

count and take the goods, to give them authority to dispose of them, and they would remit any surplus or rank as creditors for any deficiency. The account contained items of July and August and September, 1905, amounting to £60 1s. 2d., and one item of 4th January, 1906, for £27 9s. 8d.

The liquidator, whose advertisement for tenders was then running, acknowledged this letter on 26th February, stating he would advise them later. On 11th April they wrote that they were awaiting further advices as to disposal of goods. That letter would of course be received by the liquidator after the sale to Todd, and on 2nd May he wrote them that the assets had been sold to a new company and the proceeds would barely satisfy the secured claim of the Crown Bank—and there was small prospect of any dividend for unsecured creditors; then he added, "I as liquidator have no objection to your disposing of the goods in the highest market, applying the proceeds of such sale on your claim, and advising me accordingly." On 14th May, they acknowledged receipt and stated that "as instructed by you we are taking offers for the goods which we trust will leave a balance to the credit of the estate." The next day, 15th May, they wrote for detailed invoices of the goods shewing the accounts of the different pieces in case they had difficulty in getting buyers to take them without that. This letter seems to have been received by the liquidator on 29th of May, and on that day he forwarded from Toronto to Mr. Caldwell, the plaintiffs' manager at Bracebridge, a copy of this request and asked for such information as would enable him to reply. On that same 29th May the plaintiffs were writing to Lumsden & McKenzie enclosing a bank draft for £87 10s. 10d. to square their account, and also forwarding other goods for bleaching. The letter makes no reference to having heard from the liquidator, and so far as can be seen was written, not in consequence of his letter of that day, and possibly before its receipt. It is not likely they would have received his letter in time to procure a bank draft, even if received at all that day. They do not acknowledge it until the next day, 30th May, when they inform him that these goods in Scotland had been taken in the inventory, and they had sent Lumsden & McKenzie a draft and another lot of goods "which keeps them all right." The liquidator says this was his first knowledge that the goods in the inventory included any goods in Scotland. There would have been no difficulty if Lumsden & McKenzie had waited for a reply to their letter of 15th May, but they did not do so. On 8th June they wrote the liquidator advising him of "having effected the sale of the Dominion