THE TORONTO WORLD

A One-cent Morning Newspaper.

OFFICE: 12 MELINDA-STREET, TORONTO.
W. F. MACLEAN, Publisher.

SUBSCRIPTION RATES.

One Year . . . $5.00 | Four Months . . . $1.00
Six Months . . . 2.50 | One Month . . . 25

No charge for city delivery or postage.
Subscriptions payable in advance.

ADVERTISING RATES.

FOR EACH LINE OF AGATE TYPE.

Ordinary advertisements, fifteen cents per line
Financial statements, twenty cents per line.
Condensed advertisements, one cent a word. Deaths, marriages and births, 25 cents.
Special rates for contract advertisements or reading notices and for preferred position.
The World's Telephone Call is 523.

MONDAY MORNING, FEB. 6, 1888.

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

Whither They Are Drifting.

It is not permitted us to get behind the scenes and to see, or to hear, what is going on among the Commissioners at Washington. Nevertheless hints do drop out now and then, which may give us a fair idea of whither they are drifting and what the immediate result of their labors is likely to be. First, the oft-repeated prophecy that the Commission would break up without effecting anything at all does not seem to be in the way of fulfilment. For recent indications favor very much the belief that *something* of considerable importance is actually being done, although what exactly it is remains to be seen. Meantime Canadians may feel entitled to make what use they can of the immortal Yankee privilege of guessing.

We still stick to the belief, frequently expressed in The World before, that no treaty as to tariff matters, which would require ratification by the Senate of the United States, will be forthcoming *this year*. The Washington administration is not likely at this time to shoulder the tremendous risk of facing the American electorate the year of a Presidential contest, with any such load as that to carry. What the President and his advisers will probably try, however, is to do what executive power suffices for within the limits of the constitution. In the way of controlling legislation they will feel that the task of getting a tariff bill through Congress is quite enough for their strength; and that to attempt a treaty with Canada the same year would be madness.

From remarks made by some American papers that are likely to have as good information as is going, we should infer that some part of the fishery difficulty will be submitted to arbitration. Also that some temporary arrangement to meet the immediate needs of the present year, will be made for getting along in the meantime. The main points of dispute in the fishery question referred to arbitration, with a temporary agreement to work upon until a final settlement be reached—that appears to be what we are coming to. And one thing more has to be added—Commercial Union indefinitely postponed. Canada will gain rather than lose by the delay; for, as The World has always contended, "time is on our side." Once our neighbors have elected their president, and have settled their tariff policy, we shall know better whither we are drifting ourselves.

Opinion of Commercial Union in the Northwest.

The Regina Leader has lately published some vigorous articles by Mr. Davin, in which the whole subject of Mr. Wiman's plot is thoroughly discussed, the amounts of trade between Canada and other countries for many years quoted in full, and the conclusion impressed on the mind of the reader that Canada would have nothing to gain by Commercial Union with the States, but would, on the contrary, have much to lose, and would infallibly lose it. There is no necessity for us quoting the whole of the arguments, for Commercial Union is so very dead down here that its friends, instead of weeping over its grave, are trying to look as if they had never been introduced to it at all. Even The Globe, which was the very Orestes to this defunct Pylades, has never heard of such an individual. It does, indeed, allow that it has seen a young man named Unrestricted Reciprocity, who was thought to resemble the other; but it has very little to say about even him, and soon will not know him when it meets him. A quotation, however, which Mr. Davin makes we reproduce, as it gives decided and official contradiction to the statement that the opportunity of sharing the American farmer's opportunities of selling would benefit Canadian farmers. The farmers of New York State, certainly, have all the chance there is, yet the report of the Washington Department of Agriculture says of them:

On the whole farmers are more in debt than they were ten years ago. There are a large number of farms which were purchased a few years ago and mortgaged, which now would not sell for more than the face of the mortgages, owing to *the depreciation of the farming lands which, on an average, is fully 33 per cent. in ten years.* Probably one-third of the farms in the state would not sell for more than the cost of the buildings and other improvements, owing to this shrinkage.

Let Us Look to Washington.

We think that Canadians would do well to keep looking a good deal to Washington this year, but not in the way favored by our Commercial Unionists. Be it observed that this will surely be a great year—a particular extra year—with our neighbors. Some few weeks ere its last chimes have struck the popular vote will have decided whether Protection or Free Trade is to be the policy of the great Republic. It is not for a moment to be doubted that what spasms of life are exhibited by the Free Trade party in Canada these days, have been galvanized into it by certain "great expectations" of a triumph for their cause over the border. Why, they have drawn more aid and comfort from President Cleveland's last message than anything else that has turned up, anywhere the world over, in seven years. But we would counsel them that they are in too great hurry jumping at probabilities. They had better moderate their transports. From their point of view the message is orthodox enough: so Henry George, that genuine and uncompromising Free Trader, has testified. But what are the people of the United States going to do about it? Well, that depends—considerably.

