13, 1887.

DEAR SIR,—Your favor received. It is impossible for me to comply with your request, and for the reasons given you so often that I am weary of repeating them. A. A. ALLEN.

TORONTO, July 22, 1887.

DEAR SIR,—It is no use; I cannot make the advance. We are putting the screws on to our customers to pay up, and dare not make a dollar of fresh loans. You were unfortunate enough to stumble on the very director who wrote me a letter about you. A. A. ALLEN.

Notwithstanding this, he follows the cashier up the next day with the following epistle:

TORONTO, Aug. 23, 1887.

DEAR SIR: I will hand you a diamond that will nearly cover the amount I am so sorely pressed for, coupled with a note that is good. If you will strain a point to assist me and cash it, you will be serving me. It will save my name. It is an old matter that has cropped up and they will ruin me if they take the proceedings they threaten. Recriminations will not do anybody any good, and I am on the edge of a precipice. Give this your grave consideration and do it for me. I will come over myself with the diamond and note if you will arrange it for me. I have got until to-morrow. Your consent will be received with my sincerest thanks. This is the last but one other in the shape of old dishonored checks on the Central Bank that I have out. I have settled all the others. ROLAND I. G. BARNETT.

Allen is tired of refusing. He returned the letter with these words indicated: "It does not do anything. It is as much as my position is worth. Please do not worry me, as I am greatly perplexed with business to-day."

Neither has any effect on the irrepressible Barnett. He comes out with a new proposal, and makes such a pressing, pitiful appeal that Allen replies:

TORONTO, March 15, 1887.

DEAR SIR—As was stated to you yesterday, it is impossible at present to increase your account with the bank. As you are anxious to embark in business again, and think your prospects are bright, I will, in order to assist you to retrieve yourself, propose that if it is perfectly satisfactory and reasonable to Mr. Roaf, but not otherwise, I will open a special credit for Mr. J. R. Roaf, or his firm, to the extent of $2500 or $3000 for three months (and in any way to interfere with his own account or requirement for the bank) for your benefit, and will execute such assurance or indemnity with him or them such securities as will be satisfactory and save them harmless in case of your failure to pay at end of three months. This will give me a chance to realize upon securities in hand, such as diamonds, etc., to recoup Messrs. R. in case of your failure to come to time. . . .

This advance is made on the understanding that you will give all necessary assistance and information to enable us to benefit or realize on our securities. A. A. A.

The other letters are unimportant.

Mr. Foster put a few questions to Mr. Roaf after the identification of the papers. The crowded court room was eager with expectation, as Mr. Roaf, being Barnett's solicitor, was supposed to know a good deal of Barnett's methods. Mr. Roaf, however, did not seem, from his replies, to be in keeping of any deep secrets. He denied that he ever dictated a letter to his clerk to be addressed to himself. This letter, he said, was written by his clerk at Barnett's direction and sent down to him to present to the president and directors of the Central Bank to show the reasons why Barnett could not come down that day.

In reply to Mr. Foster, he said that Barnett had asked him to try to arrange a new line of credit at the Central for $15,000, but he refused. He did not know that there was an "organized combination to wreck the bank." At least he did not remember using these words. Magnus Davis had met him on the street one day and he understood that there was a combination of brokers formed to "bear" the stock, and spread rumors that the bank was weak. The name was not Solomon Magnus Davis; he thought it was Solomon Magnus.

BROKER E. S. COX'S EXAMINATION.

He Tells About the Deposit Receipts Which Were "Kited" in Montreal.

The examination of Broker E. S. Cox before Mr. George Evans on Jan. 17 was filed in the Master-in-Ordinary's Court on Saturday afternoon and was given to the press. This is the first intimation the public has had of what Mr. Cox said in his examination, as it was in private. He was on the stand for over four hours, and would have been examined further on Jan. 20 but for his leaving the city.

Mr. Cox's examination being a lengthy one, it would fill over a page of The World to give it in full. However, the most important parts of it are printed. Mr. Cox's examination was principally in connection with the deposit receipts that were received from Allen by him and "kited" in Montreal by Baxter. Many of his other dealings with the plundered bank, of course, can only be surmised at for the present.

