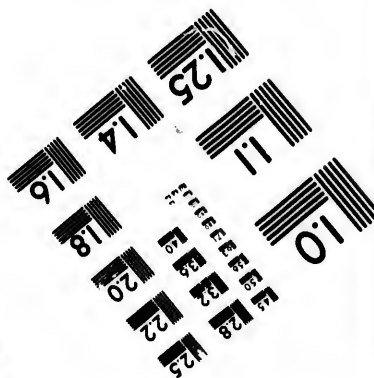
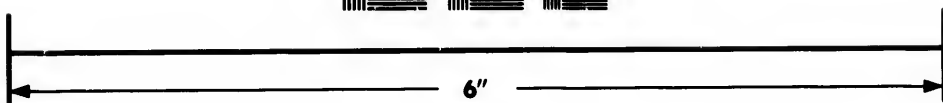
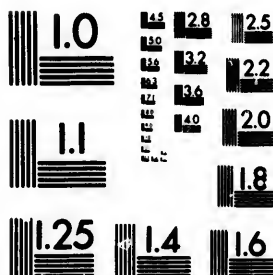


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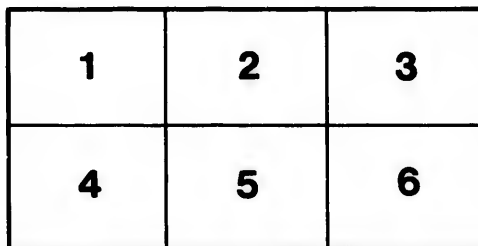
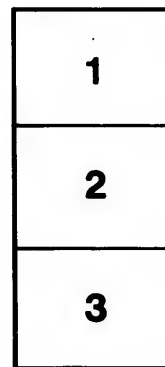
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Provincial Secretary's Office

THE GREAT SOUTHERN

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NIAGARA AND DETROIT RIVERS RAILWAY

Facts for the information of Honorable Members of the Legislative Council.

By the Act intituled "An Act to amend the Charters of the Amalgamated Company heretofore intituled 'the Great South Western Railway Company,' and to change its name to the Detroit Rivers Railway Company," passed during the Session of 1856, thirteen gentlemen were appointed Directors of the Company for the time being.

At the time of the passing of this Act nearly the whole of the subscribed Stock was in the hands of Mr. Morton, of Kingston, who had acquired it by means of untrue representations made to the Directors without the performance of the conditions upon which alone it had been transferred to him, and without any payment whatever having been made to the Company, as a deposit upon such Stock.

Nearly four-fifths of the Capital Stock, however, remained unsubscribed, and at the disposal of the Directors for the time being. The majority of these Directors, having already been imposed upon by Mr. Morton, resolved to dispose of the unsubscribed Stock to new Shareholders, who subscribed for the same at a regular meeting of the Board, which all the Directors were notified to attend, and at which seven of the thirteen were present.

The Directors, acting under the legal advice of Mr. Eccles and Mr. Strong, Barristers, had passed a By-law requiring all parties subscribing for Stock to pay a deposit thereupon to the Treasurer of the Company. This deposit was accordingly paid, and the necessary certificate therefore given to each subscriber by the Treasurer.

The meeting for the election of a new Board, at St. Thomas, on the 24th of August last, was attended by the Directors named in the act, as well as by a large number of Shareholders. Seven of the old Directors contended that Mr. Morton, was, strictly speaking, not entitled to vote as a Shareholder, inasmuch as his stock had been illegally obtained, was originally invalid, and no payment by way of deposit had ever been made thereupon. While six of the Directors urged, that Mr. Morton, and certain other parties, to whom he had transferred a portion of his stock, were alone entitled to the privileges of Shareholders, and that the parties who had recently become Shareholders, although the latter had paid to the Company the required deposit, were not entitled to vote as such Shareholders.

