

## GENERAL NOTES.

**RULES OF EVIDENCE.**—Mr. Justice Mathew seems determined not to let a pedantic adherence to strict rules of evidence prevent him from doing justice speedily. In a marine insurance case the plaintiff's counsel proposed to read letters that had passed between the plaintiff and his broker to show what was the position of affairs. An objection that the letters were not evidence was promptly overruled by the learned judge, who said that he would not listen to it in the case of commercial documents, the reading of which might save much evidence and waste of time. Old-fashioned lawyers may cavil, but there can be no doubt now that Mr. Justice Mathew's elastic procedure has done much towards the success of the Commercial Court. In the same action his lordship stated that in commercial cases a copy of the correspondence should always be made for the judge's use, and would always be allowed on taxation.—*Law Journal (London.)*

**FICTITIOUS CAPITAL.**—A great deal of joint stock capital is said to be illusory—of issued capital, that is, for of course nominal capital furnishes no criterion—and there is a good deal of truth in the allegation. Promoters can, and often do, fix a fancy price for the property which they create the company to buy—for instance, out of a capital of 74,000*l.*, in one case, 52,000*l.* was put down as representing a visionary goodwill, and on the faith of this unsubstantial asset the company obtained credit in the market. But it is one thing to say that this is done, and another to say that it can be done with legal impunity. If shares are issued as fully paid under a registered contract as against property transferred to the company, the consideration must, in the *bona fide* judgment of the directors, be the equivalent of cash. A fancy price will not make the shares to be paid up under section 25. It may be said that it is easy, instead of issuing paid-up shares against the property, to sell for a fixed sum in cash—an inflated price—and apply the money in paying up the vendor's shares; but here again the promoter vendor finds himself checkmated by *Erlanger v. The New Sombrello Phosphate Company*, unless he has furnished the company with a competent and independent board of directors. Furthermore, the company has its remedy against directors who betray it into an improvident contract.—*Ib.*