It was agreed between counsel—Mr. John Bain, Q.C., for Mr. Cox and Mr. W. A. Foster, Q.C., for the liquidators—that nothing but Mr. Cox's connection with the Central Bank would be touched. Mr. Cox said that E. S. Cox and Cox & Co. meant the same thing.

Who is R. J. G. Connor?—He was our agent at Cornwall.

Who is Frank Bond?—Our agent at Montreal.

Who are Baxter & Co.?—Brokers and diamond merchants of Montreal; not our brokers.

How many deposit receipts were issued by the bank to you in July and for what amounts?—They were for $8000, $10,000 and $10,000.

Were they issued by you and to your order?—Yes, to Cox & Co.

Did they represent funds of yours then in the bank?—No.

How did they come to issue?—We had an overdraft on the bank, the bank wanted funds, and issued the deposit receipts.

You say the bank issued them; do you mean the directors or Mr. Allen?—Mr. Allen.

Had you met the board or any members of it in connection with the issuing of them?—No.

Had you a proposition in writing to have them issued?—I may have done so.

How many deposit receipts were issued in July?—$8000, $10,000 and $12,000.

What did you do with these receipts?—I got the money on the $12,000. I borrowed money on the whole three.

Where?—Some in Toronto and some in Montreal.

And they went where?—The $10,000 went into the Molsons Bank in Montreal, the $12,000 into the Quebec Bank here and $8000 into the Ville Marie Bank, Montreal, where it still is.

Who placed them in these banks?—Hugo Block placed the Quebec one—that is the $12,000—and I took a loan for it, but have forgotten exactly what I got.

You received the money from Block, did you, or from the bank?—From Block by check on the Quebec Bank.

What ultimately became of the $12,000?—When it became due it was sent by the Quebec Bank and paid.

Sent to whom?—To the Central Bank and the Central Bank then issued to me two receipts of $6000 each instead of one for $12,000, so that ended the $12,000 then.

Then they issued two slxes instead of a twelve? What is their history?—They are in existence to-day, one in the Quebec Bank and one Dr. Morton holds.

How much cash did the Central Bank get for these?—They either got full amount or very nearly so.

Have you any entries to show how much you paid them?—I don't think I have.

Have you got an entry of the moneys you paid the bank for the $12,000?—There doesn't seem to be any entry in the pass book to show it, but I know we gave him the money for the $12,000 receipt; I can swear to that. We gave them legal tenders or somebody's check.

Any entry in your books to show that you paid that? Where is your cash book?—Don't keep one.

How do you keep a record of your cash?—Keep it in our pocket; if we have any we have it; if we haven't not it we haven't any.

Would you have got it paid to you by check?—Yes

On July 20 you received another deposit receipt?—Yes, sometime in July.

No 247—$8000 and $10,000.

There is no 24l. Is this the other from Mr. Allen?—Yes.

Whose endorsement is on it?—Cox & Co.

What was the occasion and time of your getting that?—The same as the other one.

What are the dates?—The mere dating of the deposit receipt does not show the date on which I got it. The suggestion as to dating them a little back came from Mr. Allen himself, but I cannot say positively.

Did I understand you to say they were all issued at the same time?—I cannot tell you.

One is dated July 5, one 20th, then you received the third one?—Yes, three altogether.

The third one is dated July 30?—I cannot swear to the dates of any of them.

The funds received by you from discount or pledge of these deposit receipts were paid to whom?—To the cashier.

Have you any entry showing their payment?—No. They were paid sometimes by advice by wire from Montreal, otherwise usually in legal tender notes.

Would your bank book not show it?—It does not. I never had a cash book.

You received other deposit receipts. Will you tell us which they were?—You have spoken of three. Three and the two of six, representing the $12,000.

There were two deposit receipts of $6000 each issued by the Central Bank to you, or order, at the same time?—That would be three months afterwards—October some time.

The 19th is the date we have got. Have you any entry respecting them in your book? Is there any letter?—There is an entry on the 19th of my having made use of some receipts with something else, but nothing to show that.

