

tains the following: "Not having heard from you in reply to our letter of March 29th, we take the liberty of writing you again as we wish to have you send the notes covering the terms agreed upon so that we may close the matter with our attorneys in Toronto."

On the 29th June, 1910, the defendants wrote to the plaintiffs, a letter which contains the following: "I have this date addressed a formal letter to the company regarding the outstanding general account. I regret that we were unable to make payment on June 15th as promised, but found it absolutely impossible." And "I am not trying to make excuses for not making settlement as promised, but believe if you fully understand conditions in this wooden country it would be to our advantage. Cannot promise just what date we will make a remittance, but it will be early in July, and for as much as we can possibly send."

On the 14th July the defendants again wrote to the plaintiffs, and I quote from this letter: "Regarding switchboard account. Until we have completed payment of general account it will be impossible for us to do anything regarding same. There would be no use our giving you notes as until we pay our already outstanding paper, I would not know how to make same so as to meet them when due. Our entire revenue and more is going towards the settlement of accounts incurred under other management, and everything will be paid as promptly as possible. In the meantime you hold lien as security, and trust you will try to view matters from our standpoint and not insist upon notes which given at the present time might only embarrass us when due. Will send cheque covering balance of general account as soon as possible, and will then arrange switchboard matter, I trust to our mutual satisfaction."

To this letter the plaintiffs replied on July 18th, in part, as follows: "We will, therefore, not insist upon notes, but will wait until you have settled your general account so that you can determine when you can take care of the switchboard account, and send us notes accordingly."

On the 27th September Reece wrote to the plaintiffs a letter, from which I quote as follows: "What I wish to ask might better be done verbally, but as we cannot afford the expense of trip at present, must resort to a letter. The question is, to what further extent are the Ericsson Tel. Mfg. Co. willing to assist the Elk Lake Tel. & Tel. Co? Without re-