

drawn by the defendants. His statement of receipts and expenditures for the year 1899 was prepared and audited as if there had been no change in the treasurership, commencing with the balance on hand on January 1, 1899, and ending with the balance to the credit of the township in Dec. 31, 1899. The plaintiff acted in this way believing the estate of the deceased treasurer to be solvent, and anticipating an early liquidation of the debt due from it to the defendants; and although long before the end of 1899 the said estate proved to be insolvent, he continued from year to year pursuing the same course, rendering his yearly statements of receipts and expenditure, which were duly audited, shewing balances in favour of the township, which were non-existent, except upon the footing of his having actually received the whole amount of the late treasurer's indebtedness. During 1899 he proved the debt against the deceased treasurer's estate in the name of the defendants, and received two dividends in that year, and a third in 1901, amounting to \$1481.56. He did not, however, bring the facts directly to the notice of the council or make any claim against the township until January, 1905, and the defendants apparently remained in ignorance of the facts until shortly before this action was brought to recover the balance due the plaintiff at the beginning of that year. The plaintiff explained his delay by saying that owing to the way he had behaved he had conceived the impression that he had made the debt his own and had lost the money.

Held, that the plaintiff was entitled to recover as he had never agreed to accept the order originally given him by the defendants as cash, and to account for it on that footing, and as there was no reason why after the end of his first year of office he could not have recovered the advances made during that year, notwithstanding the delivery of the statements of receipts and expenditure and their audit, and there had been no direct representation by him that the original order given him by the defendants had been paid. The advances during subsequent years should be treated on the same footing, as they were all made on orders given by the defendants in respect to the ordinary debts and expenditures of the township. The defendants moreover, had incurred so far as appeared, no debts or liabilities and had entered upon no expenditures or undertakings which they would not have done if they had received the clearest notice, at the earliest moment, that their late treasurer's estate was insolvent.

Held, however, that there must be a reference to the master