

sheet. This fact could have been very easily ascertained by any investigation, even a superficial one. Nothing was said of the statement to the liquidator or its representative. After its receipt, the written offer was amended by increasing the price, as already verbally arranged, and this offer was ultimately accepted.

Much might be said as to the propriety of Hall, at this stage of the negotiation, seeking to obtain any statement from Smith behind the back of Smith's employers; but I prefer to attribute an entirely innocent meaning to the conduct of Hall. I think that he was simply utilizing, for his own purposes, to aid him in the flotation of the company, the man who had the most knowledge.

What then happened is also of moment. Hall took charge of the company's operations, although not in full possession; and in August, 1907, found himself unable to carry out his contract. He wrote the liquidator on the 10th of August, announcing this fact, and stating: "I have gone carefully into the accounts, and find that since the liquidator has been in charge, you have not made money, but you have also lost money. I have had the best expert advice in the matter, I can get. I am advised that the company could not under any circumstances be made a success without spending at least fifty to sixty thousand dollars on the plant." He then urged the closing down of the plant, as it could not be operated save at a loss.

After this investigation and after this lapse of time, although it was plain that a loss might be expected, there is not the first suggestion of misrepresentation or any complaint against the liquidator.

The plant was then shut down; Hall sided in the realization; and his first complaint is that contained in the letter already referred to, written about a year later. The terms of that complaint are of moment, because he bases his complaint entirely upon the merchandise account, and says nothing as to the accounts receivable.

The debts due to the company amounted to a large sum. When these came to be collected it was found that the customers were in some cases dissatisfied with the way in which the company had fulfilled its contracts, and payment was refused. The most important instance was the case of the town of Kenora. A large amount was due from this municipality. Litigation took place, finally resulting in a com-