

the 29th of August, 1881, to the Minister of the Interior at Ottawa for a block of land, in area one degree each way, at \$1 per acre. There seems to have been some idea of building a railway connecting the "colony" where temperance principles exclusively should prevail, with some main line of railway or thoroughfare by water. At this time there were but ten applicants, and to them the Minister answered, "that every reasonable effort will be made to facilitate their object." This was the whole correspondence on the subject with the Government at the time of the issue of the prospectus presently referred to, but the promoters had had personal interviews with the Department of the Interior as to the particular lands to be selected. A meeting of the promoters was held on the 6th of September, at which fifteen persons, including the plaintiffs, were present. They agreed to subscribe for a certain number of acres—the plaintiffs Page for 10,000 acres, Rose for 10,000 acres, and Lake for 30,000 acres, and to pay the sum of one cent per acre for the purpose of preliminary expense. After this was done, another subscription list was opened on the 28th of September, in which it was stated that application had been made to the Dominion Government for a tract of land of between one-and-a-half and two million of acres, at one dollar per acre, for the establishment of a Temperance Colony, "and the Minister of the Interior, acting for the Government of Canada, has expressed satisfaction with our undertaking, and favors our proposal." The subscribers were to take amounts of land at the rate per acre set opposite their names, on the conditions of the application filed with the Government. A prospectus was then issued by the company, dated 12th of October 1881, which set out the facts just given, and announced that "the best experts from Europe, United States and Canada will be employed to select from the entire unsurveyed lands of the North-West Territory, land favorably located, commercially, and having the best soil, water and timber advantages. This prospectus was accompanied with a subscription heading for applicants to sign, which set out that a grant was to be obtained, on the understanding of the Board of Management to provide funds for the cash payment to the Government, and the building of a rail or water communication with the general commercial system outside, and that the Board of Management was willing to sell out shares to the extent of one-third of the tract, "before the last third and after the first third, at \$2 per acre, unincumbered with any such liability to the Government for railway and expenses as aforesaid," and some other conditions. At the time of the issue of the prospectus there had been no further communication with the government than the correspondence and deputations to Ottawa already referred to. A large number of subscribers was obtained. The real effort made at selection of a tract of land appears from a letter of 9th of January, 1882, addressed to the Deputy Minister of the Interior by the then manager of the company: "We send in, as you will observe, formal application for the tract along the Saskatchewan, which you recommended." After subscriptions for nearly 2,000,000 acres of land had been received, it was thought necessary that the then called syndicate and the subscribers should be incorporated, and application was made on the 4th of January, 1882, for an Act of Incorporation, to which were appended the names of the applicants, the amount of stock taken by each, and the amount paid in cash. Amongst those applicants appear the names of the plaintiffs: Daniel Rose, \$50,000, with \$5,000 paid; W. P. Page, \$30,000 with \$3,000 paid; John N. Lake, \$60,000, with \$6,000 paid. The secretary put in a statutory declaration, "And I say that at least \$100,000 of the capital stock of the said company is subscribed amongst said applicants, and that more than ten per cent. is paid up by said applicants." The evidence shows that no money had been paid up by the plaintiffs.

Letters of incorporation were issued on the 14th of March, 1882, but on the 13th of September, 1881, at a meeting of the original subscribers, G. M. Rose, W. P. Page, A. Farley, J. A. Livingstone and J. N. Lake were appointed directors of the company, and on the 20th of December, 1881, at a meeting of the committee of the original subscribers, the following resolution was adopted: "That the capital stock be \$2,000,000, or in 20,000 shares of \$100 each, and that each subscriber entitled to land in the First Third be allowed to take

shares in the proportion to the land subscribed for by them—that is at the rate of three shares for every one hundred acres of land so subscribed for and held by them." The promoters, who claimed to have subscribed for 250,000 acres of land in the First Third at \$1 per acre, were to get for each one hundred acres, three shares of \$100 each, and this they gave themselves by their own resolution. Those First Third lands at the time they were purchased by the promoters, were lands to be on some future occasion acquired from the government, to which at the time the subscriptions were made, the persons so subscribing had no title other than as trustees of the company. This is where the present trouble arose.