In the meantime Canadians need not be in any particular hurry to change their own system, adopted nine years ago, until they see how the trade and tariff question is decided over the border. Experience teaches, so runs the old saying, but it is wise to remember that *our own* experience is apt to be a costly acquisition sometimes. Whereas the experience of our neighbors comes to us cheap—costs us nothing at all in fact but the trouble of picking it up. And if we only have the wit to learn by American experience we may "look to Washington" to some purpose. Meanwhile we had better do no more tariff-tinkering of our own than the exigencies of the occasion absolutely require. Even The Mail's question as to free raw materials had better be let alone for the present.

A Big Boycott Begun.

The Knights of Labor and the American Federation of Labor have joined in a pretty extensive boycott against the brewers of Milwaukee. In a manifesto recently issued Samuel Gompers, president of the latter institution, says that these employers, after amassing colossal fortunes out of their business, refuse to pay living wages, insist that the working man shall toil every day in the week—Sundays included—and sever their connection with the union. The boss brewers have things all their own way in Milwaukee at present, and all the beer turned out there is made by non-union labor. Therefore working men and sympathizers with labor are asked to buy no Milwaukee beer until the brewers of that city have come to terms, and have done justice to their men. This looks like a test case and ought to show what can be done with a boycott when it is tried. As to the wages paid by the Milwaukee brewers we know nothing; but we hold that the men are incontestably right in resisting the attempt to deprive them of Sunday and compel them to work seven days in the week.

Priest and Peer.

Speaking of the success of the Roman propaganda amongst the wealthy and titled class The Quarterly Review gives the composition of the House of Lords. It consists of some 540 members and there are 78 Scotch and Irish peers who do not sit there, making about 620 in round numbers. But the total of Roman Catholic peers is no more than 40, of whom 27 belong to hereditary Roman Catholic families, leaving only 13 converts. Two heirs to peerages are also converts; but on the other hand the heirs of three convert peers are not Roman Catholics, so that the total number shows no sign of increase.

And here comes in the consideration that the measure of success actually attained among the higher classes has been due, where the conversions have not been spontaneous, to the efforts of the convert clergy—one of the most active of whom as a proselytiser won the title of "Apostle of the Genteels"—(Mgr. Capel) whose personal refinement and culture, contrasting with the habits of the much humbler Roman clergy of Irish or foreign extraction, made them acceptable and influential.

But, as the older convert clergy rapidly die out, there are no means of supplying their place, for the newer converts are both scanty in number and of exceedingly poor quality, so that the tone and level of the Anglo-Roman clergy are, from the social and intellectual standpoint, steadily deteriorating; and they are becoming even less in touch with the nation than heretofore, as well as less capable of winning educated converts, or keeping a hold on those already obtained.

The authorities of the Roman Church are fully alive to the seriousness and imminence of this peril, but are unable to devise any means of averting it. Nor indeed is it possible that they should, for, to cite but one instance, it is plain that nothing can compensate for the loss of prestige which must follow on the disappearance of Cardinal Newman's unique personality from the scene, whenever that event takes place. The mere fact that he is a Roman Catholic, and a zealous one, has been for more than forty years the most powerful argument adduced on the Roman side, so far as a large section of educated persons are concerned. But this attraction is already half traditional, continuing chiefly amongst those who themselves came under the personal influence of John Henry Newman in his Oxford days, or have talked familiarly with his old disciples, and it cannot in the nature of things be permanent.

Forestry Throughout the Dominion.

BY R. W. PHIPPS.

I observed in some editorial columns some days since a word to the effect that the Dakota windstorms and their terribly fatal consequences, show the need of forestry in that district, and I would like somewhat to broaden the application. In all our own provinces, from ocean to ocean, there is great need of active exertion in this matter.

When the French Revolution liberated the peasants almost their first act was to ignorantly attack the forests. They thought to assist agriculture by extending its area; but the exact reverse occurred, and many thousands of fields almost lost their power of production. When order regained its sway measures for replanting were at once found necessary, and the evil is long since remedied. We should remember that a population from Europe, by their actions not much better informed, have since then seized and almost utterly destroyed many of the noblest forests of America, and with the same results.

We grow more food, but at what a cost! Our men and our machinery are multiplied, but where is the ancient fertility of the land? The St. Lawrence valley is no longer a wheat granary; even the Genesee brand is now scarcely heard of. It will be found that the West will follow the same road. I traveled through the Prairie States thirty-two years ago, and again two years since. The soil had not its former life; they were doing as they have done in the East, drying it to death. They could not cut down forests, but they could and did change the great surface of flowering prairie grass into ploughed surfaces, and dried up the wooded swamps, with the same effect.

Therein is found the value of a system of permanent proprietorship, which places under one control the wood, water and cultivable land of a number of farms. Under this, the small area of England produces infinitely more, supports from its own fields a more numerous population than do much larger areas in America, where one or two hundred acres are owned by each individual. The estate owner thinks of transmitting it in unimpaired beauty and productiveness to his children. On the other hand the small farms of America have been by the thousand bought, used and sold by cultivators who simply meant to use them for a term and sell them.

