

in the old company, was called for the defence. His firm, he said, had made the machinery and put it up. He knew the property well. Including land, buildings and machinery, it had cost about \$80,000, a sum which unfortunately exhausted the whole of the capital of the company. He valued the property at the time of the liquidation of the old company at \$41,150. At the time of the sale the machinery was in perfect order, but the buildings required some slight repairs, which might cost \$1,000 or so. For the purpose of a paper manufactory the property was, he considered, worth \$40,000. It would have cost the new company from \$50,000 to \$55,000 to provide itself with similar works elsewhere.

On the 5th of May, 1886, the promoters and Mr. Finlay, who had then joined the enterprise, having subscribed between them \$55,000 towards the joint stock of the proposed undertaking, held a provisional meeting as shareholders in the new company. The meeting appointed provisional directors and authorized them to make an immediate call on the capital subscribed, and to apply for incorporation. The directors accordingly met and made a call of 75 per cent. payable on the 20th of May.

On the 26th of June, 1886, a petition for incorporation was presented on behalf of the shareholders in the new company. The petition set forth the particulars required by the Act, including the names of the shareholders and the amounts subscribed by them respectively. Letters patent incorporating the new company were duly granted on the 5th of August.

On the 3rd of September a meeting of the shareholders was held; the minutes of the former meetings were read and adopted, and directors were appointed. At a meeting of the directors held on the same day, the President, M. Beauchemin, was authorized to sign in the name of the company the deed of sale of the property and to acquire it from the then owners for the price of \$35,000, and a final call was made of 25 per cent. payable on the 16th of October.

In September, 1886, the promoters were credited in the books of the company with payment in full of their shares. The amounts so credited were paid half in cash and half by receipts given to the company by the vendors to the extent of \$25,000 on account of the purchase price of the property.

After working for about two years and a half the company went into liquidation. In June, 1889, the appellant was