

THE STEWART FAILURE.

THE adjourned meeting for public examination under this bankruptcy was held in London, Eng., on Tuesday, Aug. 2nd, before Mr. Registrar Linklater. The joint accounts which have now been filed show total liabilities £399,817, of which £160,378 are expected to rank, and assets estimated at £19,977, leaving a deficiency of £149,400. The following is a summary of the liabilities and assets in New Brunswick, as taken from accounts forwarded by Mr. R. A. Stewart. Liabilities, £39,570; assets, £68,766. The separate liabilities of John Stewart are returned at £2,500, and assets £250. The following is taken from the observations of the Official Receiver, which have just been prepared:—The Debtor R. A. Stewart is stated to be in Canada, and the statement of affairs has only been sworn to by the debtor John Stewart, who has attended for examination thereon. He states that he entered into partnership with his brother, R. A. Stewart, in May, 1878, their joint capital then being about £40,000, and that, about two years ago, they entered into an arrangement with R. T. Gibbs to purchase a half share of the Inlir Valley Colliery, Glamorganshire, in respect of which they have sustained a loss of £7,663 16s. 7d. He further states that about eighteen months since his brother arranged to purchase for the firm a half share in a lumbering estate at Ottawa, Canada, a Mr. Grier, being entitled to the other half; that last autumn the latter's share was sold to the New Brunswick Trading Company (Limited), and the business is now being carried on for the joint interest of the debtors and the aforesaid company under the style of G. A. Grier & Co., and Guy, Bevan & Co., but that the arrangement was never carried out. It appears doubtful, however, whether such business was not in fact the property of the debtors, but the statement of affairs is made out on the supposition that they were independent firms. The above is a summary of the statement of the joint affairs so far as they are disclosed by the London books, together with the Canadian assets and liabilities as shown by the accounts forwarded by R. A. Stewart. The debtor John Stewart attributes the failure partly to loss on the trading during the last three years, but chiefly to the refusal of certain Canadian bankers to honor the firm's cheques against funds in their hands, in consequence of which he states a telegram was published in the newspapers stating that the St. John's house had failed, which had the effect of cutting off their credit, causing the stoppage and transfer to other hands of cargoes coming forward to them, and also stopping negotiations then in progress for certain credits which they usually got in Canada during the winter season. The books of account produced relate only to the London business. They have been well kept and balanced, and balance sheets and profit and loss accounts prepared annually which show that at 30th April, 1883, there was an apparent surplus of £51,271 14s. 9d., namely, £22,237 9s. 2d. to the credit of R. A. Stewart, and £29,034 5s. 7d. to the credit of John Stewart. On 30th April, 1884, there was a surplus of £48,607 5s. 1d.; on 30th April, 1885, a surplus of £41,582 4s. 11d.; and on 30th April, 1886, of £46,401 13s. 4d. The loss of that surplus, and the contracting of the deficiency of £138,124 now shown on the statement of affairs, is explained in an account furnished by John Stewart, the loss on the trading since 30th April, 1886, being put down at £12,270 13s. 9d., and the estimated loss by doubtful and bad debts at £40,156 4s. 8d. Other losses and liabilities, amounting to £23,909 8s. 1d., include an estimated depreciation of £8,000 on certain ships. The securities held by creditors treated as fully secured are stated to consist of the following:—Cargoes of timber, £6,526 13s. 2d.; liens on debtors' interest in G. A. Grier & Co., £26,041 13s. 4d.; mortgage on debtors' interest in ships and shares of freights, £25,725; shares in the New Brunswick Trading Company, Limited, £9,100; mortgage on premises in Albany Road, Camberwell, £2,000; and sundry bills of exchange, £725. The securities held by creditors treated as partly secured are stated to consist of a mortgage on the property at Bathurst, Canada, estimated at £10,000; sundry bills of exchange estimated to be worth £5,125; and mortgage on the debtors' interest in the ship *Nellie Wye*, valued at £1,450. The "other liabilities, £29,022 6s. 8d., expected to rank," are stated to consist of £15,500, in respect of guarantees, £7,522 6s. 8d., bills accepted for account of George Guy & Co., and £6,000 for liabilities on calls on shares in the North Atlantic Steamship Company, Limited (in liquidation). Mr. H. Reed, Mr. S. Woolf, and Mr. Tanner appeared in the case. It was stated that R. A. Stewart was on his way from Canada, and his arrival in England was shortly expected. It was hoped that he would have arrived before, but he had been detained by illness. A short adjournment was requested in order that the examination of the bankrupts might be proceeded with as soon as possible, Mr. Reed stating that a scheme of arrangement was pending, and that it was, therefore, desirable to avoid delay. His Honour accordingly ordered a further adjournment to Tuesday next.

LATFR.

