

The Crown endeavoured to establish, by evidence, that McCullough had admitted to certain bank officials (1) that he had benefitted by frauds perpetrated to the extent of \$50,000, and (2) that he knew that the warehouse receipts were fraudulent. Of course, these contentions on the part of the Crown were absolutely denied by the defence.

Application was made by the prosecution to have the evidence which had been given by Mr. D. M. Stewart, who was absent at the time, admitted. The defence having objected to this application, His Lordship, after deliberation, decided that his evidence was inadmissible, seeing that Mr. Stewart was not absent permanently, but only temporarily, and quoting, in support his view, the case of *King as Austin*.

Of course, the firm of the Croil & McCullough Dairy Company are civilly responsible for the discounts which it obtained on these fraudulent documents, for, as the inspector of the bank very well remarked, when giving his evidence that one, who discounts a warehouse receipt, should be certain as to its correctness and veracity, and the amounts therein mentioned and should know the location of the goods. But whilst this is good doctrine from a civil point of view, it will not hold good in criminal matters, where the circumstances of each case must be taken into consideration, and where good or bad faith is the crucial test of the innocence or guilt of the parties concerned.

The methods employed by Chisholm are certainly not demonstrative of a very sensitive, or highly strung moral nature. This financier is found acting both as competitor and landlord, and, whilst presuming to be merely carrying on, with others, a cold storage business, is himself competing with his tenants in the identical produce which they place with his company, in trust.