

have been applied to ameliorations and expenses judged necessary by the ratepayers and the Council :

Considering that said note upon which the present action is based was signed by Chevalier, then mayor of the said town, and countersigned by the secretary-treasurer of said town, as is required by law in such case, and that the delivery of such note was accompanied by all the formalities required in order that said note may have, in the hands of plaintiff, all the effects of a regular promissory note :

Considering that at the time and before the delivery of said note and sums forwarded, defendant has declared to plaintiff verbally and by statements duly certified by its secretary-treasurer that said defendant was still in the limits of its powers to transact with plaintiff, and that its debt did not then exceed the amount for which said defendant is allowed to be in debt :

Considering that at the date of the delivery of said note and loans, defendant stated that its transactions were *intra vires*, and that in fact said transactions were *intra vires*, according to the statements and documents furnished by defendant to plaintiff, through its agents duly authorized, and that plaintiff had no other efficient means to obtain reliable information as to the financial state of the town, and to ascertain whether or not said defendant was in the limits of its powers to transact :

Considering that the doctrine frequently cited is that when a corporation places a person in a charge which implies a responsibility and thus induces a third party to rely on the integrity of such person, especially in matters concerning the charge occupied by such person, said corporation is responsible for representations, negligence or fraud of such person in trust, by which same a third party acting *bona fide* would suffer any damage or loss :

Considering that, in this case, the defendant's financial position, giving the latter right to transact and that to plaintiff's knowledge, said position is exposed by defendant, or by its authorized and responsible agents ;—that had there been error, negligence or fraud, defendant could not take advantage of same at the expense of plaintiff, which the former would have deceived :

Considering that in this case there was execution of deed ; that defendant has profited by the money obtained by the present note ; that the materials, works, ameliorations made mentioned in the defendant's plea have been made and paid with money received from plaintiff at the knowledge of defendant, and the ratepayers, who have never made any objection :

Considering that the aim of law is the triumph of justice and the protection of honesty in transactions made by municipal corporations as well as by a particular individual, and that