

pany sent what was called a "bonus dividend warrant" to each shareholder asking him to "be good enough to sign and return the same when the amount will be applied in payment of £7 10s. per share on your above named new shares." The "bonus dividend warrant" was, of course, returned. The shareholder, the Bouch estate, was now the owner of 800 shares worth £21 each and amounting to £17,200, in lieu of the 600 shares which it held a few days before, worth £28 10s. each, amounting to £17,100. The result was nothing more nor less than a watering of the stock, to the extent of one-third minus a fraction. Nobody made any money. There was no "found money." No one was richer or poorer. The property was more bulky, but not a penny more valuable. When you add a gallon of water to three gallons of wine you have a larger quantity of liquid, and may make a bigger show; but you have no more wine than you had at first.

I have referred at length to the *Bouch* decision because it has been so much relied on in relation to "found money," and I am more than surprised to find that any one should consider it to be an authority in a case of "found money." To my mind after studying the decision carefully I cannot see that it has the slightest relation to or bearing upon the matter now under consideration. If any one differs from me in this regard I trust that he will look into the *Bouch* case with exhaustive care, and not merely glance at it, as those seem to have done, who in my humble opinion have misapplied it. There may be other English decisions which have been misunderstood and misapplied in support of the view that "found money" is capital not income, but a thorough analysis of them will shew that they, like the *Bouch* case, are inapplicable and valueless in support of that view.

Now, I will revert to the *Piercy* case above mentioned, which as I have already said correctly states the English law and, therefore, the law in Canada on this subject, and which has not been and is not contravened, or in any way affected or weakened by the *Bouch* case or any other English decision. It is, therefore, good law to-day. This is my first premise. Let us then see if the dictum of Mr. Justice Neville applies to "found money."