

The defendants the Pigeon River Lumber Company pleaded that they purchased the pulp-wood from the defendant Smith, who had a title thereto under a contract in writing made with one Spittal, the authorised agent of the plaintiffs; that they found such contract registered in the registry office for the district of Thunder Bay on the plaintiffs' lands, and purchased the pulp-wood in good faith, and were innocent purchasers for value without notice; and other matters by way of defence which need not be set out.

The defence set up by the defendant Smith was of similar purport, in so far as the origin of his alleged title to the pulp-wood was concerned, which he derived through the contract in writing referred to by his co-defendants. He further pleaded that the plaintiffs were estopped by the conduct of their officers; claimed by way of set-off certain allowances for work done for the plaintiffs; alleged that, by the plaintiffs repudiating the action of their agent Spittal, this defendant had suffered loss, damage, and expense, in consequence of his failure to perform his contract with his co-defendants for the supply of pulp-wood. And, by way of counterclaim, he asked to recover from the plaintiffs \$4,800 for moneys expended and improvements made upon the plaintiff's lands, and \$2,000 for damages because of the interference with his right to cut wood on the plaintiffs' lands.

There were also subsequent pleadings, in which the defendants charge fraud if the plaintiffs repudiate or had not authorised Spittal to enter into the contract under which the defendants claimed. And the plaintiffs ask that the contract, which had been registered, should be set aside and declared null and void.

At the trial, although a considerable amount of extraneous matter was introduced, it was quite obvious, as Sutherland, J., more than once remarked during its progress, that there was really but one main question to be tried, namely, Spittal's authority. And, after hearing all the evidence, the learned Judge held that Spittal had no authority; that the plaintiffs were entitled to the pulp-wood, which had while the action was pending been sold, by consent, and the proceeds paid into Court; that the instrument executed by Spittal, which had been registered (but after and not before the defendants the Pigeon River Lumber Company purchased from the defendant Smith) was and should be declared to be null and void and set aside; that the defendants should be restrained from further trespassing; and, as to the counterclaim of the defendant Smith, that