

them. I made nothing out of the 50 cents on the dollar—not at that time.

Q—Have you made money out of it since?

A—No; I did not make money out of them.

Q—Then you were in just as bad a position on the 20th of May as you were on the 20th of June?

A—I think so.

Q—On the 20th of June you were only able to pay 50 cents on the dollar? A—Yes.

Q—Then your position was the same on the 20th of May?

A—Practically the same.

Q—So really on the 20th of May your real position was the same as on the 20th of June; you were really insolvent, and only able to pay 50 cents on the dollar?

A—If they had all signed I could have got along.

Q—If they had all signed you could have made a lot of money?

A—They did not all sign. Those who did not sign issued writs, and made a good deal of expense to me.

Q—Was the whole expense \$1,000?

A—There was some \$1,000 of assets.

Q—That would show less than 60 cents on the liabilities?

A—I don't know.

Q—You could only pay 60 cents? A—Yes.

Q—So there was 40 cents short? A—Yes.

Q—So on the 20th of May when you bought the goods from Mackedie, you were short 40 cents; short quite a bit?

A—I bought so little, it did not amount to anything.

Q—You bought \$400 from Mackedie, \$300 from Hamilton, and some from others? A—Yes.

Q—They do not amount to much to you, at 50 cents on the dollar, but they amount to a good deal to the creditors?

A—I do not know.

Q—Your assets that were good and available were not equal to meeting your liabilities?

A—I could not collect some.

Q—You were insolvent as much on the 20th of May as you were on the 20th of June?

A—I did not consider myself insolvent.

Q—Were you insolvent on the 20th of June? A—No.

Q—When you made assignment you were not insolvent?

A—I did not consider it so.

Q—You had assets enough to pay in full?

A—If they would give me time, yes.

Q—You had a year's time to realize?

A—Yes, and you have an idea how much you can collect inside of a year.

Q—Will you tell me, did you have an idea, on the 20th of May, when you bought the goods from Hamilton, you were in a different position from the 20th of June? A—No.

Q—On the 20th of May you bought the goods? A—Yes.

Q—You knew your position. A—Yes.

Q—You knew there were a lot of bad accounts in the statement? A—Yes.

Q—And that is the reason you had not bought many goods for some time?

A—I bought a few hundreds, but I could have bought a good many thousands; that is from the 20th of February to the 20th of May, that is six months.

Q—That is not six months?

A—It is longer than thirty days; this statement was made in January, right after we took stock, after the holidays.

Q—You made up stock on the 20th of February?

A—Well, it might be.

Q—Was it January when you took stock?

A—I don't know; I think it was January. I might have made that document on the 20th of February; it would be taken off the original; that is a copy.

Q—Copied by you? A—I don't know.

Q—You have got the exact date there, 20th of February, 1895, stock list, and that is repeated in a great many places?

A—I don't know; it might have been dated from what I was taking it from.

Q—Now, you ought to have known your position on the 20th of May? A—I did know it.

Q—Well, if you knew your position on the 20th of May, it was rather hard on Mr. Hamilton you should go and buy goods from him then, and offer him 50 cents on the dollar in four weeks? A—Well it was hard.

Q—You would think it hard if a man bought goods in your store and turned up in a month afterwards and offered you 50 cents on the dollar?

A—It would depend on circumstances.

Q—Had he not had any loss in the meantime, would you think that square? A—It would depend on circumstances.

Q—Would you think that square?

A—It was the best thing I could do.

Q—Supposing a man came into your store, and bought \$400 of goods on credit on the 20th of May, and he turned up to you showing a deficiency of \$7,000 on the 20th of June, and offered you 50 cents on the dollar, would you think that was honest?

A—That would depend on circumstances.

Q—Would you consider it honest?

A—I cannot say; I have had to take nothing lots of times.

Q—Would you think a man who had taken stock in the previous February ought to know his position?

A—I did know it.

Q—Then you did know you were insolvent?

A—I did not know I was insolvent; I had stock there, and if I could collect all that was due me I was not insolvent.

Q—You knew your position as much in May as in June?

A—Yes.

Q—You knew there were a whole lot of these bad debts that ought to have been written off?

A—No; some of the bad debts I did not take stock of.