Aug. 9th.—Adjourned meeting for public examination of these debtors, was held before Mr. Registrar Linklater. The debtor, R. A. Stewart, was now present and was examined as follows:—By Mr. Tanner, on behalf of the Official Receiver: I have seen my brother's examination and am prepared to swear to the facts contained therein. The firm had an interest in a company at New Brunswick, which was the joint property of Guy, Bevan & Co., and Messrs. Stewart Brothers, and also had an interest in the North Atlantic Steam Shipping Company, but I do not know the value of the shares. The chief cause of the failure is the loss on trading during the last two years, amounting to £12,270. Since 1876 we lost a surplus of £46,400, and have made the deficiency as stated. A great many liabilities crop up when a firm is about to be wound up—things crop up that would not otherwise do so. A very large portion of the loss is partly owing to the change of policy in the Government of New Brunswick; and the mileage charge is also increased. The causes of failure will be fully explained in a deficiency account which is about to be

filed by Mr. Gore. My firm had an interest in the firm of Guy, Bevan & Co. The memorandum dated the 21st March, 1882, was written by them to me; Mr. R. G. Guy was a partner. The proposal mentioned in the memorandum was subsequently accepted. The agreement dated 22nd March, 1882, was for the purpose of carrying on the business. The books of the firm will show that the agreements were cancelled. By the Registrar: The agreements were never acted upon; the money mentioned in the agreement—I refer to the £10,000—was used for another purpose. By Mr. Gore: An agreement of February, 1885, was also entered into, that is the only agreement subsequent to March, 1882. The first time I communicated with Guy, Bevan & Co. was in 1884, suggesting the repudiation of the agreement. The whole thing depended on their books, and their books did not show their position. I communicated with Bevan on the 7th February, 1884, suggesting the repudiation of the agreement. I have now no books at all, they were taken by the trustee. We found no money after 1882 in respect of Guy, Bevan & Co.'s liabilities. We never paid anything for them, they were perfectly solvent. The agreement of March, 1882, was not carried out because their books would not justify it. They wrote a letter, which was concealed from us, in which they said, it would be well to press us to buy them out at any sacrifice; I never knew their position until I went out in 1885; they were engaged in mines, &c. We simply said it was impossible to carry out the first agreement. Mr. Richard Lee Bevan was also a party to the agreement. After the agreement I never received any assets of the firm—that is the agreement of 1882: I never received any assets after that date, not did my firm. I am, of course, only speaking to the best of my knowledge. By the Registrar: We never paid them interest, and never thought of taking the transfer. Mr. Richard Guy did not receive £250 a year for assistance. By Mr. Gore: My firm had a half interest in the firm of A. Grier and Co., of Ottawa, Canada, and we assigned our share and interest in that firm to Mr. Wm. Tucker. The agreement is dated 5th April, 1886. The bill dated 17th December, 1886, is in respect of a ship, of which we were mortgagees in possession; two of the bills were current at the time of the bankruptcy, I saw in the newspaper a statement in December, 1886, our firm had telegraphed to Holt, the captain of the ship, asking him to sign bills, forms of exchange, but I know nothing of the telegram. I know nothing of the bills dated November 16th, 26th, 24th, 29th, and December 17th. Mr. Donald was in charge there in December, 1886, and he attended to those matters. I went to Boston in November or December, 1886, and left in charge the person who endorsed the bills. Holt's bill does not appear to be accepted by the London house. I do not know anything about the matter. The cashier informed me that only one draft was filled up for the ship's account, at St. John's. My firm had made large disbursements for the Clifton, and the balance sheet shows the company owed us over £4,000. The two bills dated 30th December, 1886 (£836 and £940) I see were drawn by a young gentleman named Dill, who was but a short time in our office. The disbursement was actually made; it was for freight and disbursements. These bills were negotiated by the Maritime Bank. The bills were for general indebtedness of the ship, and were drawn by the master of it. I know the firm of T. C. Jones & Co., of Liverpool. I can't say whether they accepted bills just before our failure. T. C. Jones & Co. were largely indebted to us. We had balance sheets made out for each year, our books are well kept. I do not think our firm would have become insolvent, as Grier & Co. were realizing us a large profit when the Maritime Bank failed. We had certain cheques dishonoured by the Bank of British North America when there was money at our credit, and that ruined our credit. The business was realizing a profit of from £12,000 to £15,000. Two days after the action of the Bank of British North America we found out that we should fail, and we are now suing the Bank for £100,000 damages, in Canada. The bill of sale given to the People's Bank was upon certain lumber and other property belonging to us—it was a lien on our Bathurst property. When the company in New Brunswick was formed, Richard Guy sent over £25,000 shares. I have not got the shares now. Guy, Bevan & Co. passed them over to the Bank; they were given as security in order to settle with Bank of Montreal for Guy, Bevan & Co.'s indebtedness. The Maritime Bank have £15,000 and £10,000 of shares. The examination was then ordered to be concluded.

REBUILDING THE RAFT.