After much angry discussion among the Directors, and other interested parties, an attempt was made, at the instance of Mr. McBeth, forcibly to exclude from the room the majority of the Directors named in the act, and to prevent the new Shareholders from voting. This attempt, however, was unsuccessful, and a new Board was elected upon the votes of Shareholders, holding nearly four-fifths of the shares, upon which the lawful deposit had been paid to the Company. This Board is known as "the Mercer Board," so called after the name of its President.

Shortly afterwards, the majority of the Directors named in the Act, together with most of the Shareholders, having retired from the room, Mr. McBeth, Mr. Morton, Mr. Henry De Liguere, the Hon. Mr. Col. John Prince, McLeod, Mr. Isaac Buchanan, and certain others of

their friends, went through the form of electing another Board, founded upon the shares held by Mr. Morton, upon which no deposit whatever had been paid, and which were but little more than one-fifth of the Capital Stock of the Company.

Of this latter Board, Mr. McBeth was chosen President, and the Hon. Col. Prince, who had taken a prominent part in the proceedings of the meeting as the legal adviser of Mr. McBeth, Morton, &c., appointed a Solicitor. This Board is known as the McBeth Board.

In September last, a suit in Chancery was instituted by the Mercer Board against the McBeth Board, to restrain the latter from pretending to act as a Board of Directors, &c.

This suit is still pending and undetermined.

In December then following another suit in Chancery was instituted by an individual Shareholder against Isaac Buchanan, Esq., and all the parties claiming to be Directors, to compel Mr. Buchanan to refund to the Company a large amount of money, alleged to have been illegally paid to him, by the Directors of the then Amherstburgh and St. Thomas Railway Company.

In this latter suit, facts have been brought to light in evidence, which clearly show, that the ultimate decision of the Court in these cases, cannot be otherwise than unfavorable to the pretensions of the McBeth Board.

Hence their appeal to the Legislature to give them, by Legislative enactment, a position which they can never obtain by the decree of the court.

The Mercer Board has put the railway under contract sub-contractors are now engaged in the work of construction, and already the line has been cleared 100 feet in width for many miles through the woods in the county of Essex, while the Company have secured the right of way, from almost all the resident proprietors in the counties of Kent and Essex, for upwards of fifty miles from the terminus on the Detroit River; and, if allowed to proceed without Legislative interference, their arrangements and connections are such, that they feel confident of being able to complete the whole road and open the line for traffic within a reasonable period.

The real object of the bill introduced by the Hon. Col. Prince, solicitor to the McBeth Board, will at once be understood by hon. members, if they will peruse the foregoing statement, which can be substantiated by evidence, should a committee be appointed to investigate the subject.

C. F. FLETCHER, Secretary,

Niagara and Detroit Rivers Railway Company.

Toronto, March 26th, 1859.

Subjoined are those portions of the evidence taken in the last mentioned Chancery suit, which establish the invalidity of the stock held by Mr. Morton, and as a necessary consequence, the illegality of the so-called McBeth Board which was elected thereupon.

IN CHANCERY,

M'CLENNIGHAN *et al* v. BUCHANAN *et al*.

(BEFORE VICE-CHANCELLOR BROWN.)

In this case, Mr. W. Strong and Mr. E. Blake appeared for the plaintiff, and Mr. Gwynne, Q. C., and Mr. Adam Crooks for the defence. Mr. Eccles, Q. C., also appeared for certain of the directors, defendants.

This was an interlocutory motion to compel defendant to pay into Court the sum of £50,000 alleged to have been illegally obtained from the Company—the application being based on the ground that Mr. Buchanan was in embarrassed circumstances.

The bill filed in the case was read by Mr. Strong.

Mr. Gwynne said that the whole objection taken by defendant against the bill was that it was filed in order to obtain a decree from the Court that the money in question belonging to Company and had been improperly obtained by the present defendant, Buchanan. In the motion before the Court it was thought to obtain that which was in fact a hearing of the cause. They sought to go into a matter of evidence which ought only to be gone into when the cause was at issue. The object of the motion was to compel defendant to pay into Court this sum of £50,000.