Q—A month after you bought the goods you were offering them 50 cents on the dollar. "I understand a further or additional 5 cents in the dollar is added to quiet some of the rebellious creditors—and of these there is quite a number?"

A—That is so.

Q—He bought these goods on the 20th of May, though he must have known he was insolvent. Not much crime about that; more truth than poetry in that; on the 20th of May you were buying goods, and on the 20th of June you were offering 50 cents on the dollar?

A—It I had been working on the principle you mean, I might as well have bought thousands.

Q—You must have known you were insolvent. Any sane man would know that? A—No, sir.

Q—"But that did not deter him from buying plenteously?"

A—I did not.

Q—"He went home, having made a big splurge, and within a month made the assignment, showing assets of a little over \$13,000, and liabilities of over \$18,000?"

A—I showed a statement then.

Q—Mr. Falls, your friend, showed a big deficiency?

A—His statement showed a deficiency.

Q—How much deficiency did he show?

A—I do not know exactly.

Q—As near as you can tell me?

A—The way he calculated the accounts, instead of making \$8,000 or \$9,000, as I did, he only valued them at twelve or thirteen hundred dollars.

Q—The result of which was to show a deficiency of how much? A—\$2,000 or \$3,000.

Q—That \$5,000 deficiency in so short a time does not sit heavy on you; \$5,000 is the deficiency, isn't it?

A—Well, the difference in the book debts would make it.

Q—Did Mr. Falls' statement show a deficiency of \$5,000?

A—Yes; that is Mr. Falls' statement. Exhibit 9.

Q—So, on the 20th of June, adding up the book debts and stock, there was \$5,000 behind? A—Yes.

Q—Do you think it was an awful crime for THE MONETARY TIMES to say that one month or so before, when you bought those goods, you must have known you were insolvent?

A—I bought no goods of any account in May.

Q—Did you buy goods?

A—Yes; but I bought so little, just a small parcel from Mackedie.

Q—Don't you think it is as much a wrong to wrong Mr. Hamilton out of \$300 as out of \$3,000? You want big damages out of THE MONETARY TIMES for making what you admit to have been a true statement? A—I don't know.

Q—Don't you think the paper was but expressing the truth when it is said, on your own statements, that you ought to have known your position on the 20th of May, when you bought those goods from Hamilton?

A—I did know it; that is the reason I went down to get an extension of time; I did not go to buy goods.

Q—"He went home, having made a big splurge, and within a month made the assignment—showing assets of a little over \$13,000, and liabilities of over \$18,000?"

A—That is the statement; instead of taking my book accounts as I put them, at \$8,000 or \$9,000, Mr. Falls put them in at \$1,200 or \$1,300.

Q—Was that a correct statement of all they were worth?

A—It was correct as far as I knew. I have collected thousands of dollars out of those accounts since.

Q—And your friend Falls put in a statement showing they were only worth \$1,200? A—Yes.

Q—And on that you made a settlement of 50 cents on the dollar? A—Yes.

Q—And since that you say you have collected thousands of dollars of these accounts?

A—Yes; I have collected \$1,000; probably from \$1,500 to \$2,000.

Q—So you have done pretty well out of your creditors, after all. I thought so? A—That is all right.

Q—Now, THE MONETARY TIMES asked what I think a very reasonable question: "Where has the \$8,000 surplus claimed in February gone? And where is the shortage accounted for?" You knew that THE MONETARY TIMES was a commercial organ? It is supposed to be published for the protection of the trade more or less? A—I presume so.

Q—It is necessary to have some paper that speaks out in meeting, and tells the truth once in a while, isn't it?

A—Yes; but not to tell lies.

Q—Well, we have had no lies in the paper so far.

Q—"Now, it is strange that the creditors should so willingly accept the 50 or 55 cents on the dollar offered, just to save a few extra cents for themselves, rather than order the trustee to wind up the estate and expose a discreditable failure. It is a premium on dishonesty, and our wholesalers, guided by prominent solicitors, are acting in a way anything but just to themselves, and are grossly injuring the welfare of the best class of our retail merchants throughout the country." Very hard on the other retail merchants, who are paying 100 cents on the dollar to be compelled to compete with a man paying 50 or 55 cents on the dollar?

A—I know what it is; I have been there.