It is noticeable, by those who are curious concerning those facts which, slightly passed over by historians, have yet had much to do with the progress of nations, that at the time of the Commonwealth there were very many small landed proprietors in Britain. There must also have been a careless destruction of timber, for it was this which provoked the powerful criticism and advice of Evelyn, to which, it was said, Nelson owed the oaks which built his fleets. Since then the land has been rearranged in far larger holdings, and a very large amount of replanting has been done there, which has greatly aided to preserve the fertility of the farms.

In America it is the duty of governments, whether general or provincial, being large landholders, to aid in this matter. It is a matter in which it is necessary to hold out some inducement to, or, where possible, exercise some authority over, the small proprietor, who is not so easily moved to work which will benefit him or the community in ten years as to do something which will extract more money from the soil at once. Besides, there is ever the temptation to say, "True, a proportion of forest is valuable to the farm, I hope my neighbors will keep enough for both of us." Yet if all or a large majority calculate thus, surely the next generation will have many a barren farm on its hands.

Throughout our whole Dominion efforts in the direction of forest preservation should be made. On our Northwest prairies at least fifty thousand dollars yearly should be devoted by the Ottawa Government to tree planting; and it would be far better if it were a hundred thousand. It seems to me utter insanity in a community to be willing to give millions to roads, bridges, magnificent buildings, all of which in their way are means to help us in drawing our sustenance from the soil, and yet penuriously withholding the means of securing the continuance of forests, the great natural aid to the fertility which renders it possible to procure that sustenance at all.

What a magnificent opportunity for remunerative and preservative management do the yet scarce injured forests of British Columbia present! Is it to be used, or are they like others, to feel the wasting force of axe and fire till desolation replaces a natural wealth now enormous?

Eastern Canada, that is Quebec, Nova Scotia and New Brunswick, are doing but little. The great seaside forests of the Atlantic coast, long the storehouse of the shipbuilder, are what?—farms?—no; barren sands and stunted oaks. It need not have been so. Ontario, in fire ranging, encouragement to planting lines of trees, and distribution of forestry literature, has done more than any state or province. But more should be done everywhere. It is a matter in which governments should be liberal, and oppositions for once forbear to oppose.

The persistency with which United States editors go on speaking of Dakota's blizzards as "Manitoba waves" is worthy of a class of men superstitious enough to believe that Wiman's wind is the life breath of Canada.

The Globe has at last evolved a policy that may sweep the country at the next elections. Its persistent agitation for the admission of reporters to the Legislature while Mr. Speaker is saying his prayers, will probably result in either the accomplishment of its purpose or the defeat of the Government. It is difficult to understand why Mr. Speaker should object to having his prayers reported. They are supposed to go through the roof in any case. The Good Deacon's anxiety to have his young men attend prayers may not be fully shared in by other editors, but the latter must admit that the object is a good one and worthy of Mr. Mowat's most serious consideration.

The first robin of 1888 is reported from Port Perry. It is a wise bird that knows a good winter resort when he sees it.

The members of the York County Council have adjourned, but their toll-gates are still in session, waiting for the York farmer to put a nickel in the slot.

A city contemporary copies from The New York Sun a lurid romance descriptive of the size and savagery of the grizzly bears which invest "Manitoba's Rocky Mountains." But these grizzly bears are not nearly so ferocious as those which infest the prairies of Switzerland.

Gen. Phil Sheridan was introduced, amid great enthusiasm, to a Boston audience the other day as "the next President." Ever since Lincoln's death the Republicans have always won with a "man upon horseback." Civilian Blaine lost them the presidency, and therefore many of them naturally feel disposed to again put their trust in foot and saddle.

CURRENT SPORTING TALK.

A Peoria Blackbird Tournament—Talk of the Turf at Home and Abroad.

A Peoria blackbird shoot took place at McDowell's grounds on Saturday afternoon. The competition for a number of oil paintings did not come off, owing to another match going on at Woodbine Park. They will likely be shot for next Saturday. Three sweepstake matches were decided on Saturday and resulted as follows:

First Sweep—20 birds; four prizes.

McClure	19	Alexander	16
Felstead	19	Elliott	15
Wakefield	19	Rice	12
Humphrey	16	McDonald	12
Clarke	16		

19 divided first money and 16 third.

Second Sweep—10 birds; four prizes.

Hinton	9	Alexander	8
McDonald	9	Clarke	8
Felstead	9	Clay	7
Clark	9	Humphrey	7
McClure	9	Baby	5
Wakefield	9		

The prizes were divided between the nines. Third Sweep—6 birds; three prizes.

Wakefield	6	McDowall	5
McClure	6	Felstead	5
Clark	6	Wilkie	5

The prizes were divided between the sixes.

The Sixday Walking Match.

