must see that no payments to trade creditors or expenditures on capital account are made which will decrease their quick assets to our disadvantage."

On the 9th January, 1914, they wrote him as follows:—

"I note that the wording in the letter of promise and lien forms you have taken and are taking from Thomas Brothers, Limited, is as follows: 'All goods, wares and merchandise, raw, manufactured or in process of manufacture.' I would like to have on record a more detailed statement of the goods covered by this description."

On the 17th January, 1914, they wrote:—

"Is it absolutely necessary to pay the National Match Company acceptance for $1,461.05, maturing 23rd January? This business does not look attractive to us, and I think we should renew their paper where possible until we decide what course we are going to take in connection with their account. If this business is not profitable, what do you mean by saying that it helps their travellers and reduces their selling expenses by from two to three per cent., and in this way means a profit to them?"

On the 29th January they wrote:—

"I confirm my telephone message of to-day informing you that in view of the statement of affairs submitted by the auditors, Messrs. Clarkson, Gordon and Dilworth, we have decided not to pay any further amounts to outside creditors, and as I then advised you, you had better ask Mr. Thomas to arrange for a meeting of their creditors as soon as possible at Mr. G. T. Clarkson's office in Toronto;" and again in the same letter: "In view of the present state of affairs you should place our position fully before your solicitor to see if he has any recommendations to make. For one thing you might find out whether he thinks it would be advisable for us to place a man in charge of the stock and accounts receivable to emphasize our ownership of these, and also to insure that all proceeds will be handed to us in liquidation of the company's indebtedness to us."

On the 30th January, 1914, they wrote their local manager informing him that they were sending an employee named T. W. Joyce to look after their interest in the making up and disposing of the stock on hand. In the letter they tell him to inform Mr. Thomas that this course must not be understood as any