On Oct. 19 there is an entry. What is the entry there?—I had a check of $38,000 that I got from the Central Bank.

What about Dr. Morton?—As a matter of fact that is the $6000 Central Bank receipt.

What does that convey? That you gave or sold the deposit receipt to Dr. Morton?—From that entry on that day I got $3500 from the Doctor and told him to hold that receipt.

It was a collateral to a loan, was it?—Yes. The amount of the loan was $6000. I owed him $3500 more. The other receipts went through Block into the Quebec Bank.

That would be a couple of days before that, wouldn't it?—I have made no memorandum of it.

What became of the second one?—This second one went into Block's through the Quebec.

Did you send it to him direct or to Baxter?—Neither of these went to Baxter.

The second of the $6000 went to Block?—Yes.

What did you receive from Block for it?—I presume I received a check and paid it to Allen either in locals or checks.

Where is the second receipt?—It is still in the Quebec.

Quebec Bank of Toronto?—Yes.

What claim have they on it now?—I don't know what claim the Quebec Bank has on it.

When did you give a demand note for $30,000?—At the time of the issue of these receipts.

Have you ever paid the demand note?—No.

Will you pay it now?—That is a conundrum. You are taking away all chances of paying anything the way you are going on.

Any other deposit receipts issued?—No.

When were the next batch?—Oct. 13.

Any entries relative to those of Oct. 13?—There is no entry to show the receipts.

On Oct. 13 you received certain deposit receipts?—Yes. Four deposit receipts for $10,000.

At that time you had no funds of your own on deposit?—No. To represent the $40,000 we gave them some notes to discount to represent the $40,000 put in the notes to make funds.

Look at your journal on Oct. 13. What is the entry?—No word of Central Bank, but it says: "H. S. Deposit receipts $8123."

Was that one of these deposit receipts received from the bank?—Yes.

Was that one of the four we have been speaking of last?—Yes.

What is the meaning of that entry: "H. S. Mara deposit receipt"?

Mr. Bain—I don't think you have anything to do with Mara.

Mr. Foster—If that was one of the deposit receipts of the bank I have to do with Mara.

Mr. Bain—I don't think you have. It is dealing with something that has ceased to be the property of the bank.

Mr. Foster—It is a security issued to them for a specific purpose.

Mr. Bain—It has ceased to be the property of the bank. He has told you distinctly there were promissory notes put in and discounted for the purpose of meeting that.

Mr. Foster—I know they were not discounted.

Witness—They were discounted as far as we are concerned.

Mr. Foster—In the meantime. Here are the deposit receipts. This is a deposit receipt of one of the four last issued. I ask him what is the signification of these four last entries?

Mr. Bain—If you have any explanation to give you can give it.

Witness—All right; that represents a loan from Mara on a deposit receipt of $10,000 on the Central Bank.

How much did you get on the loan?—I see I have marked here $8423.

Where is that receipt?—I don't think it is out.

When did you last hear of Mara?—Not much afterwards. Mara came to me and wanted me to take the receipt away, although he made it for three months.

What did you do?—I saw Mr. Allen, told him Mara had heard something about the bank and wanted the receipt paid. Allen told me to tell Mara to send the receipt in and he would pay it.

How was it paid?—I gave two checks for it, one for $6000 and one for $6000. Gave them to Mara and sent Allen a deposit receipt.

That is one deposit receipt. How much of the $10,000 did the bank get—The bank had a claim against for these deposit receipts, so there was no money passed.

The bank had a discount of what?—$40,000; enough to represent the receipts.

Whose notes or whose security?—Leonard and Jas. Baxter & Co.

These notes were sent by you to Allen?—Yes.

Were they discounted?—We got the deposit receipts for them.

Does your bank book show any discount of these notes? No.

Was this transaction Baxter's or yours, getting these deposit receipts?—I was the go-between between Allen and Baxter.

Had you an arrangement with Baxter as to the disposition to be made of these receipts when got?—I presume I was to send the receipts to him.

What were the terms of your arrangement?—No arrangement at that time at all.

You received the notes?—Yes.

They were not yours?—No.

You were going to discount them?—Yes.

