

tained a great many charges of improper and fraudulent conduct on the part of the defendant, but the evidence at the trial, was entirely confined to the questions of his liability, (1.) for interest which he had paid on overdrafts at the bank in excess of that which would have been payable if he had from time to time deposited the cash received promptly.

2. For the sum of \$168.00, which he had allowed as discounts on taxes paid in the year 1897, after the 15th of December, after which date no discounts were legally allowable; and

3. For a sum of \$147.20, taxes dropped from the tax rolls through the error or negligence of the defendant.

Held, 1. Defendant should have, at least once a week, deposited in the bank all town moneys in his hands, and was liable for any excess of interest paid on overdrafts, that would not have been charged if such deposits had been made.

2. Defendant was not liable for the discounts allowed, as he had previously consulted with the municipal commissioner, the member of the Government charged with municipal matters, and had received his permission to use his own discretion in the matter, and the allowance of the discounts had been ratified by the plaintiff Unsworth, and the advisory board, with full knowledge of all the facts.

3. Defendant was not liable for the amount of the taxes he had omitted to insert in the rolls, because these taxes had not been dropped purposely or in bad faith by defendant, and had been subsequently placed on the rolls by the new receiver, a considerable part of them collected before the action began, and the balance remained a charge upon the taxed property in favour of the town. Even if the town had suffered a loss because of such omission, the defendant would not be liable if the omission took place through error, or was not due to bad faith or dishonesty: *Peterborough v. Edwards*, 31 U.C.C.P. 231.

When the defendant was dismissed from office, there was an overdraft in the bank for \$343.95, which he as receiver had borrowed for school purposes on his personal guaranty.

Held, that defendant was entitled to judgment for that amount on his counterclaim against the plaintiffs.

Reference to the Master. No costs to plaintiffs, up to and including the trial, on account of their having made many serious and damaging allegations, in the statement of claim against defendant, and their entire failure to support such charges by evidence.

Other costs reserved.

Minty, for plaintiff. *Laird*, for defendant.