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A. I may have told Christie about my arrangements about the buildings but I certainly did not tell him that I could get part of my claim in this way. As a matter of fact two of the notes \$80.00 and \$171.00 were my own. As between myself and A. C. Sparrow I was only liable for these two and possibly a small part of the \$300.00 and A. C. Sparrow should have paid the balance. As for the \$100.00 I cannot recollect what was done with the proceeds as between A. C. Sparrow and myself.

The verbal agreement referred to in the first paragraph of the Counter claim was made as follows : The horses were bought in the first place for the purpose of selling to the Can. Pac. Co! Cop'n. (Ltd.) and when we failed to make a sale to them we made this verbal agreement. **10** It was made after the mortgage was made. I was not to guarantee the lien notes but Christie was consulted think, about nearly every sale that was made but I don't think it was a part of the agreement that he should be. The agreement was that Sparrow and I were to make the sales or either of us. This was the agreement with Christie.

Q. In making the verbal agreement was it made between you and Christie individually, or between you and Christie representing the bank ?

Question objected to by Mr. Beck as it involves a question of law.

Mr. Lafferty objects to answer in the words of the question but is prepared to answer as the facts took place.

Q. Was that arrangement made between you and Christie, you considering him to be in **20** the position of having an interest in the horses mortgaged other than his interest as a member of the plaintiffs' firm as mortgagees ?

A. Yes. I considered him to be equally interested with me in the horses in addition to his interest as mortgagee being a member of the firm of LeJeune, Smith & Co.

Q. How much had you paid in cash and lien notes, the proceeds of the sale of the horses mortgaged, to the plaintiffs prior to the 30th December, 1890 ?

A. I could not tell you the amount exactly but I figured it up to show a balance of the mortgage due less \$1100.

Q. Had you paid to the plaintiffs all the cash and handed over all the lien notes received for horses in the mortgage sold by you up to the 30th December, 1890, on the 30th December, **30** 1890 ?

A. I cannot answer this now ; I would have to refer to my book ; I think I had or the greater part of it.

Q. At what rate of interest did you figure up in your statement to the 30th December ?

A. I computed interest at six per cent. after the maturity of the mortgage.