Mr. ADAM CROSS, who also appeared for the defence stated that in his opinion the examination was contrary to the whole practice of law. The payment of monies into Court, in such cases, could not be made compulsory, except on defendant's voluntary admission, and it was not competent for the plaintiff's counsel to elicit such admission in a *voir dire* examination.

Mr. STONG stated he had endeavored to anticipate every difficulty in this case, in making application to the Chancellor for the appointment. His Lordship had stated that he thought the application reasonable. His Lordship had granted the appointment, to meet the difficulty raised by defendant of want of forty-eight hours notice.

His Lordship said he thought the examination ought to go on. At all events, the time would not be misapplied, even though the evidence were declared inapplicable to the purpose intended. He would wish the examination to go on without prejudice to the issue raised by defendant.

ISAAC BUCHANAN, Esq., M. P. P., was then called and sworn—I was the owner of stock in my own name of something over £50,000, in the Amherstburg and St. Thomas Railway. I acquired from William Wallace £500,000 on which the £50,000 was paid. It was transferred to me in November, 1856. I paid ten per cent into the Bank of Upper Canada, on that sum. I merely acted for shareholders of the Great Western Railway, and the Vice-President and I applied to the bank to debit me with that amount. I attended the meeting of the Amherstburg and St. Thomas Company Board of Directors on 21st November, 1857. I was then President. A resolution was not then passed by the Directors authorizing the re-payment to me of that £50,000—but a change was then made in the Board of Directors. I am not aware the new Board passed such a resolution. I believe the arrangement with Mr. Rankin and the Board nominated was, that all stock should be put in the name of Mr. Morton. I therefore transferred it all to the name of Mr. Rankin. But, while in the care going to London it was proposed to me to deviate from that arrangement and cancel the stock. This I refused to do, and I transferred the £50,000 stock to Mr. Morton. These are my reasons for supposing the new Board of Directors may have passed such a resolution. But I do not positively know such to have been the case.

Mr. STONG then read, from the minute book of the Company, a motion moved by a Mr. Askin and duly seconded, setting forth that it was just and expedient to repay Mr. Buchanan the £50,000, and that such sum be at once repaid.

Mr. BUCHANAN—I am not aware that that resolution was passed. The cheque I received from Mr. Morton was payable to my order and signed by the President of the Company. That cheque went to my credit in the bank of Upper Canada. I was debited, and the Railway was credited with the £50,000 deposit, when it was paid in.

Mr. GWYNNE then said that in his cross-examination he should go into the whole case, as the appointment was made simply for examination of witnesses.

Mr. BUCHANAN, examined by Mr. Gwynne—Although this money was called mine, it was well understood I was merely acting as trustee. And a by-law was passed by the Company in 1856, to say that no money should be drawn out of the Bank except by me, or on my order. This was served on the Bank of Upper Canada. In the following month the directors tried to upset this by-law, and I immediately got Mr. Strong to bring the bill into this Court and got an injunction against them, in order to prevent their upsetting the by-law.

Mr. H. ECCLES, Q.C., here rose and said—I appear for the present directors or some of them, who are charged in the bill with having improperly paid the money to Mr. Buchanan, and for their justification I apprehend it will be necessary for me to cross-examine Mr. Buchanan.

Mr. GWYNNE—Your lordship will see from this, that in reality the whole merits of the case must be gone into.

His Lordship—I shall not allow the examination of the case to exceed due limits.

Mr. ECCLES—I think, my lord, it would be better to allow me to cross-examine the witness before Mr. Gwynne.

Mr. STONG—Your lordship will see that this evidence is proposed to be used not only against Mr. Buchanan himself, but also against the clients of my learned friend, Mr. Eccles.

His Lordship said he thought it was better Mr. Eccles should be allowed to cross-examine the witness first.

In answer to Mr. Eccles,

Mr. BUCHANAN then deposed:—The stock said to have been subscribed by Wallace was called bogus stock by Rankin, and McLennigan, his editor. I knew there were doubts as to the goodness of Wallace's subscription, because it was written in pencil. And there were a great many other circumstances such as that it was not entered in proper columns. I was not one of those who said it was bad stock. I was in favor of the directors

appointed under the £500,000 subscription. The directors, I believe, ordered the stock to be refunded, because it was not a bona fide subscription. I transferred to Morton Wallace's stock and £800 other stock paid up by me.

