

that no charge of compounding had been made against it.

It may be argued, with no little force, that the bank, in delaying prosecution to as late a date as it did, was prompted only by motives of prudence and propriety; that the only desire on its part was to rescue what money it could, and limit, as much as possible, the disastrous effects resulting from the Montreal Cold Storage & Freezing Company becoming insolvent.

Further than that, the bank authorities claimed to have taken all the necessary precautions in order that those, whom they believed to be guilty, should not escape them, during the period of their special surveillance; and it must be admitted that no one did escape during that time.

To delay prosecution for prudential reasons, especially when those reasons are public and politic, cannot be looked upon as a compounding.

Had the bank prosecuted at the very outset, upon the discovery of the frauds, a much greater disaster might have befallen the creditors and might, perhaps, have seriously affected the whole butter and cheese exportation business at Montreal.

This question of compounding also arose when the local manager of the Merchants' Bank of Canada, one of the witnesses, was being examined. This bank had advanced \$10,000.00 on discounts for the Montreal Cold Storage & Freezing Company, and \$100,000.00 on bills of exchange drawn on the Croil & McCullough Dairy Company.

These transactions were superintended by McGillis. The bank took the warehouse receipts on trust and did not investigate as to their veracity, or see to the whereabouts of the goods.

The receipts turned out to be fraudulent, but