

ed as Exhibit 147.) A.—Dec. 6, 1920, \$500 deposit slip, shows one \$500 bill. It doesn't say the word bill.

Q.—These items are put in in writing generally. You know the average deposit slip. There is one \$500 in there, and 1, 2, 5, 10, 20, 100; that is written in ink, one \$500.

Mr. Sinclair—The only difference is we usually use the 1.

Continues Into Succeeding Year.

Q.—Referring to that item of \$500 which is deposited, on the Exhibit 148, which was a blank, which, it

has been shown, should have been dated Dec. 6, charged up in the Home Bank to a loan dated Oct. 15, 1920, is an item of Nov. 6, 1920, payable to general expense, which was cashed on Dec. 1; on Dec. 1 that amount was cashed; this is for \$1,500. This item is one for \$500 five days later? A.—On April 4, 1921, a deposit of \$937.50, the deposit slip consisting of one \$500 and some other items, which presumably are cheques. I am informed that those would likely be cheques. Attached to this deposit slip is a debit note for receipt of a Dominion of Canada legal \$500, signed in pencil Mrs. P. Smith.

Q.—Well, would this receipt be given to the bank? A.—The Manager of the bank tells me that was given to him as a receipt. That he would take that as a receipt.

Q.—Well, it was being deposited in the bank at the same time. What is the object of it? A.—I cannot answer that, sir; I don't know.

Mr. Currie—Was that charged against the account? A.—No, it is not charged against the account, although the bank Manager probably should be asked to answer that. I don't know anything more than he told me.

Q.—The next item? A.—Fifth of November, 1921; a thousand-dollar deposit. The debit slip does not state that that is a one-thousand-dollar bill. And the teller's specification of cash does not show there were any legals on hand at the end of the day, but the Canadian bank notes included in the cash increased that day from \$1,015 to \$2,060.

Mr. Clarke—Is that a legal? Mr. Price—It is where the legal would be, but there is no designation, Mr. Clarke.

Mr. Price—That is dated Nov. 5; is that all in 1921? A.—That is all that appears in 1921.

Now Into Year 1922.

Q.—And 1922? A.—On the 30th of January there is a deposit of \$7,158.41, and on the 27th of January deposit of \$1,042.72, that appear to have been transferred, and the records of the bank show they have been transferred, from the T. H. Smith estate account. I know of nothing significant about this, but being a large deposit, and coming from the account from which previous cheques has been brought, I thought it should be produced.

Q.—And the next one, March 6? A.—On the 6th of March, 1922, is a deposit of \$805.91. Deposit slip shows one \$1,000; it doesn't say whether that is a thousand-dollar bill, less \$500, initialled for in pencil by L. A. S., and another item of \$305.91, making a total of \$805.91.

Q.—That is all in ink, a thousand dollars being the top one. (Deposit slip produced and made as Exhibit 152) A.—We examined the teller's specification of cash, which contained no legals, but on the 7th of March, the following day, the Canadian bank notes were cleared by remittance to Toronto at a sum considerably larger than that item.

Mr. Currie—In other words, the bank account showed no legals the day before, and the following day it showed legals? A.—No, it did not show legals before or after. It simply showed the following day a clearing of Canadian bank notes to Toronto.

Q.—What is the difference between a Canadian bank note and a

legal? A.—Well, I am informed by the Manager that Canadian notes and bank notes mean notes on banks that are not represented in Stratford.

Q.—The legal might be put in along with that? A.—I cannot say that.

Q.—In most cases it shows the legals, but in a few cases it does not, apparently? A.—On May 2, 1922, \$1,000 deposited, the slip shows \$1,000. The teller's specification of cash examined shows no large legals,

but the Canadian bank notes amount increased from \$2,165 to \$3,355, or an increase of \$1,190.

Mr. Clarke—Just one item? A.—Yes.

Bank Had an Increase in Bills.

Q.—The significance of that is this: that the following day the bank's account showed that they had that much of outside bills which were shipped to Toronto, doesn't it? A.—Not necessarily shipped to Toronto.

Q.—That is, the bills of banks outside Stratford of that amount next day? A.—Well, to an amount greater than that.

Q.—Greater than that next day. It had increased, the outside currency had increased that much next day? A.—That is right.

Q.—Next item? A.—On May 6, 1922, a deposit \$4,040.60; the cash item sheet shows that the Royal Bank was charged in the clearing with \$4,050.60, being a debenture of the British Mortgage and Loan Co., and I confirmed that on that day the proceeds of the British Mortgage and Loan debenture were credited to that account.

Q.—Have you inquired into the significance of that item, \$4,040? A.—I inquired from the Manager of the bank, and he inquired, while I was with him, from the British Mortgage and Loan Co., and they confirmed that was a debenture of theirs the proceeds of which were put to Peter Smith's account.

Q.—That debenture was sold and the proceeds deposited in the account? A.—I presume that would be so.

Q.—Where is their office? A.—They have an office in Stratford.

Q.—And they inquired and found out that that day one of their debentures was sold and the proceeds credited to Mr. Smith? A.—I don't know when the debenture was sold, but the amount was credited to Mr. Smith.

Two One-Thousand-Dollar Bills.

Q.—The next? A.—June 22, 1922, deposit of \$1,500, the deposit slip is dated June 23, and shows two \$1,000 bills, less \$500.