Q.—Was not that money refunded to you by the President and Directors?

A.—I cannot say it was. Mr Morton bought me out, and gave me the cheque.

Q.—Was not this the same money which could not be touched without your authority?

A.—Certainly.

Q.—Well, did you give any authority to Mr. Morton to touch it?

A.—No. He handed me his cheque in payment of the shares.

Q.—Yes; but it was for your own money, over which no one had any control but yourself?

A.—It was the bank's money, of which I never paid a penny.

Q.—Well, then, but it was subject only to your order?

A.—It was subject to the order of the railway company, in my favor.

Q.—Did you not say that when they passed the by-law in October, it was expressly declared that that money could not be touched without your signature? Now, had they that authority?

A.—Yes.

Q.—Now, I ask you, was not that giving back your own money which you had deposited? That, in fact, there never was any money at all. But an entry was made in the bank books by which you are made their debtor for £50,000?

A.—Yes; and when Mr. Morton gave me the cheque they balanced my account—transferring the sum from the debit to the credit side.

Q.—Surely you do not call such an affair as that a payment of money by Mr. Morton?

A.—The proper arrangement would no doubt have been that Mr. Morton should have given security for the amount. Mr. Morton was brought in merely as contractor.

Q.—Was there, then, a written assignment made by you to Mr. Morton?

A.—Yes; the books of the Company here show an acknowledgment of it. I transferred all the stock I had to Morton.

Q.—For which he gave nothing—eh?

A.—For which he gave me this cheque.

Q.—Oh, we understand the case. It is just as set forth in the bill. Now, where is the original contract entered into between you and the former Directors of the Company?

A.—It is all set out in the bill on which I got the injunction on the £50,000.

Q.—Who got the contract?

A.—McLeod and Park.

Q.—Two of the Directors of the Amherstburg and St. Thomas Railroad?

A.—Yes.

Q.—By that contract I believe it was provided you were to get back your £50,000, in the event of a certain undertaking on your part failing?

A.—It was provided by an original clause that if the scheme was not taken up in England, they should pay the same back to me in a certain time. But that clause was afterwards expunged.

Q.—Who expunged it? It is in your bill.

His Lordship.—Whom do you refer to by the word "they"?

Mr. ECCLES.—The directors were to refund to Mr. Buchanan his deposit of £50,000 if he failed to make certain arrangements in England, as to getting parties to take stock.

Mr. BUCHANAN.—There was such a clause in the original draft; but it was struck out.

In answer to His Lordship,

Mr. ECCLES explained that his object was to show that the money had been properly paid to Mr. Buchanan, and that it never was anything but a conditional deposit.

Examination resumed by Mr. Eccles.—I did not claim back the £50,000. I sold my stock and they did the rest. In reality the directors had an understanding with me that I should get back the stock. The by-law said that, I being the only creditor of the Company, there should be no contract or cheque without my approval. The directors of the railway gave a cheque for the amount on giving out the contract; but the thing was rescinded. The contract was given out to Wythes & Zimmerman. But the cheque was rescinded and never presented—the contract was not entered into. That was done by my consent. I was made a trustee either for the company or contractors—I do not

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know which—so that money should pass into no one's hand but mine. Before I was paid the £50,000, on the morning of the 21st, they came into the cars to me and wished that instead of my transferring the stock to him that the thing should be returned on the principle that it was not a bona fide subscription although it was a bona fide payment by me.

Mr. ECCLES.—Have you any agreement between Mr. Morton and yourself?

Mr. BUCHANAN.—Yes. The agreement was with Rankin, and Morton came into it. I met both parties on the cars when I was going to London on the 21st to carry out my agreement. I was only a trustee in the matter all through. Mr. Rankin and Mr. Harrison, as agent for Mr. Morton, were all in the cars, and came from Toronto.

