

former company would be borne by the purchasing company from the time of his inspection, and he made certain suggestions for repairs to the plants, evidently intending these repairs to be for the new company of which plaintiff was to be a large shareholder. That being the case, the view I entertain is that if any affect or meaning is to be given to the words "without corresponding value," in the agreement of February 23rd, 1910, it may reasonably be held that it was contemplated that the liabilities from the time Thompson's inspection was completed would be assumed by the General Construction and Dredging Company, Limited, and that the liabilities down to that time were liabilities assumed by that company "without corresponding value," and which should be paid and discharged by the defendant. There is nothing in the agreement or in the evidence or in the circumstances surrounding the plaintiff's embarking in the enterprise from which to draw any different conclusion.

If my view is correct, then the General Construction and Dredging Company, Limited, received "corresponding value" for the liabilities of the Cape Breton Dredging Company, Limited, from the time of Thompson's inspection, namely, March 18th, 1909, and defendant should pay the accounts and liabilities down to that date on a proper apportionment and adjustment thereof being made as of that date, and he should be credited with any parts of these accounts and liabilities from that date which are included in the amount sued for. He is also entitled to other credits. The minutes of the meetings of the directors and shareholders of the General Construction and Dredging Company, Limited, shew that that company, in November, 1911, was largely indebted to the defendant. On the 21st November, 1911, defendant released that company from \$5,484.30, part of this indebtedness, and on December 1st, he released it from \$1,000, a further part of the indebtedness; on November 21st, 1911, he paid the company \$8,591.35; and on December 1st, a further sum of \$7,800. For these sums so released and the payments so made, amounting altogether to \$22,875.65, he claims and is entitled to credit as against the amount sued for. I find, therefore, that what defendant should pay to the General Construction and Dredging Company, Limited, is the amount sued for less the \$22,875.65, and less such parts of the accounts and liabilities of the Cape Breton Dredging Company, Limited (included in the