

By his will provision was made for his sons, the plaintiff and Charles William Smith, continuing the milling business in partnership for a time, and on terms therein stated.

The partnership was entered into soon after the father's death, and was carried on for some years, when differences arose between the partners, and also between the plaintiff and the executors of his father's will, the plaintiff being under the impression that the executors were favouring his brother.

The plaintiff had dealings with a firm of brokers in Toronto, he says, buying grain for his business. In February, 1912, plaintiff met, at the office of these brokers, the defendant, whom he had known for many years, and told him of his difficulties, and that he thought he could get on more successfully if he had the business under his own personal control. The discussion led to the suggestion of defendant aiding plaintiff in overcoming these difficulties, and defendant proposed a scheme for the incorporation of a company with large capital, which would issue bonds, the proceeds of which would be used to enlarge and extend the business, and carry it on with greater success.

In March, 1912, at defendant's request, plaintiff submitted to him his father's will, the partnership agreement with his brother, and a statement of the partnership business as at January 19th, 1912.

There were a number of interviews then about the proposed incorporation and issue of bonds, the defendant having prepared a statement giving figures to shew that the operations of such a company would be profitable. This statement was produced at the trial.

Various offices—of brokers and others—were visited, with a view to floating the proposed bonds.

Plaintiff had told the defendant that the relationship existing between himself and the members of his family was such that he could not effect a settlement which he desired to make with them and the executors, and the conclusion was arrived at to have plaintiff's assets placed in defendant's name with the object of inducing the members of plaintiff's family to believe that future dealing in regard to his affairs would be, not with him, but with a stranger, the defendant.

For his protection plaintiff asked defendant for a letter which would shew the true nature of the transaction be-