Clifton respecting the Dominion Company, setting out that—

"The names and places of residence of the shareholders, and the number of shares held by each respectively, at this time are as follows, viz. :

Thomas Wilson,	Clifton.....	5	shares
E. M. Bromley	"	10	"
Zenas B. Lewis	"	5	"
W. W. Woodruff	"	5	"
G. W. Mastin	"	10	"
Selah Reeve,	New York.....	150	"
H. B. Reeve	"	100	"

Owing to informalities in this document, it was rejected by the Department at Ottawa. On the 17th June, a third application was made with a new Certificate, in which the following appeared :

"The names of the Shareholders and the number of shares held by each respectively at this time, are as follows, viz. :

Martin Ryan.....	10	shares
H. B. Reeve.....	100	"
Selah Reeve.....	9,890	"

We are now in a position to sum up the case for the prosecution. In the first application for incorporation by the Dominion Telegraph Compaay the names of Josiah Snow and W. D. Snow appear. In the second application their names are omitted, and Messrs. Selah Reeve and H. B. Reeve take their places. In the third application the list of shareholders is reduced to three persons, and those three are Messrs. Ryan, S. Reeve and H. B. Reeve.

The evidence, which by the way is circumstantial, shows, we think, that Snow had to do with the starting of the Company. Whether his connection has ceased or not will be for the directors and stockholders to determine for themselves. There are the best grounds for believing that none of the resident directors were aware of the real facts when they allowed their names to be used. In fact Mr. Cayley assures the public that the Board did not know such a man as Snow even by name. Such an admission must have sounded very strangely in all the principal towns in Canada, where the name of Snow is still a household word, and is likely to be remembered for some time to come. Such an admission must in itself have done much to shake confidence in Mr. Cayley's sagacity and acquaintance with such enterprises as that with which he has allied himself. We have reason to believe that the directors are at last enlightened as to the real state of affairs, and are puzzling their brains to find the solution of a rather difficult problem. In the meantime they are learning by experience the very useful lesson that before permitting their names to be used in connection with any public enterprise, they should be careful to see that they are not, either directly or indirectly, aiding adventurers to impose on the community. At various times we have called the attention of those whose names go forth to the public as endorsers for embryo enterprises or full-fledged companies, to the grave responsibilities they incur. The gentlemen on the Board of this Company cannot be considered as in fault to any greater degree than are many others occupying equally influential positions and equally honest. Their unwitting culpability is but the result of a practice which has had too many supporters, and if the lesson now learned produce its legitimate fruits, it will, though purchased by an unpleasant experience, have not been too dear.

BANK OF BRITISH NORTH AMERICA V. TORRANCE.

The action brought by the Bank of British North America against the Messrs. Torrance of Montreal, has given rise to a good deal of newspaper controversy which may justly be considered ill-timed, while legal proceedings are pending. The defendants have been induced to publish a letter explaining their position, and the manager of the Bank has also published a reply. The Messrs. Torrance state that in 1867, they employed a Mr. Yarwood to purchase grain for them in Ontario, on commission, and opened a credit for him of $45,000 with the Bank of Montreal at London. At the opening of Navigation orders were given to Mr. Yarwood to ship the grain purchased, but he informed the Messrs. Torrance that he had hypothecated a large portion of it to the British Bank "for his own private purposes." Being asked to assist in extricating him, the Messrs. Torrance accepted one bill for $10,000, and another for $9,000, which Yarwood undertook to provide for as they were for his accommodation. The day before the first bill became due, an accepted cheque for $10,000 was received from him, and a letter stating that it was to retire the draft, and advising that he had drawn upon the Messrs. Torrance, at three months, for $10,000. The remittance was put to Yarwood's credit in payment of the acceptance, and he was telegraphed that the draft would not be accepted. The Messrs. Torrance say :

"It subsequently appeared that the agent of the Bank of British North America had discounted Mr. Yarwood's bill upon us without knowing or asking whether we would honour it, carrying the proceeds to his credit, and accepting his cheque for $10,000, which he remitted to cover his engagement. The Bank now seeks to recover from us the money they thus gave to Mr. Yarwood, but which we consider no liability of ours, and we have also refused to accept a draft we never, directly or indirectly, came under the slightest obligation to honour."

"As our private affairs have thus been partially disclosed, we will finish the story by giving the financial results of the whole transaction. In order to get possession of our property, we had to pay in addition to the whole cost and value of it, the sum of $9,000 to the Bank of British North America, and we narrowly escaped having to pay the institution $10,000 more, which it is now endeavouring to collect by legal process. What success will attend such an attempt remains to be seen."

Mr. Hooper, the manager of the British Bank at Montreal, gives his side of the case thus : the evidence established that the drawing by Yarwood of the drafts for $10,000 and $9,000, was the result of an arrangement privately made between Yarwood and the Messrs. Torrance, to the effect that the latter would accept his drafts to the extent of $25,000, on the sole security of a life policy for $25,000 which Yarwood promised to send them. The immediate effect of the discounting of these drafts was to enable the Messrs. Torrance to get possession of grain to the value of $19,000. When the discount was given the Bank knew nothing of the arrangement referred to. When the $10,000 draft was near maturity, the Bank discounted a new draft for Yarwood, and accepted a check for $10,000, payable in Montreal to the order of D. Torrance & Co., on the faith of Yarwood's representation and undertaking that the Messrs. Torrance would accept the new draft. Yarwood forwarded the accepted cheque to the Messrs. Torrance. Instead of depositing the cheque in bank, as is customary, the Messrs. Torrance cashed it, at the same time keeping the draft in their possession for twenty-four hours and concealing from the Bank their predetermination not to accept it. Before the proceeds of the cheque were applied to retire the draft the Messrs. Torrance were notified by the Bank of all the circumstances, and forbidden to use the proceeds of the cheque without accepting the draft. The financial result of the transaction was that the Messrs. Torrance received payment at the expense of the Bank of $10,000 of bad debts due them by Yarwood, and by the payment of only $9,000 secured possession of grain of the value of $19,000. Mr. Hooper considers that the Messrs. Torrance "were both legally and morally bound to accept the draft in question, or restore to the Bank the money which they received from it on the faith that they would duly accept the draft."

The Messrs. Torrance allege that, out of courtesy to the bank, they did give early intimation of their probable refusal to accept the draft, and that if Yarwood had offered any good security for his new draft, they would have accepted it.