Mr. BEARE.—When you took the transfer of the £50,000 stock from Wallace, were you under the impression it was bona fide stock or not?

Mr. BUCHANAN.—There were two periods—one when I bought the stock, thinking it to be bona fide—and a second when the transfer took place. When I paid the deposit I was under the impression the stock was bona fide. Newspaper reports, the alarm of my friends, the fact of the writing being in pencil, alarmed me. I bought the stock for the Great Western Railway Company, knowing it to be illegal for the Company to buy it, and also knowing that the Shareholders could not be bound to take the stock—even supposing the body of the English Shareholders to agree to take the stock, it was illegal. I proposed no illegal act, but took the stock to offer to the shareholders of the Great Western. If the £50,000 had been taken from the Bank, the Bank would have looked to me. I transferred the stock to Morton, expecting the Company to pay for it out of other monies than the amount of £50,000 standing to company's credit in the bank. I supposed that Morton went into it merely to take up a contract with Mr. Rankin. I had no understanding as to where the £50,000 was to come from.

In the course of the examination, Mr. Buchanan put in as evidence a bill filed in Chancery by him on the 22nd of December, 1856, against John McLeod, Theodore Park and William Wallace. The principal points of which are contained in the following extracts:—

“That on or shortly before the 15th day of July last (1856), the said Buchanan was applied to by the said John McLeod, and Theodore Park, to become the purchaser of twenty thousand shares of stock, which they represented and alleged had been subscribed for by William Wallace who had authorized them to dispose of it as they might think best, and to advance certain monies to subscribers to enable them to pay the deposit required by the Act of Parliament.

“That the said Isaac Buchanan agreed to to the proposal made by them, and thereupon the said John McLeod and Theodore Park addressed a letter to the said Isaac Buchanan in the words and figures, and to the purport and effect following:

“Windsor, 15th July, 1856.

“MR. ISAAC BUCHANAN,

“Dear Sir,—As agents for Mr. William Wallace, who has left entirely in our hands to dispose of his interest in his subscription of five hundred thousand pounds in the stock of the Amherstburg and St. Thomas Railway Company, we undertake that if you will give him the loan of the ten per cent. deposit necessary to said stock, or pay the amount to any party or parties who may have lent him the said amount, we will guarantee to you the re-payment of the said allowance, which will amount to fifty thousand pounds. It is, however, understood and we hereby guarantee that he will transfer the said stock of five hundred thousand pounds to your name, or any other or others you may appoint, thus cancelling his debt of fifty thousand pounds to you. We hereby also guarantee to you that William Wallace will join us as parties to an agreement this day gone into, and certain of the original subscribers to the stock of the Amherstburg and St. Thomas Railway Company, and be guided by you entirely in the selection of Directors of the said Company.

“We are, dear Sir, &c., &c., &c.,

“JOHN McLEOD,
“THEODORE PARK.”

“Which letter is signed by the said McLeod and Park, and to which your orator craves leave to refer.

“That on the same fifteenth day of July, the said John McLeod and Theodore Park made and executed an agreement, which purported to be made between them and others of the shareholders who might thereafter sign it, and which is in the words and figures, and to the purport and effect following, that is to say:

“It is agreed between Theodore Park, John McLeod, and others, who may hereafter sign the agreement representing original stock, taken by such persons, in the Amherstburg and St. Thomas Railway Company of the one part, and Isaac Buchanan