New York, Feb. 5.—The international six-day walking match started at midnight. The favorites in the betting were Cartwright, Connors, Sinclair, Hart and Hughes, in the order named. Fully 9000 people were present to witness the start. There were forty-eight starters. Guerrero made the first mile in 5 min. 20 secs.

Gossip of the Turf.

The racing mare Swift, belonging to the estate of the late Joe McMahon, was last week sold at Baltimore to Mr. J. Jennings for $2300.

A New Orleans despatch says: Despite all rumors to the effect that winter racing here would be discontinued, there is not a word of truth in the report.

The horses debarred from the regular tracks under the half-mile rule number no less than 265. This will undoubtedly lessen the number of entries to the handicap races this year.

The chestnut mare Bandala, in foal to Sensation, and owned in Toronto, was recently shipped from Mrs. G. L. Lorillard's farm in New Jersey to Kentucky.

It looks now as if the prospects for a running meeting at St. Paul or Minneapolis are very slender. Last week another meeting was to have been held, but no quorum was present and nothing was done.

Mr. George Kiely of this city recently purchased at St. Thomas the bay gelding Jubilee, 6 years, by Princeton—Jubilee out of four starts last season was twice a winner.

A commission from Woodstock Saturday was placed on D. W. C. and Inspire in Keachie & Co.'s book for the Queen's Plate. The figures were $150 to $25 and $800 to $25 each respectively for a place.

News comes from Hamilton that the Hendrie stable is very much elated over Queen's Plate Longchamp, and it is said that turfmen of the Ambitious City will be greatly disappointed if the colt fails to carry off the good thing.

A motto Charley Wood, the English jockey, does not believe in: "Nothing succeeds like success." Or is it, Nothing "sucks your pocket" like success?

It is a sight to see the Brighton shopkeepers grovel to Charley Wood in the hunting field, says an English sporting journal. A word or a casual nod from "my jockey" is worth a king's ransom. Will the retired tradesmen be so familiar now Wood has lost his license? Like the boy in the story book, it will be "Hof, hall hof," now.

Sir George Chetwynd explained Fullerton's in-and-out running by stating that he "could not act in the soft ground." Yet according to his betting book, Sir George had £1010 on the horse for the Wilton Stake at Manchester, when King Monmouth beat him. The race was run in a sea of mud, the galloping being up to the fetlocks. Naturally Sir George did not discover Fullerton's imperfections until after the race. It is not true that Fullerton shed tears when he heard that his rider's license had been refused.

An English exchange says: Nearly the whole of the brood mares that changed hands at prices varying from a fiver to a pony at Mr. Abington's late weeding-out sale have been shipped for America. In his particular instance can it truthfully be said that "the foreigners are picking up all our best mares"?

It is understood in racing circles that no action will for the present be taken by the Monmouth Park Association respecting the half mile races. The stakes now open will close March 1, and unless something is done between the present date and the closing of the stakes the owners of the half-mile horses are at liberty to enter and run for the rich stakes at Monmouth Park.

Wood, the English jockey, is practically Gen. Owen Williams' landlord, and it is thought that, as Wood's license was refused on the motion of the latter, the jockey will give the General notice to quit.

Sports of Sport.

Mr. A. D. Maloney, the well-known Montreal sporting man, is in town. He is negotiating for the purchase of one of the best of the road horses in the city.

The Meath hunt, the best of the Irish fox-hunting events, has been stopped by the farmers over whose lands the hounds were wont to run. This hunt was leveled directly against the Marquis of Londonderry, as representing Her Majesty, the Queen—so it was openly announced at the National League meeting—and not on account of any actual objection to the hunt.

John Trout, the trainer, drove a green 5-year-old one mile to a sleigh in 2.31½ at Mystic Park, Boston, on Saturday.

Mr. T. F. Ellis of Niagara Falls has sold the trotter, Lark, to J. T. Leonard of Brooklyn, N.Y., for $2000.

—There is nothing equal to Mother Graves' Worm Exterminator for destroying worms. No article of its kind has given such satisfaction.

"St. Charles."

A suite of elegant luncheon and dining rooms for the accommodation of ladies and gentlemen have just been opened and furnished regardless of expense at the above named restaurant, 70 Yonge-street, first door south of the Dominion Bank. The celebrated lunch counter for the convenience of business men and others will be continued as usual. Fred Mossop, Proprietor. 246

Just What a Bee Line Is.

From The New Orleans Picayune.

Everybody knows what a bee line is. It runs in a circle around clover patches, and finally makes its way to a hollow tree, where the honey is deposited.

SIX HOURS ON THE STAND

MR. CAMPBELL'S LENGTHY EXAMINATION ON SATURDAY.

Unraveling the Mysteries Which Surround the Wreck of the Central Bank—D. Mitchell McDonald's Account at the Plundered Institution—More To-day.

