

LATCHFORD, J.

NOVEMBER 22ND, 1918.

*BANK OF OTTAWA v. HAMILTON STOVE AND
HEATER CO.

*Company—Powers of Manufacturing Company Incorporated by
Dominion Authority—Guaranty of Indebtedness of another
Company to Bank—Special Clause in Charter—Benefit of
Company—Business Conducted for such Benefit—Directors
Acting through Officers—Power to Affix Seal—Contract Bind-
ing on Company—Continuing Guaranty—Amendment.*

Action upon a guaranty, dated the 22nd March, 1917, made by the defendants to secure advances etc. by the plaintiffs to the Tilden-Gurney Company, Limited, a corporation organised to sell the goods manufactured by the defendants.

The action was tried without a jury at an Ottawa sittings.
Wentworth Greene, for the plaintiffs.
H. A. Burbidge, for the defendants.

LATCHFORD, J., in a written judgment, said that the defendants were incorporated in 1910 by a charter of the Dominion of Canada. Among the powers conferred were: (b) to manufacture, buy, and sell hardware and kindred goods and articles; (i) to enter into any arrangement for union of interests, co-operation, joint advantage, reciprocal concession, or otherwise, with any company carrying on or about to carry on or engage in any business or transaction which this company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company; and to guarantee the contracts of or otherwise assist any such person or others having dealings with the company.

The powers set forth in clause (i) are identical with those stated in sec. 23 (d) of the Ontario Companies Act, R.S.O. 1914 ch. 178, as incidental and ancillary to any powers set out in the letters patent incorporating a company under the Ontario Act.

The Tilden-Gurney Company were incorporated under the Ontario laws; they had the same directors and officers and approximately the same shareholders; and conducted from Winnipeg a business which the defendants were authorised to engage in. That business was capable of being conducted and was in fact conducted for the benefit of the defendants. The Gurney-Tilden Company sold throughout the Western Provinces the articles