

Pattison promised—both in his own name and in the name of the railway company—was the construction of the line, which would give them a means of handling freight independently of the Grand Trunk; the accommodation afforded by that company being . . . regarded as quite inadequate and unsatisfactory.

Mr. Pattison undertook to reduce the arrangement to writing, and he prepared a short memorandum . . . This . . . was signed by the Grand Valley Railway Company, and was to be delivered to each individual subscriber whose subscription would form part of the \$10,000.

When this document was submitted as embodying the arrangement made, it was at once repudiated. Mr. Pattison's attitude then was: "If you do not like the draft that I propose, prepare one to suit yourselves." Mr. Wood was selected as the draftsman, and prepared the document exhibit 3. This was afterwards read over by all concerned, was deemed to be satisfactory, and was executed by Mr. Pattison, who signs thus: "The Grand Valley Railway Company, A. J. Pattison, President."

Upon the faith of this document (dated the 29th June, 1906), individual subscriptions for bonds—some of which bear an earlier date, but were until then held in escrow—were handed over, and new subscriptions were made for an amount necessary to cover the shortage, so that the total would reach the required \$10,000. A joint note was executed by the subscribers and discounted; the proceeds went to the credit of the railway company; and the bonds were allotted and distributed. Some of the signatories to this note ultimately proved unable to pay. The plaintiffs paid the whole note, and among them became entitled to the whole \$10,000 of bonds.

The company readily assimilated the \$10,000, but did not make any serious endeavour to construct the four miles of road: merely grading a short distance. . . .

Upon the pleadings the company disputed all liability for the transaction; but when it was made to appear that the money had gone to the company, and when Mr. Pattison stated that all he had done was done with the sanction, not only of the entire directorate, but with the sanction and approval of all the shareholders of the company, Mr. Smoke admitted that the company were not in a position to repudiate the transaction.

The question of difficulty is, whether, on the agreement of the 29th June, Mr. Pattison assumed any personal liability.

In the first place, much reliance is placed upon the fact that Mr. Pattison did not sign this document individually; he signed it merely as president of the railway company.