

The action was tried without a jury at Toronto.

T. H. Peine, for the plaintiff.

D. Inglis Grant, for the defendants Glendenning and Mackie, and for Clarkson, added as a defendant at the trial.

Judgment for default was signed against the other defendants.

MIDDLETON, J.:—The action was brought by a storekeeper carrying on business at St. Anthony Mine, who claims to recover against the defendants, as directors of the Northern Gold Reef Limited, the sum of \$2,088.49 alleged to be due for debts for wages to labourers, servants, and apprentices, for services performed for the company, of which the plaintiff is the assignee. . .

The mine was originally the property of the Sturgeon Lake Development Company, and the plaintiff's original transactions were with that company. The new company was incorporated and organised in January, 1913, and the course of business continued with the new company in precisely the same way that it had been carried on with the old company.

By an arrangement made on the 1st April, 1912, between the plaintiff and the Sturgeon Lake Development Company, the plaintiff agreed to move his store, then some distance from the mines, to the mines, and he was given the exclusive right to operate a store and pool-room there in a building owned by the company, for a nominal rent. The company also agreed to supply him with electric light at a nominal charge.

Although not reduced to writing, it was agreed that the store should be run for the accommodation of the men working at the mines, and that the goods sold to the men should be charged up against their wages, and the amount so charged up should be paid to the plaintiff, the plaintiff being in this way secured as to payment for all the goods sold. The way this was carried into effect was that the purchasers were required to initial the vouchers, and the vouchers were then sent to the company; and, when the pay cheques were drawn, a separate cheque was drawn for the amount of the store bill, payable to the workman; the men then endorsed these cheques, and they were retained by the company. An adjustment was made monthly between the plaintiff and the company; he was given credit for the amount of these cheques so held and for any goods he had sold to the company; he was charged with the amount due for rent and for electric light, and for anything else which he owed the company, and was then given a cheque for his net balance.