For six hours on Saturday, subtracting one which was devoted to lunch, Mr. Foster subjected the impeached liquidator of the Central Bank to a close scrutiny. The examination, adjourned from the afternoon before, commenced at 11 o'clock, and Mr. Campbell had to stand the rapid fire which counsel for the liquidators brought to bear on him until 6 o'clock.

Liquidator Howland was present, as was also Mr. Lye, the accountant, who has been engaged at the bank in running down various scents he has been put on. Mr. James Maclennan, Q.C., was in front of the witness box to watch proceedings for Mr. Campbell on account of Mr. Bain's being unable to attend.

The Master-in-Ordinary opened the proceedings by announcing that Mr. Foster's examination of Friday, the scope of which had been questioned by Mr. Maclennan, was no wider than what the affidavit admitted of. Indeed the width of the affidavit would justify a more extended examination by Mr. Foster than was made on Friday.

The Master requested Mr. Campbell, on the latter's entry into the witness box, to explain the particulars of the $24,000 loan of the Bank of Commerce. Mr. Campbell did so.

After these preliminaries Mr. Campbell said: If you will allow me I will make an explanation in regard to the alleged conversation between Mr. Orde and myself regarding the issue of the 50's. I saw Mr. Orde this morning and asked him if such a conversation took place and he said there had. I asked him what took place and he said—

Mr. Foster objected to the statements of a third party being taken as evidence.

Mr. Maclennan said that Mr. Campbell should be heard. Perhaps Mr. Campbell was going to say that his memory was refreshed by his conversation with Mr. Orde.

Mr. Campbell: No, Mr. Maclennan, I wasn't going to say that.

The Master ruled the objection valid.

Mr. Campbell asked permission to explain about the renewals he made reference to on Friday, and leave was given. He explained: The renewals were all for small amounts and I always received money in part payment from the parties. I was benefiting the position of the bank in reference to the matter, and I considered it very desirable to reduce the indebtedness to the bank in this way. I therefore took every possible opportunity to accept money on these notes. In reference to the subject of my not reporting the matter to my co-liquidators, they were not always there, and if they had looked in the books at any time they would have got the information for themselves. Also in reference to the question of the 50's, in addition to the 25 which I deposited in the Quebec Bank I received 22 more.

Mr. Foster: What time did you receive these bills?—I cannot tell.

I am informed that it was the day before the suspension of the bank?—No; it was at least three days before.

Did you get them from Baxter?—Yes.

How many of these 50's did you get from Baxter?—$2500 and $1100.

Now rip bills?—Yes.

Was Baxter indebted to you then?—Yes.

Did he give you this in payment of his indebtedness?—The $1100 was.

Did you hold a mortgage on his College-street property?—Yes.

Did you take that mortgage on March 1, 1887? I don't think that time.

For how much?—$3000.

Reserving all right in the mortgage against security?—Yes.

Was the D. Mitchell Macdonald that sent for you to come here to take charge of the Central Bank?—He is the one that sent for me.

Is Mr. Baxter mentioned in the Cox-Baxter-Allen correspondence, Jas. Baxter of Montreal?—Yes.

Had you any transactions with him?—Yes.

When did your dealings cease?—Some years ago, except my holding paper endorsed by him.

What amount does he owe you?—$2500 or $4000.

What amount is matured?—About $2500.

What were your dealings with him?—Sometimes I rediscounted paper for him.

Did he permit you to use his name at any time on paper?—No.

In any case did you ask his name as a nominal plaintiff in suing a paper you held?—No.

Did you apply for leave to use his name at any time?—Not that I remember of.

Now, Mr. Campbell, did he ever refuse or allow you to use his name as a plaintiff to sue paper held by you?—Tell me the case.

Never mind the case, did he ever refuse, or you as liquidator do not know?—I cannot carry everything in my head.

But these are large transactions. Do you not know where the accounts are?—I suppose they are down there.

If they are there what books are they in?—The journal, most likely.

Did you make an explanation to your co-liquidators about these transactions?—They could have seen by looking at the books.

Could they discover all your dealings in connection with these matters?—Yes.

Here is the agenda book, which you refer scornfully to as "a book which Mr. Howland called the agenda. Did you call it the "agenda"?—Yes.

So, Mr. Howland was not alone guilty of calling it the "agenda"? Did you make an entry of these transactions there so that Mr. Howland or Mr. Goderham might see it?—No.

There is a number of entries in your handwriting on the same day; how is it that you did not make an entry about these things?—There were a good many things happening on that day that I did not enter there.

But these are important transactions, involving large amounts of money.—These transaction were all completed before that. It was simply making an entry on that day to square up the books.

A number of accounts were then examined into and the mode of their closing questioned. Those on pages 611, 915, 385, 454, 945, 618, in No. 1 ledger and 645, 961, 855, in No. 2 ledger were turned up and Mr. Campbell was asked to explain how they were closed. The peculiarity of all of these accounts was, that on the day before they were closed a certain sum of money was shown by the books to stand to their credit and the account was closed without any money being drawn out—so Mr. Campbell says.