of the other part, in consideration of shares in the Amherstburg and St. Thomas Railway Company, subscribed for by and in the name of William Wallace, amounting to five hundred thousand pounds, being assigned by the said Wallace to the said Buchanan, he, the said Buchanan, agrees to use the power which the assignment of the said shares shall vest in him, to secure the terminus of the said railway at Amherstburg as well as Windsor, and will make an understanding with those to whom he shall transfer such shares, that they shall carry the said road to Amherstburg; and the said Theodore Park and John McLeod agree with the said Isaac Buchanan that in the event of the said Buchanan being unable to effect such arrangement whereby the said railway shall have a terminus at Amherstburg, they, the said Theodore Park and John McLeod, will, within sixty days after receiving from the said Isaac Buchanan a written notice of his having failed to effect such arrangement, promise to be refunded to him all monies advanced by him on account of such shareholders, and to procure him to be released from all obligation and liability in respect thereof. And it is further agreed between the parties signing, or who shall sign this agreement, that on the said Isaac Buchanan advancing or lending to the subscribers the stock of the said company the means of paying the deposit thereon to entitle them to vote, every co-operation will be afforded by such person towards satisfying the capitalists whom Mr. Buchanan expects to interest in the immediate construction of the Amherstburg and St. Thomas Railway; especially that the Directors who shall be appointed at the first election of Directors of the said Company upon the votes given in respect of such stock, shall, from time to time, when required, retire from the Board of Directors, to make room for other gentlemen in England or elsewhere, whom the shareholders, to be procured by Mr. Buchanan, may wish to make Directors in the said Company.

“Dated at Windsor, 15th day of July, 1856, and signed

“JOHN McLEOD,
“THEODORE PARK,
“ISAAC BUCHANAN,
“WILLIAM WALLACE.

“That about the 18th day of September last, (1856) the said William Wallace admitted to the said Isaac Buchanan, both being then in London (England), that the subscription had been made by William Wallace in the books of the said Company in May last in pencil and not in the form required by the act, and that it had been written over in ink after the closing of the books on the 5th day of July last, as Wallace since his return to Canada has admitted, but thus still leaving it imperfect in the form required by the statute.

“The following by-law, subsequently passed by the Board and intended to re-affirm the foregoing agreement is included in the bill which Mr. Buchanan put in as evidence:

“That until Mr. Isaac Buchanan arranges with capitalists to undertake the construction of the railway under the charter of the Amherstburg and St. Thomas Railway Company, and have his nominees for that purpose introduced to this board, there shall no further call be made on the shares nor any contract entered into, nor any cheque drawn on the Bank of Upper Canada, unless the approval of the same by his signature.

“This by-law being declared to be irrevocable without the consent of said Isaac Buchanan, as embodying the former understanding, now made a formal agreement.

“Dated the 10th day of October, in the year of our Lord one thousand eight hundred and fifty-six.”

This having closed Mr. Buchanan's evidence, the examination was adjourned.

MR. RANKIN'S TESTIMONY.

Cross-examined by Mr. ECCLES, [who appeared for certain of the directors who were made defendants to the suit]—I know Wallace, who subscribed the £500,000 stock. The subscription is entered in the book lying at Amherstburg. When I saw it the entry was in ink. It had been originally in pencil, and was afterwards inked over. At the commencement, the provisional directors had adopted a heading for the stock book, to the effect that the parties subscribing for stock under that heading bound themselves to take the number of shares set opposite to their names. Upon the page of the book on which Wallace's name was written, there were at least a dozen other names preceding it, Wallace's name being the last on the page. Each of the parties who had subscribed previous to Wallace had complied with the requirements of the heading, and placed the number of shares which they intended to take in the column for shares. Wallace had written his name in the proper column for names, but had left the “No. of Shares” column blank, and in the columns for the pounds, shillings, and pence, and dollars and cents, he had so written the figures that they might have represented either £500