And to discount them with the object of getting those deposit receipts?—Or cash.

Was there any arrangement then or arrangement subsequently?—I don't know whether you call it an arrangement or not, but I kept half the receipts.

There is a letter to Baxter dated Oct. 15—Does that letter relate to the receipts?—Yes, you shall divide up the proceeds of those receipts?

Mr. Bain—Decline to answer that.

Witness—No, it does not.

Did Baxter procure the cashing of any of these deposit receipts in Montreal? Did he procure cash on the strength of them?—I don't know.

You don't know whether he procured cash, but do you know what he did with them?—No.

Did you enclose any of them to him?—I gave them to him.

In Toronto?—Yes.

He was present here in Toronto, and you gave how many of them to him?—Two.

For $10,000 each?—Yes.

And you retained two yourself?—Yes.

Had you any arrangement as to their disposal with him?—No.

Had you any arrangement as to the mode in which you should divide up? You had got $40,000 of bank securities, was there any arrangement how you should divide up?—Divide up what?

Divide up the fictitious security?—There were no fictitious receipts that I know of.

Deposit receipts for $40,000? Had you $10,000 there at the time these receipts were issued?—Yes.

Of your own money?—Yes.

You mean to assert that on that date, Oct. 13, you had $40,000 of your own there as this certificate purported to show?—In notes.

Do you know what the state of your account was at that time?—No.

Now let us hear what became of those receipts—these four?—Baxter had two and I had two.

What became of his two?—I don't know, but I know they afterwards got back to the bank.

Do you know what Baxter did with his two receipts? I know you did—When?

At any time?

Mr. Bain—You need not answer.

Witness—I decline to answer.

Did Baxter get three of these receipts?—He had three of them at one time.

When?—Not when they were first got.

Where did he get the three?—Three of them from me.

I thought you said he kept two and you two?—So I did at first.

Then da got another one?—Yes.

How long after the first occasion?—A month or two months.

Did you get the proceeds of that?—No.

Just handed it over to him?—Yes.

Without receiving anything for it?—Yes.

Do you know what he did with them?—No.

Did they ever come back to your hands?—One of them did.

How long after?—Shortly before the bank's suspension.

What did you do with the one that came back to you?—Gave it to Mr. Allen.

What did you receive for it?—He gave me some bills and I brought back the receipt.

How much did he give you?—$20,000.

For this one?—No; I wired him $7000 through the Bank of Montreal from Montreal.

When?—He gave me the bills one day and I went to Montreal with them. You asked me about the $10,000 receipt, when I gave it to him and what I got shortly before the suspension; he gave me $20,000 in bank bills, which I took to Montreal, loaned him $7000 in legal tenders and brought him back $10,000 deposit receipt and gave him a draft on Baxter for $3000.

Is that draft paid?—I don't know. We have thrown that receipt back to Allen.

To the bank?—Yes.

What became of the other receipts?—Baxter had them.

And you paid one to Allen?—Yes.

What passed relative to them?—Mr. Allen was anxious to get the receipts up.

What did he give you to give them over to him?—He didn't give me anything.

How much did he give Baxter?—He gave Baxter three two Kortosk notes; promised to give me $10,000 note—a demand note—and cushed a check that had been marked some time before for $6000. Then the last two receipts were given over to Allen.

Was that done by Baxter or by you?—By Baxter; I hadn't them at all.

You received, did you not, some Central Bank bills?—Yes, I just now mentioned that I received $20,000.

What date would that be?—I cannot tell the date, shortly before the failure of the bank.

You received bank bills on two occasions?—Yes.

One was Nov. 9? Was that the $20,000?—That was the $10,000. The $10,000 was after the $20,000, I think.

How long before Nov. 9 would the receipt of the $20,000 have taken place?—Not many days.

Have you got any entry of it in your books?—Not if it is in November, unless there is a letter to show it was the $10,000 or $20,000 first.

The 9th was the $10,000?—No, the 9th was the $20,000.

You received the $20,000 mentioned in Central Bank bills?—Yes.

On Nov. 9 see you received some more, $10,000?—$10,000.