For instance: On Nov. 26 David Blain had, apparently, $22,000 standing to his credit. On Nov. 27 the account was closed and Mr. Campbell says Mr. Blain did not draw out a cent. Another had $3055 standing to his credit on Dec. 2 and on Dec. 3 the account was closed without any money being drawn. Mr. Campbell says it must have been done by notes maturing on those days being charged to the accounts of all of these parties. That was the only explanation he could offer.

With reference to a number of accounts which had been assigned to different banks at the time of the suspension by those having balances to their credit at the Central Bank, Mr. Campbell stated that as soon as he found it out he prevented it being done. He did not think there was anything particularly wrong about those assignments. It was only making these banks creditors instead of private individuals. Still he did not give anyone permission to make transfers. What were made were made without his permission. He did not tell the other liquidators about these assignments, as he did not think it necessary.

In your affidavit, paragraph 9, you say that the system of bookkeeping carried on in the Central Bank is the usual bookkeeping done in all banks. Is that correct, after what you have seen to-day?—To the best of my knowledge it is.

Were the balances, including those of the Directors, closed in the usual way?—I think so, not on account of any actual objection to the hunt.

Introduce any new system?—No.

The books were kept just the same as when the bank was a solvent institution?—Yes; except where we kept account of balances coming due.

Why did you not open up a new set of books?—I did not think it necessary.

Did you make an inventory of the assets which came into your hands while you were interim liquidator?—No.

Have you rendered an account of your transactions while interim liquidator in the matter?—Yes.

Do your accounts balance?—They do when taken as a whole.

I ask you do your accounts balance?—One part does and the other part does not.

You state in your affidavit that your account is a true and correct copy from the cash book. Is it true?—To the best of my knowledge.

You state that your account is absolutely true?—I could not say that as I had not time to verify it.

And yet you undertake to swear that it is.

Did you ever examine the teller's cash?—I did shortly after I was there.

Prior to Dec. 27—Yes.

Mr. Foster asked what amount of cash was in the vault on Dec. 2. [illegible] minutes was consumed in searching the cash book and ledger, it was found that there was a discrepancy of $24,500 between the bank account and Mr. Campbell's stating that past due bills were carried as cash.

Did you tell your co-liquidators about this?—No; I didn't think it was necessary. It only required the writing off of these past due bills to the past due bill account.

Did you ever look into the cash account after Dec. 2?—No, not very closely.

Did you know that $30,000 of past due bills was carried as cash by the teller?—I did not know that.

Would you be surprised to know that $160,000 of paper was carried in the teller's till as cash at one time?—I did not know that.

Did you know that D. Mitchell Macdonald's check for $40,000 was carried as cash?—I knew that from his account.

Mr. Lye's letter, urging a statement of the transactions between Nov. 22 and 23, without delay, was read.

You say in your affidavit that on the examination of the bank's affairs the management was very reckless and that a large proportion of the assets, accounts and bills were very doubtful. What ground have you for that statement? Did you make a full examination of the assets?—Sufficient to satisfy me of their value.

How much did you look over?—About $1,000,000.

Was the examination made in a systematic way?—No.

Did you know that there were sufficient assets to justify you going on with the redemption of the currency?—I was satisfied of that.

How much was redeemed?—Between $200,000 and $300,000.

The rest was redeemed by the Bank of Commerce.—Yes; about $65,000.

The redemption was merely routine work, was it not?—Largely; but it requires close attention.

Did Mr. Gooderham do his share of the work at the bank?—He did not do a great deal.

Mr. Howland?—Some.

Who watched the maturing paper?—Sometimes one and sometimes another. I handed out the maturing paper every morning.

Whose duty is this?—Sometimes the manager does it and sometimes the accountant.

And you volunteered to take the work on yourself?—Yes.

What were you doing at the bank?—I was there from morning till night.

Talking to the clerks?—Yes; giving them directions, and attending meetings of the liquidators.

Were Mr. Howland and Mr. Gooderham there?—Yes.

Did you ever complain of the work?—I may have said it was onerous.

Did Mr. Howland or Mr. Gooderham ever refuse to help when you asked it?—No.

Did you ever tell Mr. Howland not to interfere with the clerks?—Once.

Did you tell Mr. Gooderham not to interfere with them?—I think not.

Did you tell Mr. Howland to apply to you for any statements he wanted?—Perhaps I did.

Do you know what was Mr. D. Mitchell Macdonald's indebtedness to the bank?—Some $20,000 in his own name and $21,000 or $22,000 jointly with Mr. Blain.

What was the volume of business done by Mr. Macdonald with the bank from May till it closed?

[Mr. Campbell examined the account for some time and reported that the balance was, from March 1, 1887, till the bank closed, $88,000.

You have examined this account before, I suppose?—Yes, casually.

What struck you particularly?—A check for $88,100 of this was carried in the cash account from May 31 till October as cash.

Anything else?—Another check for $40,000 was carried the same way for a time.

