

Limited, and are now in the possession of Thomas Brothers, Limited, and are free from any mortgage, lien, or charge thereon and are in the yards and buildings of Thomas Brothers, Limited, factory property St. Thomas, in their warehouse 2580 St. Lawrence Boulevard, Montreal, and in their warehouse 113 Queen St. W., Ottawa, and are the following: all goods, wares and merchandise, raw, manufactured or in the process of manufacture."

The amount mentioned therein was in each case the entire existing indebtedness, approximating \$200,000, inclusive of a small sum then being dealt with by way of advance or renewal and for which a new note was being given. On the back of these contract forms was endorsed a list of all the outstanding notes, including that just referred to. A separate contract form of even date was also taken for the amount of the small sum then being dealt with. By way of illustration I may quote in part this separate form dealing with an alleged loan on September 20th, 1913, which reads thus:

"The Dominion Bank having this day loaned to us on demand note \$4,000 payable with interest at 6 per cent. per annum, and having at the time of making the said loan required collateral security therefor, we agree to give and have given, as such collateral security, the following property, namely, all goods, wares, etc." (following description in the general form already referred to). Similar forms were used until January, 1914.

On the 4th day of May, 1912, a written agreement was entered into between Thomas Brothers, Limited, and the bank, reciting that the customers were indebted to the bank in about \$200,000 contracted in the course of its business, that the bank had demanded additional security for such indebtedness in the form of a mortgage or mortgages upon the lands and plant of their customers, that the customers had passed all the resolutions and by-laws necessary to authorize the execution of the agreement and the mortgages contemplated thereby. The agreement then proceeds to say that in consideration of the premises and terms and conditions set out in the agreement, the parties agree with one another as follows:

"1. The customers will on or before the first day of October next grant and convey by way of mortgage to the bank the lands of the customers being more particularly described" as set out in the agreement. That the agreement and mortgage or mortgages shall be by way of additional security for debts now due to the bank