That is your check for $10,000?—Yes.

Did you return this deposit receipt of $10,000?—No.

Why not?—Instead I wired him $3000 from Montreal.

Anything to show that on your books?—I can't see any memo. of it.

What about the rest?—I am a little hazy as to how I fixed that up, whether I gave a draft on Baxter in part and the remainder in cash, or how it was done.

On Nov. 9 were there one or two receipts in Baxter's hands?—Two.

Was there any arrangement by which this money was being shovel?—No.

You got Central Bank bills?—Yes, ordinary bills.

Where did you circulate them?—In Toronto in the ordinary way.

Were there any bills received by you that were not circulated?—No.

Were you asked on any of these occasions to procure legal tenders for the bank?—No.

The next day, Nov. 15, you gave another check for $2000 which was cashed and you got the bills—Yes, but we deposited $2000 in legal tenders.

How is it you stopped making entries in your diary at this interesting date?—I must have left it behind; I didn't have anything to say after Oct. 12.

You made no entries about these moneys?—No.

Did you ever have any documents in your hands which were of particular interest to Mr. Allen?—Yes, I believe I had.

What did they purport to be?—Letters and documents of Allen's.

Where did you get them?—From Baxter of Montreal.

With what object did he give them to you?—To give back to Mr. Allen.

Were they given back to him?—Yes.

Had Allen had refused to take back letters?—I never read them.

Had they any relation to the indebtedness?—I believe they had.

Do you know?—I don't know of my own knowledge.

Did you personally hand them to Mr. Allen?—Yes.

Was Baxter present at the time?—No.

Had Baxter left word with you what had been done?—He gave them to me to hand to Allen.

When was this? When were they handed over?—In October some time. The same day I got the last deposit receipts.

Were the deposit receipts given before the documents were handed over?—Yes.

Was it one parcel?—The letters?

Whatever you gave to Allen? The documents.—I don't think it was all made up in one parcel.

Do you know what became of those documents afterwards?—No.

Have you ever seen them since?—No.

Did you hear when you were in Kingston the something became of them?—No.

I ask you did you ever hear?—No I never did after Allen got them.

Did Baxter ever tell you that if these letters or documents were held out to Allen as a warning that he would give bills or deposit receipts?—No.

Did Baxter attempt to get at these bills?—Which bills?

Did you get bank notes, owing to the fact that Allen had refused to issue deposit receipts to you?—No.

Mr. Bain—You need not state anything that took place between you and Mr. Baxter with regard to anything that was in your own possession.

Mr. Foster—I am entitled to examine him here on all matters touching the bank's estate and effects.

Did you ever receive any money from the bank to buy stock with?—I have just mentioned a little money to pay for stock that I bought; just a small amount.

That is after you purchased stock you received money?—Yes.

Can you tell me what amount of stock was purchased in this way?—Under fifty shares. I think.

What became of the shares?—Of course I handled a great many more Central Bank stocks than that.

Who offered to let you have the bank funds to buy stock with?—The stock was very low, and I would tell Allen just what it was on the market, and if he had money he said he would buy it if he could spare the money, but he couldn't spare the money.

According to the face of the books you owe them about $174,000?—I don't know, I haven't made this up yet.

After the bank suspended you got some funds didn't you?—Are you referring to the $7500?

You did get a check of yours negotiated?—You had better let me explain it. One day, being pressed a little hard for legal tenders, Mr. Allen told me I must go and get him some legals and he says Here is $2000 odd debentures. Go and get a loan; and I borrowed $7000 from the Imperial Bank and gave Mr. Allen the legals, $7500. After the bank suspended it turned out that these debentures were deposited with the banks as collateral, and I went down and Mr. Allen and Mr. Campbell gave me the $7500, and with the clerk of the bank we walked over to the Imperial Bank and paid the loan and brought back his bond.

There is a person named in your diary as "Mike" in reference to Central Bank matters. Who is "Mike"?—He is not named in reference to Central Bank matters.

Who is A. E. O.?—My wife.

Do you know S. Magnus Davis?—I have met him six or seven times.

Do you know Barnett?—I have seen him at the baseball grounds,