

TRANSFER OF SHARES.

AN action of considerable interest to corporations has just been disposed of in the English courts, the bearing of which applies to shareholders in Canadian corporations. It shows the necessity of a strict understanding and appreciation of the laws governing the same. The facts of the case were simple, but the misapplication of the law had a serious effect upon the defendant, a railway company. A Mr. BARTON died in 1870, having at the time of his demise stock to the extent of £12,754 in the London and North-Western Railway Company. He also held £1,000 in five per cent. preference stock of the same company. By his will he appointed his son THOMAS BARTON and his widow ANN BARTON his executors. Between 1872 and 1878 THOMAS BARTON, one of the executors named in the will, forged his mother's name to certain transfers of the stock referred to, and applied the proceeds to his own use. In 1886 discovery of BARTON'S fraudulent practices was made and proceedings were adopted to set aside the transfers made by BARTON in the manner referred to. The railway company contended that even though the signature of ANN BARTON was a forgery that of THOMAS BARTON was a genuine one, and that under the Act regulating corporations the signature of one of the executors was sufficient, that the company was not bound to see to the execution of trusts, and that the receipt or signature of one person was sufficient when the stock stood in the name of more than one person. Mr. Justice MANISTY, before whom the case was tried, expressed the opinion that this was a startling proposition. "One executor may receive money due to the estate which he with others represents and give a legal receipt for the amount, but that was quite a different matter from passing by deed shares or property registered in the name of all the executors. While the company was under the impression that the transfers were made by the two executors and were signed by them, they were in reality signed by only one of them and a transfer by one executor was not sufficient. Mr. Justice MANISTY held that all the parties in whose names the shares are registered jointly must join in transferring them. His Lordship directed the jury to find for the plaintiff which they did. The announcement is made that the company will carry the case to appeal and ultimately, if need be, to the House of Lords. Similar clauses to the above are to be found in our Canadian Banking and Joint Stock Companies Acts, so that the bearing of the case on Canadian corporations is a direct one. Whatever the final result may be, it will be one which we, in this country, will await with interest. It seems, however, that little change in the decision can be looked for, for although the result is a serious one for the company, it is necessary that some safeguard should exist against fraudulent

practices such as those referred to. It would be well for such corporations as have not already done so, to hedge round all transfers with provisions which would minimize as much as possible the risks to which they are subjected from the expedient of one person writing another's name without a proper authorization. This might be done by sending to every party whose name appears to any transfer a notice in writing that such a transfer had been received, and that unless notice to the contrary was given it would be acted upon. Some such provision would serve as a precaution, and might result in averting such a loss as that suffered by the North-Western Railway Company.

INSURANCE STATISTICS.

IN last week's SHAREHOLDER reference was made to the Report of the Superintendent of Insurance of the Dominion of Canada and some interesting statistics were furnished respecting Fire and Life Insurance companies. We now take up Accident Insurance companies, of which there are nine doing business in Canada, 5 Canadian (two of which combine it with life insurance), 1 American (also combined with life), and three British, one of which combines it with guarantee business and one with plate glass business. This is an addition of one company during the year, the Canada Accident Assurance Company. The amount paid in Canada as premiums on accident policies during 1888 was \$249,048 against \$193,715 in 1887, and the net amount in force at the close of 1888 was \$31,248,152 against \$24,157,414 at the close of 1887, an increase of \$7,090,738 during the past year. The losses incurred during the year were \$112,592 against \$85,050 for the preceding year. The companies engaged in this class of business are the Accident, Canada Accident, Citizens, London Guarantee and Accident, Manufacturers' Accident, Mutual Accident, Norwich and London, Sun, and Travellers. Of the Canadian companies the Accident took the largest number of new policies, 2,398, covering \$5,151,750, and the Sun took second place with 2,086 new policies covering \$4,514,500. The losses for the year of the former company were \$18,260 and those of the latter \$7,485.

In guarantee business three companies are engaged, the Guarantee of North America, the London Guarantee and Accident and the American Surety. The total net amount of guarantee insurance in force in Canada at the close of 1888 was \$9,589,549, of which the Guarantee Company of North America had \$5,818,695, the London Guarantee and Accident \$3,459,954 and the American Surety \$310,900. The losses incurred during the year were \$39,221, of which the Guarantee of North America had \$12,356, the London Guarantee and Accident \$23,861 and the American Surety \$3,004. The losses by the last two named were in excess of the premiums for

the year while those of the first mentioned were less than one-third. In the above the business done by the Accident Insurance Co. and the Guarantee Company of North America outside of Canada is not included.

In plate glass insurance business was carried on by two companies, Lloyds' Plate Glass and the Mutual Accident, and by two private firms. In December the Dominion Plate Glass Company was established and the business of one of the private firms referred to was assumed by it. The premiums secured during the year amounted to \$28,068, against \$21,098 for the preceding year and the losses to \$7,148 against \$4,697. As the two private firms referred to adopted the system of insurance by replacement, instead of paying the value of the glass broken, the returns do not show the amount of insurance effected during the year, nor the amount in force at the close of it.

The report also contains instructions to insurance companies respecting the nature and value of the securities required to be deposited with the Dominion Government, as regulated by the Treasury Board.

The attention of the Superintendent of Insurance having been directed to the fact that the Oddfellows' Accident Association had appointed agents who were canvassing for business in Canada, claiming that as the Association insured Oddfellows only, it was entitled to do so without making any deposit and without the license required by the Insurance Act, he notified the general agent that his ideas were incorrect. The matter was referred to the Department of Justice and the position of the Superintendent of Insurance was maintained. No deposit has yet been made and no license has yet been applied for. Similar action was adopted with regard to the Covenant Mutual Benefit Association, of Illinois, and Mr. FITZGERALD concludes his interesting report by referring those who may be asked to interest themselves in, or to canvass for, or to transact any business of insurance in behalf of the said associations, or either of them, to the penalty clauses of the Insurance Act.

PORT ARTHUR ILLUSTRATED.

THE *Manitoba Colonist*, published at Winnipeg, has issued a supplement entitled "Port Arthur Illustrated," with a description of its products, resources and attractions, which is a credit not only to Winnipeg, but to the Dominion of Canada. The illustrations which are numerous are excellent, and the whole work is such as to please and astonish those who see it. Endeavors of this kind will do much to make those at a distance acquainted with the wonderful progress which is being made in that section of our great Dominion. We congratulate our confrere on the excellence of its effort, and trust that the financial result will be such as to induce it to continue the excellent work in which it is engaged.