

know which—so that money should pass into no one's hand but mine. Before I was paid the £50,000, on the morning of the 21st, they came into the cars to me and wished that instead of my transferring the stock to him that the thing should be returned on the principle that it was not a bona fide subscription although it was a bona fide payment by me.

Mr. ECCLES.—Have you any agreement between Mr. Morton and yourself?

Mr. BUCHANAN.—Yes. The agreement was with Rankin, and Morton came into it. I met both parties on the cars when I was going to London on the 21st to carry out my agreement. I was only a trustee in the matter all through. Mr. Rankin and Mr. Harrison, as agent for Mr. Morton, were all in the cars, and came from Toronto.

Mr. BEARE.—When you took the transfer of the £50,000 stock from Wallace, were you under the impression it was bona fide stock or not?

Mr. BUCHANAN.—There were two periods—one when I bought the stock, thinking it to be bona fide—and a second when the transfer took place. When I paid the deposit I was under the impression the stock was bona fide. Newspaper reports, the alarm of my friends, the fact of the writing being in pencil, alarmed me. I bought the stock for the Great Western Railway Company, knowing it to be illegal for the Company to buy it, and also knowing that the shareholders could not be bound to take the stock—even supposing the body of the English Shareholders to agree to take the stock, it was illegal. I proposed no illegal act, but took the stock to offer to the shareholders of the Great Western. If the £50,000 had been taken from the Bank, the Bank would have looked to me. I transferred the stock to Morton, expecting the Company to pay for it out of other monies than the amount of £50,000 standing to company's credit in the bank. I supposed that Morton went into it merely to take up a contract with Mr. Rankin. I had no understanding as to where the £50,000 was to come from.

In the course of the examination, Mr. Buchanan put in as evidence a bill filed in Chancery by him on the 22nd of December, 1856, against John McLeod, Theodore Park and William Wallace. The principal points of which are contained in the following extracts:—

"That on or shortly before the 15th day of July last (1856), the said Buchanan was applied to by the said John McLeod, and Theodore Park, to become the purchaser of twenty thousand shares of stock, which they represented and alleged had been subscribed for by William Wallace who had authorized them to dispose of it as they might think best, and to advance certain monies to subscribers to enable them to pay the deposit required by the Act of Parliament.

"That the said Isaac Buchanan agreed to to the proposal made by them, and thereupon the said John McLeod and Theodore Park addressed a letter to the said Isaac Buchanan in the words and figures, and to the purport and effect following:

"Windsor, 15th July, 1856.

"MR. ISAAC BUCHANAN,

"Dear Sir,—As agents for Mr. William Wallace, who has left entirely in our hands to dispose of his interest in his subscription of five hundred thousand pounds in the stock of the Amherstburg and St. Thomas Railway Company, we undertake that if you will give him the loan of the ten per cent. deposit necessary to said stock, or pay the amount to any party or parties who may have lent him the said amount, we will guarantee to you the re-payment of the said allowance, which will amount to fifty thousand pounds. It is, however, understood and we hereby guarantee that he will transfer the said stock of five hundred thousand pounds to your name, or any other or others you may appoint, thus cancelling his debt of fifty thousand pounds to you. We hereby also guarantee to you that William Wallace will join us as parties to an agreement this day gone into, and certain of the original subscribers to the stock of the Amherstburg and St. Thomas Railway Company, and be guided by you entirely in the selection of Directors of the said Company.

"We are, dear Sir, &c., &c., &c.,

"JOHN McLEOD,

"THEODORE PARK."

"Which letter is signed by the said McLeod and Park, and to which your orator craves leave to refer.

