

## DECISIONS IN COMMERCIAL LAW.

**MOONEY v. SMITH.**—A purchase of land at a tax sale was made nominally by one G. for Mooney, but was in reality made with the money and for the benefit of Mooney's husband, the treasurer of the county, who conducted the sale. The Court of Queen's Bench held, in an action of trespass, that the treasurer's position absolutely debarred him from becoming a purchaser at the sale, and the sale and conveyance to Mooney were void; and as the land remained in the hands of the persons guilty of the original fraud, the sale was not cured by the provisions of the statute, although it took place in 1883, and the action was not brought till 1889.

**THE DURHAM CITY.** DECISION OF THE ENGLISH PROBATE COURT.—This was an action by a master against the owners of a vessel to recover the price of coals procured for the use of the vessel. By a charter-party it was agreed that the owners should keep the vessel in an efficient state during the term of the charter-party, and also that if, in consequence of a breakdown of its machinery, the vessel put into a port other than that to which she was bound, "port charges, pilotages, and other expenses" should be borne by the owners. The steamer put into Vigo, a port to which she was not bound, in consequence, as was alleged by the master, of a breakdown of the condenser. While at Vigo the coals in question were purchased for the use of the vessel. The judge, however, held, that even assuming that the putting into Vigo was a necessary consequence of a breakdown of the machinery, yet the price of coals supplied to the vessel while she was there was not part of the "port charges, pilotages, and other expenses at the port," and therefore held that the plaintiff was not entitled to recover.

**VAGLIANO v. THE BANK OF ENGLAND.**—This case we reported some little time ago, and owing to the comments of the *London Economist*, and other journals, on the decision of Mr. Justice Charles, the result of the appeal was awaited with considerable interest. Now the English Court of Appeal gives judgment affirming the decision of Mr. Justice Charles, though the head of the Court, Lord Esher, M.P., dissented. It will be remembered that the action was brought by the acceptors of bills of exchange for a very large amount (Vagliano) for a declaration declaring that the Bank of England was not entitled to debit him with the amount of these bills, which they had paid on a forged endorsement of the names of the payees. The bills in question were purported to be drawn by a foreign customer of the acceptors in favor of another foreign firm, and were presented to the acceptors in the ordinary course of business, and accepted by them. The names of the drawers were, however, forged by a clerk in the acceptor's employ, and after procuring the plaintiff's acceptance this clerk then forged the names of the payees and procured payment of the bills. The point on which the Court differed was whether the payees were to be regarded as real or fictitious persons. There was a firm of the name of the payees, but they had nothing whatever to do with the bills, their names being inserted as payees by the forger of the names of the drawers. The majority of the Court were of opinion that the payees were real and not fictitious persons, and therefore the bank was precluded from charging Vagliano with bills paid on the forged endorsement. The case will go to the House of Lords.

## A UNION OF JOBBERS.

The leading wholesale merchants of Winnipeg, it appears, approve of steps being taken which shall lead to the reduction of losses by the failure of retail dealers who have inadequate insurance, or who have given excessive credit, or have not kept proper books. It is keenly felt in Winnipeg, as elsewhere, that a great waste of capital from these causes goes on. There are heavy and periodical losses sustained by the wholesale trade generally through the disproportionately small amount of insurance usually carried by retailers, particularly country merchants. Not only this, but losses are made in many cases through crude and imperfect methods of book-keeping. A meeting of leading wholesale merchants of Winnipeg was held at the office of S. D. Bertrand, official assignee, on Friday, the 4th of October, in order to elaborate a scheme for mutual protection against losses resulting from fires and other well-known causes.

At this meeting there were present representatives of eastern houses, as well as some twenty merchants of Winnipeg, among them Messrs. F. W. Stobart, W. D. Pettigrew, D. Fraser (James O'Brien & Co.), T. A. Watts, A. E. Spera, John A. Robertson (Robertson, Linton & Co., Montreal), Wm. Georgeson (Thompson, Codville & Co.), Jas. H. Ashdown, D. K. Elliott, G. F. Carruthers, G. W. Girdlestone, James Redmond (Ames-Holden Co.), James L. Turner (Turner, Mackeand & Co.), and C. N. Bell. Mr. Ashdown was appointed chairman and Mr. John McDonald secretary.