Q.—June 23, 1922, deposit slip, Peter Smith, two \$1,000 amounts. They use the \$100 amount up where the bills would be placed, and added a nought to it, making two \$1,000's—\$2,000, less \$500—I presume there being cash drawn out the same time as the deposit. Exhibit 155. Does the joint account show \$500 credited to it that day? A.—No.

Mr. Price—That apparently would indicate these were the large bills, because smaller bills would be drawn out the same day.

Witness, resuming—On Sept. 11, 1922, a thousand-dollar deposit, marked one \$1,000.

Q.—Indicated just the same way, with a nought added to the \$100 and a one placed before that. What does your record show there? A.—There were no large legals in the teller's specification of cash on that day, but on that day there was remittance to Toronto of \$4,860.

Cheque for \$4,023.48.

Q.—Next item? A.—Dec. 1, 1922, a deposit of \$4,023.48, a cash item list shows that to be a cheque dated Nov. 30, from Osler & Hammond.

Mr. Price—Deposit slip produced dated Dec. 1, \$4,023.48, the amount of the deposit of the cheque from Osler & Hammond, apparently dated Nov. 30, drawn on the Dominion Bank for \$4,023.48, in favor of Peter Smith.

Q.—Did you look into that further, Mr. Nash? A.—No more than the examination of this cash item sheet.

Q.—Next? A.—Dec. 22, deposit of \$500, the deposit slip dated Dec. 21 shows one \$500.

Q.—Dec. 22, 1922, deposit slip, apparently that is the 21st? A.—Deposit dated 21st. The account shows credit on the 22nd.

Q.—It is written in in ink, up where the bills would be indicated; one \$500. Have you followed that to see whether it was sent down to the head office or sent out that night? A.—We examined the teller's specification of cash, which showed no large legals, but an increase in the Canadian banknotes of \$1,055, which were cleared to Toronto on the twenty-sixth of December.

Q.—Well, let me understand—was it the custom of the bank to clear to Toronto the same night or the next morning? A.—Well, the remittance book indicates to me that they

cleared every few days, when they had a sufficiently large amount to make it worth while. I think the Manager of the bank—

Q.—Have you looked over these two or three days to indicate when these were cleared to Toronto? A.—Yes, we have.

Q.—In each case to identify whether these were legals? A.—Yes.

Q.—I mean bills of \$1,000 or \$500? A.—Yes, and we see amounts cleared to Toronto sufficiently large to contain those.

Mr. Biggs Interpolates.

Mr. Biggs—In each case the collections to Toronto were more than double the deposit? A.—Yes.

Mr. Biggs—It must have come from some other source? A.—As I explained, the Canadian banknotes account, I am informed, is the notes of banks not represented in Stratford.

Mr. Biggs—They would be sent by express or registered mail to Toronto? A.—I don't know. The

Manager of the bank would tell you. I cannot tell you how.

Witness went on: "On the thirteenth of January, 1923, a deposit of \$9,146.96.

Mr. Price—What did that include? A.—I can only give you what the Manager of the bank informs me are the details. He believes that to be a cheque paid to Mr. Smith by an official of the British Mortgage & Loan Co., but repaid Mr. Smith for certain bonds of the Province of Ontario purchased for this official.

Deposit slip produced, dated Jan. 13, for \$9,146.96. Exhibit 159.

Mr. Belanger—One item. It was a cheque? A.—There is in the account of Mr. Smith of that day an item of \$9,046.96, and two days later an item of \$100 is charged against the account.

Q.—Just explain that item again so we will get it clearly, \$9,146.96? A.—That is an item charged to the account of Mr. Smith.

Mr. Currie—Charged? A.—Charged to the account, and two days later \$100 was charged to the account, and this amount, this deposit of \$9,146.96, being the aggregate of those two charges credited to his account on Jan. 13.

\$9,146 Cheque in Repayment For Purchase of Ontario Bonds

Q.—You inquired into that to get the explanation of it; what was the explanation? A.—The explanation which came from the Manager of the bank was—I think in fairness to him I should say to the best of his recollection—that this was a cheque from an official of the British Mortgage and Loan Company to repay for the purchase of certain Ontario bonds.

Q.—Well then, Mr. Nash, it amounted to this: that there was a cheque out for that amount, or about the equivalent, and a cheque in? A.—A cheque in.

Q.—Practically a cross-entry? A.—Practically a cross-entry.

Mr. Belanger—To whom was the expenditure? A.—That I cannot tell you, the accounts did not show that and the cheques are not available.

Mr. Price—It was another transaction apparently with the British Mortgage and Loan Company.

Mr. Doherty Takes a Hand.

Mr. Doherty—Wouldn't it look as if some person in this company asked Mr. Smith to buy some Ontario bonds and Mr. Smith bought the bonds and the bonds were delivered? A.—I would be theorizing if I answered that. I am giving you exactly what the Manager told me from what his recollection—

Q.—Would you say his recollection is that is the transaction? A.—That is his transaction, he probably can give you more. Of course, all the information I had I got from him, and that is all I can get.

Mr. Price—The next, Sept. 15, \$1,076.14, and the bank records show that that was the proceeds of a Dominion of Canada bearer bond of \$1,000.

Q.—That would be, Mr. Nash, that he cashed that bond, got credit for it in the bank that day? A.—That would be, I think, the explanation.

Q.—That is, he is given credit in his account for \$1,000, and it men-