of £500,000. Under the column for pounds "500" was entered, and the remaining three cyphers were in the shillings and pence columns. By a business man the entry would have read—Five hundred pounds, no shillings and no pence. In the column for dollars appeared "5000," and the remaining cyphers were in the cents column. The stock book had been deposited with Mr. Colledge of Hamilton, for the purpose of obtaining subscribers. Mr. Colledge had allowed it to go out of his possession, by delivering it to Mr. Parke, of Windsor; and as Mr. Parke would not give me the book in any other way, I obtained it by a writ of replevin. On obtaining possession of the book, I found in it the entry I have referred to. I knew Wallace. He was a man of no means—a resident of the United States, seeking employment here as an engineer. I made Mr. Buchanan aware of the entry of the stock in the book in the name of Wallace, on 8th August, 1856. Mr. Buchanan did not on that occasion express any opinion on the subject, but he evinced extreme anxiety to get possession of the book from me. Some of the present directors of the Niagara and Detroit Rivers Company were stockholders in the Amherstburg and St. Thomas Railway, and the plaintiff McCleughan, shortly before the amalgamation of the latter company with the Woodstock and Lake Erie Railway company, also became a shareholder therein. I cannot tell the light in which the plaintiff regarded the Wallace stock; but the directors who signed the cheque considered that Wallace's subscription was fraudulent, and that the ten per cent. deposit upon it paid by Buchanan, was only paid conditionally, the condition being that if Mr. Buchanan failed within a given period in accomplishing his designs in England, in connection with the Great Western Railway, the money should be returned to him. Mr. Buchanan and his directors claimed to be the legally-constituted board, upon the faith of the £50,000 deposit; and their successors, up to the passing of the recent Act, stood upon the same foundation.

An affidavit has been made by Mr. Mercer, as follows:—

"I, John Mercer, of the town of Chatham, in the county of Kent, Esq., make oath and say: That on the 21st day of Nov., 1857, pursuant to appointment, I met Arthur Rankin, Esq., in company with several other persons, on the cars of the Great Western Railway Company at the said town of Chatham, and travelled with him and the said other persons (amongst whom were Charles Baby, Esq., Paul J. Salter, Esq., of Sandwich, and James Cuthbertson, Esq., of Windsor), on the said cars to London, in the county of Middlesex, where we met Isaac Buchanan, Esq., James Morton, Esq., and others, who had come on the cars of the said Great Western Railway from Toronto and Hamilton, who, as well as the said Mr. Rankin, and the said other persons

who travelled with him and me, went to London aforesaid for the purpose of attending a meeting of the directors of the Amherstburg and St. Thomas Railway Company, called to change the personnel of the board of the last-mentioned company, in pursuance of an agreement previously made between the said Mr. Rankin, Mr. Buchanan, and Mr. Morton; that the intended meeting of the directors took place at the City Hall, in London aforesaid, on the evening of the said day, which meeting was presided over by the said Isaac Buchanan, then the president of the said company, and at which meeting Mr. Buchanan and his board of directors severally resigned, and were replaced by myself and eight other persons, of whom I was elected president; that immediately after the formation of the said new board, and before Mr. Buchanan and his late co-directors or any of them had left the hotel, a resolution was passed by the said newly-elected board under the advice of the Hon. Attorney General West, conveyed to them by Robert A. Harrison, Esq., to the effect that the said company's cheque should be given to the said Isaac Buchanan for the repayment to him of the sum of £50,500 currency, being the deposit of ten per cent. previously paid by him into the Bank of Upper Canada, upon the subscription of William Wallace, John McLeod, Theodor Parke, and certain other small shareholders in the said company; and immediately after the passing of the said resolution, I, as president of the aforesaid company, signed a cheque for the aforesaid sum payable to the said Isaac Buchanan himself. The said Isaac Buchanan was present waiting to receive the said cheque, which as soon as signed, was duly delivered to him. And I further say that it was the opinion of myself and co-directors (as expressed by them) that the subscription by William Wallace in the Amherstburg stock-book of £500,000 of the capital stock of the said company had been fraudulently made, and that the payment of ten per cent. deposit upon the stock by the said Isaac Buchanan had been made conditionally and contrary to the spirit of the Act of Parliament incorporating the said company, and that in fact the said money paid under such condition belonging to the said Isaac Buchanan, and not to the company; and for these reasons I and the other directors willingly adopted the advice of the Attorney General, who recommended that it would under the circumstances be but just that Mr. Buchanan's money should be returned to him.

"Sworn before me, at the city of Toronto, on the 14th December, 1856, having been first read over to the deponent, John Mercer, whom I informed that he was liable to cross-examination as to its contents, and that he was at liberty to add to or vary the same.

"GEOFFRY HAWKINS,
Commissioner."

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