In explaining the object of the meeting, Mr. Ashdown stated that the difficulty had been felt time and again, and steps would have been taken before but for the competition that existed. Mr. Bertrand said that the losses arising from the too little insurance carried by burned-out dealers fell directly upon the wholesale merchants, and something must be done about it. His idea was to appoint an intermediary between jobber and customer, who should see that insurance rates were reasonable, and that reasonable sums were carried by every dealer. This implied a personal canvass to be made by competent persons, and the keeping of records on these lines. He did not propose to criticise present rates of insurance, but he thought modifications might be brought about. He dwelt upon, 1st, the proportionately small amounts of insurance on stocks and buildings in towns and villages. 2nd. The crude, imperfect methods of book-keeping amongst retailers and the want of systematic examination into their customers' accounts. 3rd. The not properly marking goods with the price and the cost laid down. 4th. The importance attaching to a careful and thorough system of stock taking at least once a year. 5th. The fault of ordering too liberally and carrying stocks too large for the business and unwarranted by the capital of the retailer.

It was moved by Mr. Georgeson, seconded by Mr. Turner, and resolved, that the Grocery Trade form themselves into a jobbers' union, having for its object the protection of jobbers' interests, the membership of the union to be open to the trade in Manitoba and such eastern houses doing business in this country as may feel disposed to join. Assurance was given by Mr. Robertson that the eastern houses would readily fall in with the movement, which was very much wanted. Letters were read from two eastern firms unable to send representatives to the meeting, but heartily approving of its objects, and offering support towards carrying them out.

A sub-committee was appointed to frame a constitution and by-laws, the members chosen being Messrs. R. T. Riley, D. Fraser, F. W. Stobart, D. K. Elliott, Jas. L. Turner, G. F. Galt, Jas. Redmond, J. H. Ashdown, Wm. Georgeson, S. A. D. Bertrand (convener).

Mr. Carruthers felt sure that the movement would receive the utmost attention from the Board of Underwriters, and Mr. Girdlestone said the Board of Underwriters would be very glad to meet a committee of this association, and go into the whole subject.

## BUSINESS MEN'S VIEWS.

In the course of his tour through Western Ontario, Mr. Thomas Gordon Oliver, representing THE MONETARY TIMES, has made a minute of expressions of opinion by various retailers as to the customs of business. We give below some of these in Mr. Oliver's words; and shall be glad if they arouse any other of our subscribers to express themselves in writing on similar subjects.

"Mr. B. T. Hill, one of the oldest and most successful grocery merchants in St. Catharines, said in a conversation I had with him on business matters, in reference to the disposal of bankrupt stocks, that the best satisfaction would be given to sell them in lots, in order that each customer might have a chance to buy so as to compete with reduced prices induced by such frequent sales of stocks of insolvents. Mr. Hill mentioned also what he thought a defect on the part of the wholesale houses, giving too short a time, 15 days' draft, for cash, this very often having to be paid even before the goods were received, forcing a customer almost to taking the longer credit of four months. He thought 30 days would be better. It was found necessary to add three per cent. additional to cover risks on four months' credit. This gentleman considered, too, that the retailer bought generally too much stock. Mr. Hill's usual method has been to keep a record concerning certain lines of goods, such as tea, coffee, biscuits, &c., *i. e.*, of what was sold on an average each month, and to order fresh stock as it might be wanted to cover the different periods. He found a great saving by adopting that method, as well as finding that it kept his stock fresh.

"Mr. Robert Gordon, dry goods merchant in Chatham, Ont., said, in reference to the clearing out of goods by wholesale houses, that he would like to see the methods adopted in Canada which are used by such houses as Clafin & Co., Alex. Stewart & Co., in New York and elsewhere. That is, to have a periodical sale of such goods in lots, so that each customer might have a chance to purchase, and not as at present, when certain lines are sold at great reductions to one man. He instanced sales at 12½c. per yard of goods for which he paid 15c. per yard; some he paid 10c. for. He thinks this hardly fair. By giving notice to each customer of such sales by circular, they could have an opportunity of not only buying such articles, but also inspecting and purchasing other goods from the various departments, etc., etc."

A grocery house, doing a considerable business in a Western city, reports an improved condition of affairs with respect to credits in that line of trade. Their custom is to bill at the end of a month every purchaser of goods on credit; if not paid thereupon they bill him again; and at the third call they serve notice that he will be sued, and meantime can get no further credit. This radical mode has lessened the credit business and increased the cash

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