When was the $88,000 check retired?—On Oct. 1.

So that, apparently, on Sept. 30 his checks for $128,000 were carried in the cash account?—Yes.

And these were bogus deposits and fraudulent charges of Mr. Macdonald's?—I think so.

Did you ascertain these facts at your first inquiry?—I think so.

Did you tell the official liquidators about it when they were appointed?—No.

Why didn't you?—I did not know it was material at the time.

Had you any business dealings with Mr. D. Mitchell Macdonald?—Not lately.

Since when?—Since four or five years ago.

All dealings with him ceased?—Except renewing some securities for him.

Did you hold a mortgage on his College-street property?—Yes.

Did you take that mortgage on March 1, 1887? I don't think that time.

For how much?—$3000.

Reserving all right in the mortgage against security?—Yes.

It was D. Mitchell Macdonald that sent for you to come here to take charge of the Central Bank?—He is the one that sent for me.

Is Mr. Baxter mentioned in the Cox-Baxter-Allen correspondence, Jas. Baxter of Montreal?—Yes.

Had you any transactions with him?—Yes.

When did your dealings cease?—Some years ago, except my holding paper endorsed by him.

What amount does he owe you?—$2500 or $4000.

What amount is matured?—About $2500.

What were your dealings with him?—Sometimes I rediscounted paper for him.

Did he permit you to use his name at any time on paper?—No.

In any case did you ask his name as a nominal plaintiff in suing a paper you held?—No.

Did you apply for leave to use his name at any time?—Not that I remember of.

Now, Mr. Campbell, did he ever refuse or allow you to use his name as a plaintiff to sue paper held by you?—Tell me the case.

Never mind the case, did he ever refuse, or you as liquidator do not know?—I cannot carry everything in my head.

What was the volume of your business with him during the last three or four years?—About $100,000, I should say.

Did you see him at the Rossin House on Dec. 17 with Magnus Davis?—Yes.

Did you go up to his room?—No.

Did you go down to Montreal and see Mr. Baxter on Jan. 23?—Yes.

Did you tell him of his proposed examination before the liquidators?—I told him he was to be examined and asked him when he could come up. He said he couldn't come up till the end of the month.

When you returned did you tell the liquidators you had seen Baxter?—No.

How much does Baxter owe the bank?—Speaking from memory, $41,000.

What did he say when you asked him about his debt?—He said he didn't know how he could pay it.

Did you report that to the liquidators?—I did not get a chance.

Have you received letters from Baxter since you were appointed liquidator?—Two or three.

Where are they?—I don't know.

Any record of them?—No.

When did you first become aware of Mr. Baxter's negotiating paper for Barnett?—In May 1883.

The Central Bank acceptances?—Yes.

You discounted that for him?—Yes.

What did you pay him for it?—Cash.

How much?—Cannot remember at the moment.

No entry?—No.

After sixteen years' experience you can't tell what you paid for a $3000 draft?—It was paid in full, less a reasonable discount.

And what was the reasonable discount?—I don't remember.

Did you enquire into the history of this draft?—No.

Did Baxter tell you anything about it?—No.

Did you see any other Central Bank drafts?—Yes.

How many?—Very likely two.

For how much?—Five thousand dollars each.

Did you not think it was an extraordinary thing for the paper of a solvent institution to be hawked about the streets?—Yes; but it was none of my business. I satisfied myself of the genuineness of the signature and that was sufficient.

The acceptance was due on Aug. 16, and I see that you wrote to Mr. Allen on July 25 apprizing him of date on which his acceptance fell due. Why was it necessary to give such a long notice to a solvent institution?—I did it merely to let him know the date and to arrange where it was to be paid, here or New York.

Is this the usual course adopted in dealing with a solvent bank?—My action in the matter was fair and square.

We shall see about that hereafter.

[Some Baxter-Barnett correspondence was here introduced, showing their anxiety to have the draft paid.]

[Mr. Allen's replies were read showing his protests against paying the draft, on account of Barnett's pocketing the money he realized on it instead of depositing it to cover his overdraft as promised.]

[Mr. Campbell's well-known letter, in which the "mysterious 4th innocent third party" is paraded, was read. The letter goes on to tell Allen that there is no use of trying to urge Barnett's conduct as an excuse to not mention the draft.]

Now, Mr. Campbell, who was that "innocent third party"?—Myself.

And why did you not say "I am the holder of your acceptance" instead of concealing your identity?—I did not think it was necessary.

Can you tell of any other Central Bank acceptances?

Witness then admitted that he might have had four acceptances altogether. In every instance he paid before he collected the proceeds, but he had no means of telling where or when these payments were made.

Mr. Foster continued:

Were you not warned about dabbling with drafts?—Yes, but the arrival of a fresh acceptance removed that warning.

Would you be surprised that they were not new drafts, but simply renewals, and the bank was defrauded?—I knew Mr. Bethune of the Dominion Bank had warned Allen to beware of Barnett.

