

under their chartered powers, till the Legislature interfered. By the statute referred to (Con. Stat. Canada, cap. 54), it is declared that any receipt given by a warehouseman, miller, wharfinger, master of a vessel, or carrier, for cereals, goods, &c., stored, or deposited, or to be stored or deposited, &c., or shipped and delivered, may, by endorsement thereon by the owner of, or person enabled to receive such goods, or his attorney or agent, be transferred to any bank, or to any person for such bank, or to any private person or persons, as collateral security for the due payment of any bill or note discounted by such bank in the regular course of its banking business, or any debt due to such private person, &c.; and being so endorsed, shall vest in such bank or private person, from the date of such endorsement, all the right and title of the endorser to or in such goods, subject to the right of the endorser to have the same re-transferred to him if such bill or note be paid when due; and in the event of non-payment of such bill or note, or debt, when due, the bank or private person may sell, &c., and retain the proceeds, or so much as will be equal to the amount due, &c., returning the surplus, if any, to the endorser. It is further declared that no goods shall be held in pledge over six months; and no transfer of the bill of lading or receipt shall be made to secure the payment of any bill, note, or debt, unless such bill, &c., be negotiated, &c., at the same time with the endorsement of such bill of lading or receipt. Sec. 2 of 24 Vic., c. 23, enacts that all advances made on the security of any bill of lading, specification, receipt, acknowledgment, or certificate, shall give, &c., to any bank, &c., making such advances, a claim for the repayment of such advances on the grain, goods, &c., therein mentioned, in preference to the claim of any unpaid vendor. By 29 Vic., c. 19, banks and private persons are empowered to take over receipts, or receipts given by the keeper of any wharf, yard, harbour, or other place for timber, boards, &c., stored, &c., or any bill of lading given by a master of vessel, or carrier, for timber, &c., shipped or delivered, as collateral security for bills or notes discounted, but such timber, &c., shall not be held in pledge beyond twelve months.

The question has been raised, whether warehouse receipts, taken directly to a bank, and not by endorsement, are within the statute. According to the case of the Bank of British North America v. Clarkson, followed by the Royal Canadian Bank v. Miller, the statute confines banks to a taking by "endorsement" only, although, in the latter case, Chief Justice Richards, and Wilson, J., held otherwise, considering that although

the Act does speak of the taking by endorsement, it is not to be inferred that the language was meant to limit the taking to a taking by endorsement only. They allege that the mode of giving effect to the object of the Act was not the primary purpose of the Legislature, and that the intent was to enable pledges to be taken on property represented by the commercial documents named. But the reasoning has not been recognized by our highest court, and until the Privy Council determine otherwise, it must be accepted as law, that banks have to take warehouse receipts by "endorsement," or not at all.

CANADA LANDED CREDIT COMPANY.

As appears from the annual report of this Company, a net profit of \$10,783 was made in the past year. A dividend of seven per cent. per annum has been declared, absorbing \$7,700. A further sum was reserved to meet debenture interest, and a considerable balance carried forward. The directors report a satisfactory year's business; and a generally prosperous condition of the Company's affairs.

CANADA PERMANENT BUILDING SOCIETY.

A report so satisfactory as that which is furnished, this year, to the shareholders in the Canada Permanent, possesses an interest for all concerned in the working of Building Societies. For fifteen years this Society has gone steadily onward, perfecting its system, until that has become a model, and commanding public confidence to an extent which may be estimated by the value of its stock, its half million of deposits, and its capital of \$1,026,000. There appears to be nothing to complain of during the year, as regards losses; the demand for loans has been constant and sufficient to absorb all available funds; the cash receipts exceeded a million of dollars; loans to the sum of \$598,629 were effected; two half-yearly dividends of five per cent. were paid; and the reserve was increased to \$149,132. The tribute of acknowledgment which the report pays to the Secretary is but his due. The watchfulness and care of the President, Mr. Ridout, has had its effect on the minds of the shareholders, and procured for him the permanent occupation of the position he fills so admirably.

WARNING TO INSURANCE COMPANIES.

It is the duty of the Managers of insurance companies to familiarize themselves with the course of trade, and the rise and fall of markets. A little reflection will convince the reader that this is true. We are not giving

currency to anything new when we say that hard times and stagnation in business are usually accompanied by heavy fire losses. The tendency of all kinds of property to burn on a falling market has been remarked again and again. Across the lines, the insurance press is advising companies to look to themselves, for the prospect, there, is black and lowering. Competition is keen; values are unsettled; business is dull and likely to be duller. This bracing up to meet an uncertain future has a lesson for us. Those who read the review of trade which appeared in our columns two weeks ago, may turn with some profit to our Fire Record for the month. Grain has been going steadily down, and barns and mills have been going rapidly up—in smoke. We do not, of course, mean to say that there is a necessary connection between recent fires and the fall of grain, but it is a coincidence, which confirms what has been stated above, that in the present depressed state of the market there should be so great a destruction of mill property.

THE CANADA ROLLING STOCK COMPANY.

Some reference was made to this enterprise in our issue of last week. We have since received information, in addition to that already published, respecting the scheme of the company, and the progress being made in carrying it into operation.

The capital is \$400,000, divided into 2,000 shares of \$200 each. Already \$275,000 have been subscribed, in sums ranging from \$10,000 to \$30,000, and the remaining \$125,000 is being rapidly taken up.

It is contemplated to supply five hundred freight cars to the Grand Trunk—three hundred this year and two hundred next year. An annual rental for these cars is to be paid by the Grand Trunk Railway to the Rolling Stock Company, in monthly payments, on the first day of each month. The Grand Trunk is to have the right, at any time after the expiration of four years from the first day of January, 1871, to take over the whole stock of cars at cost price, less an allowance of six-and-a-half per cent. per annum for the period they have been in use. The Railway Company undertakes to keep these cars in thoroughly good order during the continuance of the arrangement with the Rolling Stock Company. The cars are being built at Kingston and Cobourg, and fair progress is being made in turning them out.

The project has not been advertised in any way and the shares will be held in few hands, being merely the leading bankers and merchants of Montreal. Messrs. Macdougall & Davidson have the Books and will no doubt, soon have the remainder of the stock placed.