A meeting of the so-called stockholders was held on the 26th of January, 1882, to which a report was submitted by the Executive Committee, in which it is set out "We had thought we would have to dispose of the First Third at cost to secure such expenses, and guarantee a railway, and to relieve the popular \$2.00 subscription from any responsibility in these matters, beyond the \$2.00 per acre. The profits on this \$2.00 subscription were to be available for these and other public improvements, but, owing to the great success of the popular subscription we stopped selling the First Third when we had disposed of 250,000 acres of it. The subscribers to this limited amount personally undertook the above named responsibility (of expense and guarantee) without requiring the profits of the First Third and allowing the balance to be sold out at whatever profit to the society might be obtained." If they had stated that they, the promoters, had stopped the sale of the lands, when they had allotted to themselves these 250,000 acres at \$1 per acre, and had again conveyed the same land to themselves for the company at \$3 per acre, netting themselves the reserve of land credit amounting to \$475,000, they would have told the truth without verbosity. After the incorporation of the company, and while the provisional directors were still in office, 10th May 1882, at a meeting of the directors it was resolved, "That we carry out as far as possible the instructions of the general meeting of the 26th January, 1882, and credit the subscribers who consented to reconvey to the society, with three-tenths of the 250,000 acres allotted to them at \$1.10 per acre (when they subscribed) allowing them for the same \$3 per acre; and that we do the same year after year as the Government supplies the land, until the whole number of acres are credited to the said subscribers." Here it will be noted that instead of taking all the land at once, the milder form of taking it as the government granted it was suggested. On the 5th of July, 1882, a special general meeting of shareholders was called to ratify this resolution, and it was ratified, though the accompanying statement of receipts and disbursements read to the meeting was absolutely false. To quote Mr. Justice Galt's words: "a more misleading statement was never submitted to a meeting of shareholders. In this statement the sum stated as cash disbursements on lands is stated to be \$501,000. It is painful to know that only \$84,000 was paid, and the rest appropriated by the original shareholders for their own use as appears from the evidence." The distinction must be carefully made all through between the shareholders who paid nothing, the promoters, and the cash-paying shareholders who acquired their stock from the former.

From the statement of the plaintiffs it is clear they really never paid any money on account of their shares, because if any money was at any time paid by them, it was repaid to them out of the proceeds of calls made on the other shareholders. The difference between \$1.10 and \$3.00 was called land credit, and was placed in the books of the company to the credit of the respective land credit men. They were credited with payments on account of three calls in this way, of \$10, \$10 and \$4 per share, respectively.

Before long there came a change in the directorate, and Mr. Powell, the present manager, refused to allow the plaintiffs any credit on account of their shares. It is against him and the company that the present suit was brought, to compel him to allow the land credits as payments. No evidence was given that these men had ever incurred any expense with regard to any of the transactions, except one cent per acre, which they paid themselves back out of the cash payments on account of stock made

by their grantees; on the contrary, it was proved that they had received large sums of money as commissions on obtaining subscriptions for land, and had paid themselves dividends on stock and interest on pretended advances. To obtain a charter it was declared that \$100,000.00 had been paid in cash. "This statement," remarked the judge, "I deeply regret to say, was incorrect. No such sum had been paid nor does it appear, from any correspondence with the Government, that any obligation was ever incurred by the members of this colonization company, more than attached to any other company, consequently there was no consideration whatever given by the so-called Land Credit men for the advantages awarded to them by themselves. In my opinion, therefore, the claim for credit made by these plaintiffs must be disallowed."

On the 17th of June, 1884, a compromise by-law had been passed, by which it was agreed that the Land Credit shareholders should release four-fifths of the land credit received by them respectively, and surrender their shares to that extent to the company, which they did. In consequence, Mr. Justice Galt held that these shareholders would be liable to the company only for the remaining one-fifth number of shares. The plaintiffs are also to refund the dividends paid to them on their stock.

—A little village of less than 2,000 inhabitants, on the coast of Maine, was once selected as the home of a man who had drawn a big prize in a lottery. It happened that the tale, as published in the papers, fell under the eye of a New York newspaper man who was a native of the village, and who made inquiries at home only to find that there was "no such person" in the place, never had been, and that the whole story was apparently an advertising dodge. Honest people will attend to legitimate business and let the lotteries severely alone.—*Newark Advertiser*.

—A novel illustration of the relations between employer and employee was given in the course of an informal discussion at a meeting of a committee of the Mechanics' Institute the other night. "There never was a time," said one speaker, "when there was such strained relations between workmen and their bosses. They were never so suspicious of their employers as they now are." "I should say so" added another, "why the other day I raised the wages of one of my men 25 cents because I thought he was worth it, and he immediately left me. He thought because I voluntarily raised him without his asking it, something must be wrong and that I must have been cheating him."—*Buffalo Express*.

The trade in whitefish from Lake Winnipeg seems to be in a flourishing condition, says the *Selkirk Herald*, if we may judge from the quantities being shipped south lately. Last week the Messrs. Blackwood Bros. shipped a carload to Buffalo, and Messrs. Reid & Clark shipped a carload to Minneapolis, and W. H. Eaton, on behalf of Armstrong & Co., a carload to Buffalo. Besides this, numerous sleigh loads by Indians are daily passing this place to Winnipeg.

—The Canadian Pacific Railway Company is making arrangements to have a temporary service of steamships to run from Vancouver to China and Japan. This service will commence as early as possible in the spring, says the *Star*, and will be replaced by the Company's own steamers as soon as possible. This will enable the Company to convey passengers and freight from England direct through to Japan, China, India, in their own cars and vessels, booking right through and preventing the previous delays by changing routes.

—The total production of cut nails and cut spikes in the United States for 1886, according to the statistics received by the American Iron and Steel Association, was 8,160,973 kegs of 100 pounds each, against 6,696,815 kegs in 1885, 7,581,379 in 1884, and 7,762,737 in 1883. The increase in 1886 over 1885 was in a large measure due to the settlement of nailers' strike on June 25. These statistics do not include railroad and other spikes made from bar iron, wire nails or machine-made horseshoe nails.

—Within fifteen days, says the *St. Stephen Courier*, 65,000 bushels of potatoes have been forwarded to the United States over the New Brunswick Railway.