"That on the same fifteenth day of July, the said John McLeod and Theodore Park made and executed an agreement, which purported to be made between them and others of the shareholders who might thereafter sign it, and which is in the words and figures, and to the purport and effect following, that is to say:

"It is agreed between Theodore Park, John McLeod, and others, who may hereafter sign the agreement representing original stock, taken by such persons, in the Amherstburg and St. Thomas Railway Company of the one part, and Isaac Buchanan

of the other part, in consideration of shares in the Amherstburg and St. Thomas Railway Company, subscribed for by and in the name of William Wallace, amounting to five hundred thousand pounds, being assigned by the said Wallace to the said Buchanan, he, the said Buchanan, agrees to use the power which the assignment of the said shares shall vest in him, to secure the terminus of the said railway at Amherstburg as well as Windsor, and will make an understanding with those to whom he shall transfer such shares, that they shall carry the said road to Amherstburg; and the said Theodore Park and John McLeod agree with the said Isaac Buchanan that in the event of the said Buchanan being unable to effect such arrangement whereby the said railway shall have a terminus at Amherstburg, they, the said Theodore Park and John McLeod, will, within sixty days after receiving from the said Isaac Buchanan a written notice of his having failed to effect such arrangement, promise to be refunded to him all monies advanced by him on account of such shareholders, and to procure him to be released from all obligation and liability in respect thereof. And it is further agreed between the parties signing, or who shall sign this agreement, that on the said Isaac Buchanan advancing or lending to the subscribers the stock of the said company the means of paying the deposit thereon to entitle them to vote, every co-operation will be afforded by such person towards satisfying the capitalists whom Mr. Buchanan expects to interest in the immediate construction of the Amherstburg and St. Thomas Railway; especially that the Directors who shall be appointed at the first election of Directors of the said Company upon the votes given in respect of such stock, shall, from time to time, when required, retire from the Board of Directors, to make room for other gentlemen in England or elsewhere, whom the shareholders, to be procured by Mr. Buchanan, may wish to make Directors in the said Company.

"Dated at Windsor, 15th day of July, 1856, and signed

"JOHN McLEOD,

"THEODORE PARK,

"ISAAC BUCHANAN,

"WILLIAM WALLACE.

"* * * * "That about the 18th day of September last, (1856) the said William Wallace admitted to the said Isaac Buchanan, both being then in London (England), that the subscription had been made by William Wallace in the books of the said Company in May last in pencil and not in the form required by the act, and that it had been written over in ink after the closing of the books on the 5th day of July last, as Wallace since his return to Canada has admitted, but thus still leaving it imperfect in the form required by the statute.

"The following by-law, subsequently passed by the Board and intended to re-affirm the foregoing agreement is included in the bill which Mr. Buchanan put in as evidence:

"That until Mr. Isaac Buchanan arranges with capitalists to undertake the construction of the railway under the charter of the Amherstburg and St. Thomas Railway Company, and have his nominees for that purpose introduced to this board, there shall no further call be made on the shares nor any contract entered into, nor any cheque drawn on the Bank of Upper Canada, unless he approves of the same by his signature.

"This by-law being declared to be irrevocable without the consent of said Isaac Buchanan, as embodying the former understanding, now made a formal agreement.

"Dated the 10th day of October, in the year of our Lord one thousand eight hundred and fifty-six."

This having closed Mr. Buchanan's evidence, the examination was adjourned.

MR. RANKIN'S TESTIMONY.

Cross-examined by Mr. ECCLES, [who appeared for certain of the directors who were made defendants to the suit]—I know Wallace, who subscribed the £500,000 stock. The subscription is entered in the book lying at Amherstburg. When I saw it the entry was in ink. It had been originally in pencil, and was afterwards inked over. At the commencement, the provisional directors had adopted a heading for the stock book, to the effect that the parties subscribing for stock under that heading bound themselves to take the number of shares set opposite to their names. Upon the page of the book on which Wallace's name was written, there were at least a dozen other names preceding it, Wallace's name being the last on the page. Each of the parties who had subscribed previous to Wallace had complied with the requirements of the heading, and placed the number of shares which they intended to take in the column for shares. Wallace had written his name in the proper column for names, but had left the "No. of Shares" column blank, and in the columns for the pounds, shillings, and pence, and dollars and cents, he had so written the figures that they might have represented either £500