

The committee purported to act only as a committee. The Victor Wood Works, Limited, had ceased to hold meetings on its own account, and nothing was done by the directors or the company, as such, in the way of carrying out the terms of the basis. None of Blair's notices were issued by the authority of the directors. There was a meeting of the directors, and of them only, held on the 18th of July, but it only dealt with the security for the loan already made, confirming the deposit of the bonds by a memorandum of 15th of June. It will be noticed that in the notice of June 5th, 1907, it was proposed to hold a meeting after June 15th, when the board of directors was to be increased by the addition of several gentlemen from the new subscribers, involving future action, as the number of directors had been limited.

Some of the subscribers to the subscription list, 27 in all, paid an instalment of their subscriptions. None of the directors did so, except Hunter, who had an account turned.

It will be remembered that the first instalments by the terms of the subscription list were due at the date fixed in the notice, i.e., June 15th, and it was no doubt thought of importance to get these in by that date, although payment could not have been then enforced.

The project collapsed in July, four persons who had paid repudiated and demanded their money back before the winding up, which commenced on the first of August. These instalments were mostly paid to Blair, who was secretary also of the joint committees. I think there is no evidence to show any receipt by the directors or any authority in Blair to receive them or of their reaching the directors. In my opinion this arrangement was but a preliminary or provisional arrangement between the committee of the subscribers and the persons forming the directorate of the company, and that they contemplated more formal documents to effect their purpose.

By the Company's Act (Canada) R. S. c. 79, ss. 51, 52, it is provided, in respect to increasing and reducing capital, that a by-law should be made by the directors, and it would have no force unless approved of by two-thirds in value of the shareholders.

Then by the Company's Act, R. S. c. 79, sec. 46, it is provided that stock shall be allotted at such times and in such manner as the directors, by by-law, shall prescribe. The new shares would have to be allotted and without that