St. John Telegram: Quietly, but steadily and surely, the mammoth raft on the Joggins shore is being rebuilt. When the public read of this venture last year, the progress made in the construction of the raft, and subsequent failures to launch it, it was thought that the scheme was impracticable, or could not be successfully carried out in that place, and under the same conditions. Winter set in and operations on the structure ceased; but this spring the inventor of the method and superintendent of the work began again with a gang of men, not only with the intention of rebuilding the old raft but of making it larger in every way. There can be no doubt that Mr. Robertson has every faith in his invention, and that this feeling is possessed by the owner of the raft is assured, from the fact that they are spending thousands of dollars in an attempt to successfully transport lumber to the United States by this method. When work was begun this spring the prospect was a dreary one. Debris on all hands, a mass of lumber partly under water at high tide, held from the mud and earth by crushed ways and timbers, were not encouraging to a man with a handful of men to work upon. To make matters worse, the rain and melted snow of the preceding fall and winter had penetrated the raft, and every timber was embedded in and bound to its fellow by solid ice. The winter's frosts had taken less time to solidify the mass than the summer

sun would to undo its work. A gentleman who has been spending some time near the raft was interviewed by a *Telegraph* reporter yesterday. He reports excellent progress being made upon the raft. When work was begun this spring, he said, it was carried on according to the original plans of Mr. Hugh R. Robertson, the inventor, which, last year were diverged from somewhat. The first thing that was built was the foundation, which was made as solid as possible—so solid, indeed, that there can be no possible sinking of the raft, or any portion of it, in its descent upon the way. Although the raft is longer by 106 feet than last year, the grade of the launching ways will only be $\frac{1}{4}$ inch to the foot or $\frac{1}{16}$ of an inch less than at that time. Part of the additional length of the raft is placed upon its lower and part upon its upper end. One of the first jobs was the erection of a huge crane about 90 feet high and with a boom 90 feet long, capable of lifting 20 tons or more. Of course such a lift as that is rarely if ever taken, the usual load being from 15 to 20 sticks of timber. The crane erected and a powerful engine to hoist, the gang began to empty the old cradle of its logs and to place them on the brows close at hand. This took some time, June being well spent before the cradle was clear. When the logs were all out the rebuilding of the cradle was commenced, and when it was completed it had been improved in 15 ways from the former structure. July the 4th they began to rebuild the raft, placing 300 sticks a day in the crib at first and afterwards increasing the number to 400 and more. The crane would lift a number of the logs clear of everything and then would be guided upon a car placed upon a track laid through the centre of the raft. The moment they are secure the signal is given the engineer and the car traverses the whole length of the raft, dropping a log here and a log there as the foreman may direct. The surveyor and his assistant follow on keeping track of the unsurveyed lumber and surveying it while another load is being procured. The railroad is ascending and a car would descend the 560 feet in a short time, but the work is pushed along with such celerity that its descent is assisted, and in less than 30 seconds from the time that it stops at the upper end it arrives again at the lower portion of the structure to receive the timber already dangling in the slings ready to be placed upon it. At the present time the raft is nearing completion, and the last of this month or the first of next will probably see it finished. In order that there may be no delay in launching, such as occurred last year, the owners have taken the precaution to import pitch pine timber from Pensacola, Georgia, 12x14 inches, and in sticks fifty feet long which will be used for the ways. The intention is, if the raft goes off well, to use the pine again. A number of the lumbermen in the vicinity of Three Rivers have lumber ready to sell to fill out the raft, but want big prices for it, or they did some time ago. It was thought that they would accept a fair figure rather than lose the sale of it. There are between 20 and 30 men at work, all of which are boarded at the raft—a substantial and comfortable building being erected and a good cook obtained. The roads to the shore, which last year were practically impassable, have been improved greatly, and although the work is being done as quietly as possible, large numbers go to see the huge structure, and, of course, talk about it. The launching will take place sometime during September if the conditions are favorable.

A NEW LABOR-SAVING DEVICE.

Messrs. G. A. Grier & Co., of Ottawa, have introduced a new labor saving feature into their new saw mill at the Chaudiere which is the means of saving thousands of dollars worth of labor every year. Grier & Co.'s new saw mill is situated north of their old mill and there is no way of getting into it with a horse and cart except through the the old mill. In consequence of this, some device had to be thought of whereby the lumber cut could be removed from the mill after sawing to the platform south of the old mill, or to the sorting sheds where the lumber is sorted.

The method in which this lumber is removed is a simple and ingenious one. The lumber after leaving the saws is wheeled a short distance on rollers, then shoved on to a standing table which is covered with projecting iron spikes attached to three rows of iron cable, which is always revolving. The lumber, when placed on this table, is taken board by board, each board getting caught in order on these projecting spikes, and the entire cut of both mills is taken down underneath the mill on this table. After descending about 20 feet, the lumber passes on to another table of the same description, with three endless iron chains working in the same manner. This second table runs in an upward direction under the old mill where the cut from that mill is received, and the whole continues a distance of about 100 yards to the sorting sheds. Here the table extends for a distance of some 200 feet, and as the lumber moves past, each board being caught on its respective iron spike is taken off by a number of men and placed in that part of the sorting shed to which it belongs.