

bill of lading given him was merely security for the money advanced, and that on their disposing of the wheat they had no claim to the surplusage remaining after the money which they had advanced was repaid. This portion of the decision will prove of great interest to the bankers of this city and the other lake ports. Heretofore they have been of the opinion that where they make advances and take bills of lading as collateral, they stand in the position of the "innocent third party" who came by the bill of lading in good faith. They have a legal lien on the collateral for the amount so advanced and no further. If the bank should advance the full value of the cargo, and the same should, on arriving at the port of destination, fall short, the bank cannot recover the "shortage" from the vessel. If, however, the shipper make a *bona fide* sale of the bill of lading to a third party, and the cargo fall short, an action can then be instituted by the latter against the vessel, and damages recovered.

FRAUDULENT PREFERENCE.—The Honorable Mr. Justice Mondelet rendered an important decision in the case of "The Royal Canadian Bank against John Whyte, assignee of Middleton's estate," in the Supreme Court, Montreal. The question determined was one of fraudulent preference, under the eighth section of the Insolvent Act. On the 15th of June, 1867, Middleton's acceptance, held by the Bank, was protested, and, to secure the amount, Middleton gave the Bank a warehouse receipt for five hundred tons of coal. On the 17th of June the Bank obtained a bill of sale of the coal, receipted, and took delivery of the coal. Middleton continued to carry on business for about two months, when an attachment under the Insolvent Act, was issued, and, under it, the coal was seized in Middleton's yard, as part of his assets. The plaintiffs sued Mr. Whyte, the assignee, to recover the coal. The defence set up was that the transaction with the Bank was a fraudulent preference, given to Middleton when insolvent, and therefore void. By a second plea, the transaction was alleged to be null and void, as having been made within three months of the issue of the attachment by Middleton, then insolvent, and that the Bank had probable grounds for believing that such insolvency existed. The fact of Middleton's insolvency was conclusively proved, and the learned Judge held—first, that it was not necessary to prove plaintiffs' knowledge of the insolvency; and, secondly, that there was evidence to establish that plaintiffs were aware of it. The judgment will have an important bearing upon the transactions of banks and others with persons who, like Middleton, try to keep their business afloat by the granting of warehouse receipts, and other modes of staving off the evil hour.

THE TAX ON FOREIGN INSURANCE COMPANIES. N. Y. Court of Common Pleas—Before Judge Barret, April 11th, 1868. In the matter of a petition of *Bernard Smyth, Receiver of Taxes vs. The Intercolonial Insurance Company of London*. This was a proceeding to enforce the payment of the assessed tax upon the personal property of the defendants under the law of the State, which authorizes all non-residents doing business in this State to be taxed upon all sums invested in said business the same as residents. The defendants, in compliance with the law of 1850, have \$100,000 in securities deposited with the Comptroller, and the tax was assessed on this amount. The defendants opposed payment of last year's tax on the ground that they are not now doing business in this State, having ceased to issue new policies and confining their operations exclusively to collecting premiums and paying losses on old policies. The Court overruled this objection, holding that the present operations of the Company were in point of fact, "doing business" within the meaning of the statute. "The utmost," says the Court, "that can be claimed is that the business has been contracted, and that its area is being further limited by the Company, so that it is in a fair way, in case such policy be adhered to, of gradual extinction." The Court, therefore, granted an order requiring the payment of the tax.

ACTION AGAINST AN INSURANCE COMPANY.—In the King's County Circuit Court on April 15th, an action was brought by George B. Steinbach, vs. the *Lafayette Fire Insurance Company* of New York, for damages amounting to \$4,500. Plaintiff is a jobber of fancy goods in Maiden Lane, New York, and was insured in the company to the above amount. The store was some time since destroyed by fire, and defendants refused to pay the insurance, on the ground that the keeping of fireworks on the premises was a violation of the policy. They admitted that the policy allowed plaintiff to sell firecrackers, but claimed that it did not give him the privilege of keeping any other kind of fireworks in the building. The case turned upon the question whether the selling of fireworks was a legitimate branch of the business of a jobber; and considerable contradictory evidence on both sides was taken. The case being given to the jury, a verdict to the full amount claimed was rendered in favor of the plaintiff.

Railway News.

NORTHERN RAILWAY.—Traffic receipts for week ending 2nd May, 1868.

Passengers	\$ 2,631 37
Freight and live stock	10,271 41
Mails and sundries	1,772 01

Total	\$14,674 79
Corresponding week, 1867	13,775 09

Increase

\$899 70

GREAT WESTERN RAILWAY.—Traffic for the week ending 24th April, 1868.