As Allen said it was all right?—Yes. I did the same thing as Mr. B.

You trusted? [illegible] Allen.

Who is he?—I prefer not to give his name.

Is he in Toronto now?—Yes.

Now we have referred to one ninety day draft, let us take another. It is dated the same day and is for ninety days. Did you ever see that before? Did you ever discount that? It has got Mr. Bloom's name of New York?—I know he is a man living in New York.

Do you know he is Mr. Baxter's agent in New York?—I do not. I only knew him by name. I never saw that draft until this moment.

It has got Blain's name on it, also Rolanz Gideon Israel Barnett, S. Magnus Davis, then Barnett's and Davis' names again, and then Merchants and Traders' Bank. Now, you say you never saw this draft before?—Never.

Did you get the proceeds of this draft?—I did not.

You swear that?—I do.

Mr. Foster: Well we will file that. I may want it again.

Here is another draft. Do you know anything about it?—I won't swear anything about that one.

Do you disavow all knowledge of the Bloom draft?—I do. All knowledge and interest in it. I have no means except by enquiry at the Bank of Montreal of knowing if I held that draft at all.

I am instructed that you got that amount. That it was drawn by you out of the Bank of Montreal. Have you no means of telling exactly how much you gave for them?—I should say 8 or 10 per cent.

I know one man who didn't receive anything like that.—I can't tell anything about the fourth draft.

Why did you not endorse these drafts?—I did not consider it necessary.

Were you ashamed or afraid?—No.

D. Magnus Davis was neither ashamed nor afraid. Neither was Roland Gideon Israel Barnett. [Laughter.] Nor the Bank of Montreal. But the name of Archibald Campbell does not appear on them. Now, why did you not put your name on them?—I repeat that I did not consider it necessary.

This Merchants' Bank draft! Did you receive the money for that?—I will neither admit nor deny it.

How many went through the Merchants' Bank?—I can't tell.

How many through the Bank of Montreal?—I don't know.

Surely were they so numerous as that you can't remember how many drafts you handled?—No.

Did you act as Baxter's agent in handling these drafts?—I did not.

Did you always pay Baxter for these drafts?—I did immediately on receiving them.

By check or cash?—I can't tell. If I paid by check, I called it cash. On Nov. 7, 1885, Baxter sold me two drafts.

Let us take the first one. It is for $5250. It is for forty days, dated Nov. 7, and is marked "due Dec. 29." Is that letter in your handwriting?—It is.

From whom did you receive the money?—From a gentleman in Montreal.

He is still in Montreal?—Yes.

What's his name?—I do not care to give names.

Was it Baxter?—No.

Was it Greenshields?—I decline to answer.

Was it Greenshields?—I again decline to answer.

Who is Greenshields?—A solicitor in Montreal.

Is he Baxter's solicitor?—I believe he is.

Will you swear that it was not Greenshields? I won't.

By whose check was it paid. By hist—Yes.

You took good care of yourself did you not? Yes. I got my money.

And I suppose at that time Mr. Allen was hunting all about for that draft!—Not that I know of.

Mr. Foster (producing two drafts): This is Nov. 6 and this is Nov. 7. Do you recognize that writing?—I don't know.

Anything else!—Another check for $40,000 was carried the same way for a time.

When was the $88,000 check retired?—On Oct. 1.

So that, apparently, on Sept. 30 his checks for $128,000 were carried in the cash account!—Yes.

And these were bogus deposits and fraudulent charges of Mr. Macdonald's!—I think so.

Did you ascertain these facts at your first inquiry!—I think so.

Did you tell the official liquidators about it when they were appointed!—No.

Why didn't you!—I did not know it was material at the time.

Had you any business dealings with Mr. D. Mitchell Macdonald!—Not lately.

Since when!—Since four or five years ago.

All dealings with him ceased!—Except renewing some securities for him.

Did you hold a mortgage on his College-street property!—Yes.

Did you take that mortgage on March 1, 1887? I don't think that time.

For how much!—$3000.

Reserving all right in the mortgage against security!—Yes.

It was D. Mitchell Macdonald that sent for you to come here to take charge of the Central Bank!—He is the one that sent for me.

Is Mr. Baxter mentioned in the Cox-Baxter-Allen correspondence, Jas. Baxter of Montreal!—Yes.

Had you any transactions with him!—Yes.

When did your dealings cease!—Some years ago, except my holding paper endorsed by him.

What amount does he owe you!—$2500 or $4000.

What amount is matured!—About $2500.

What were your dealings with him!—Sometimes I rediscounted paper for him.

Did he permit you to use his name at any time on paper!—No.

In any case did you ask his name as a nominal plaintiff in suing a paper you held!—No.

Did you apply for leave to use his name at any time!—Not that I remember of.

Now, Mr. Campbell, did he ever refuse or allow you to use his name as a plaintiff to sue paper held by you!—Tell me the case.

Never mind the case, did he ever refuse, or you as liquidator do not know!