

13. That the suppliants operated the cordage plant from 30th September, 1904, until 1st November, 1905, and there was due by the suppliants to the inspector on current account, in respect of such operation during that period \$1,686.42.

14. That the settlement in 1902 shewed a balance due by the inspector to the suppliants in respect of advances made for the purchase of machinery, plant, etc., of \$30,705.71.

15. That the settlement in 1903 shewed that the inspector was indebted to the suppliants in respect of such advances in \$26,319.75.

16. That the settlement in 1904 shewed that the inspector was indebted to the suppliants in respect of such advances in \$17,910.68.

17. That the balance which the suppliants were entitled to on 30th September, 1905, in respect of such advances, amounted to \$9,903.10.

18. Deducting from the balance of \$9,903.10, the sum of \$1,686.42 due by the suppliants to the inspector on current account, leaves the inspector indebted to the suppliants in the sum of \$8,216.68.

19. That the suppliants, under the terms of the agreements referred to, deposited \$5,000 in the Canadian Bank of Commerce, Toronto, to the credit of the inspector and the Provincial Secretary, as a guarantee to insure the performance by the suppliants of the terms of the agreement.

The prayer of the petition was that the suppliants might be declared entitled to receive the balance of \$8,216.68, with interest from 30th September, 1905, and the sum of \$5,000 with accrued interest, and costs of suit.

The Attorney-General for Ontario, on behalf of His Majesty, delivered a statement of defence and counterclaim as follows:—

1. All admissions made herein are made for the purposes of this suit only.

2. The Attorney-General for Ontario, on behalf of His Majesty, admits the statement contained in paragraph 1 of the petition of right, the agreement of 25th September, 1905, being as follows (setting it out.)