Passengers	\$26,262 60
Freight	51,625 85
Mails and sundries	2,868 08

Total Receipts for week,	\$80,756 53
Corresponding week, 1867	78,942 19

Increase

\$1,814 34

NORTHERN RAILWAY.—This Company has petitioned Parliament for an Act to enable them to raise new capital for the construction of elevators, the extension of the rolling stock and other equipment, and the construction of new and additional works when necessary. The Government have resolved to introduce a Bill in accordance with the prayer of the company. It is reported that the Bill will provide that the Company may issue third Preference Bonds to rank before the third Preference Bonds of the Government. The amount proposed to be raised it is said is \$200,000.

CONFERENCE OF RAILWAY SHAREHOLDERS.—A recent conference at Manchester resulted in some resolutions, the substance of which is as follows: That there should be a small and well paid executive board, consisting of men known to the proprietors—the remainder of the existing directors being formed into a board of supervision and control. It is desirable that the management and control of capital, outlay and revenue expenditure be separated and entrusted to two distinct bodies. In the expenditure of money for the purpose of improving the property of the corporation, only such expenditure as may increase the value above the original cost should in any case be charged to capital, and then only when such expenditure will increase proportionably the net receipts of the corporation. No expenditure on capital account should be sanctioned unless specially rated and adopted at a general meeting, and that any money voted at a previous meeting and not expended, should be subject to a renewed vote or be cancelled. That parliamentary committees are to make due enquiry as to the financial capabilities of promoters of railways, and to the reproductive nature of the outlay. At the end of every year a list of registered shareholders should be published, and that estimates of the contemplated expenditure of capital should be issued fourteen days before the meeting at which the money is to be voted.

PETROLEUM AS A FUEL FOR LOCOMOTIVES.—On April 21st, in Boston, Mass., a number of gentlemen, largely interested in the utilizing of

fuel upon locomotive engines, were invited by Col. Henry R. Foote to witness his apparatus adapted for this specific purpose. The party was mostly composed of railroad engineers. The experiment was made upon a stationary boiler of the locomotive type, in one of the largest machine shops in the city. From the time that the fire was first kindled, steam was generated at the rate of two pounds per minute, and in twenty minutes the engine was working under a pressure of sixty pounds of steam and blowing off. The simple and expeditious process of making and extinguishing the fire was exhibited to the engineers, eliciting their greatest admiration. The fire produced was pronounced to be the most perfect ever witnessed by these practical men, and was far more intense than anything they had ever witnessed before.

PROPOSED RAILWAY IN QUEBEC.—A proposal is made in the eastern townships to construct a freight railway from Lemieuxville to Lake Megantic, a distance of forty-three miles, by which an extensive and valuable lumbering district would be opened up. The proposition is for a wooden railway running along the bank of the St. Francis, estimated to cost \$3,000 a mile. Maple railways are quite common in the United States, and, though cheap in construction, are worked with great advantage and economy. A saw-mill and blacksmith shop for their purposes answer all the requirements of extensive machine-shops and rolling-mills.

RAILWAY CONSTRUCTION.—It appears, from a return laid on the table of the House of Commons by the Commissioner of Public Works, that on the 1st of May there were two hundred and sixty miles of railway in process of construction in the Dominion of Canada, divided as follows:—*New Brunswick*—European and North American Railway, Western Extension Branch, St. John to Maine Boundary, 81 miles; Do. Eastern Extension, from Moncton to the Nova Scotia Province line, 37 miles; Do. Fredericton Branch, from Fredericton to its junction with the Western Extension, 21 miles; *New Brunswick and Canada Railway*, Woodstock Branch, 17 miles; Do. St. Stephen's Branch, 19 miles; total, *New Brunswick*, 175 miles. *Nova Scotia*—Windsor and Annapolis Railway, 85 miles. Total, 260 miles.

Insurance.

FIRE RECORD.—West Flamboro, May 5th, a school house in the 6th con.; fire the work of an incendiary.

Newcastle, Ont., May 9th. Barns, &c., of Adam Willmot, Clarke township; also, the Episcopal church, which caught fire from the other buildings; cause unknown, no particulars as to insurance.

St. Catharines, May 8th. Three frame buildings; loss about \$600, said to be uninsured.

Port Dalhousie, May 8th. The English church was considerably damaged; fire originated from some brush burning in a neighboring field.

INSURANCE BILL.—An Ottawa correspondent says: The Insurance Bill will again be taken up next week. It is said that twenty combined offices take out licenses under it, as also a large number of fire offices, so that it is highly probable that the original estimate of the Honorable John Rose, of two millions of dollars which he intended to raise under deposit provisions of the bill, will be considerably exceeded, and that the sum thus obtained will reach three millions of dollars.

INSURING INVALID LIVES.—The chairman at a late annual meeting of an insurance company in London, stated that out of 1,208 proposals, they had issued only 890 policies. Some of the proposals, however, had not been declined by the office, but the surcharge they had felt compelled to make upon the ordinary premiums, on account of family history or indications of disease, had not met the approval of the proposers, and they had accordingly withdrawn. In order to meet the case of persons who objected to being surcharged, the directors had,