

satisfactory to know that in one instance it has just met a decided check. The Supreme Court of the United States has decided against Johnson County, Kansas, which attempted to get out of paying \$100,000 which it had subscribed to the stock of a railway company, and for which it issued its bonds. In this case there appeared to be no flaw in the proceedings connected with the subscription and the issuing of the bonds. If there had been the bondholders would have been defrauded.

A State which shows a disposition to refuse to pay a debt which it has contracted, if it can find any loop-hole to escape, gives a warning to investors to avoid its securities. And the warning will be taken. No one will rely upon the apparent legality of the various steps by which the debt was created and the evidences of its existence issued; for there is scarcely any Act of a Legislature or any complicated proceedings under it in which the ingenuity of lawyers cannot pick a hole.

Repudiation is, of all forms of public dishonesty, the most short-sighted policy—to put it on no higher ground. A loss of credit is ruin to an individual; to a State it will not fail to bring commensurate punishment.

THE UNION BANK MEETING.

The shareholders of the Union Bank of Lower Canada mustered in force at the recent annual meeting. Fault was freely found, recommendations were made, and resolutions proposed having for their object, amongst other things, a change in the personnel of the directorate to harmonize with "the principle of a representation of trades such as existed in the original formation of the board." It may seem a very pretty thing in theory, to have upon a bank board one director to represent the farming interests, another to conciliate the fishermen, a third to influence the lumbermen, and so on till the list of different interests or the number of directors is exhausted. But it is another, and a very different thing to conduct the affairs of a large banking institution successfully, with directors who in deliberating upon the general policy, shall each consult first the welfare or convenience of the interest he happens to represent.

The fact that the Bank, in common with others, had experienced the force of an unfavourable year in lumber and shipping, and had written off a large amount in bad debts, and trenched upon the rest to pay dividend, was of course the grievance of the shareholders. They desired, it appears, to have the blame thrown on some person

instead of upon the times. When a clamour of the kind arises, people often seek some one to vent their discontent upon. We do not know whether the resignation of the cashier is to be taken as a sacrifice to appease the stockholders, but this would appear not unlikely. The remarks of Mr. Dobell were much to the point; it is not every one who is qualified to make a good bank director, the views of many who are able and successful enough in their own sphere, must undergo modification before they could safely be entrusted to shape the business of a bank.

The board of the Union Bank contains gentlemen of experience and ability, while their character is quite above the suspicion that was endeavoured to be cast upon it at the meeting. The shareholders' interests are far safer in their hands, in our opinion, than in those of such an imaginary board as it was proposed to form.

MCCRAE v.s. WATERLOO MUTUAL FIRE INSURANCE Co.—This action was brought by the plaintiff McCrae, as the assignee in insolvency of one Rice, on a fire insurance policy. The defence was that there had been further insurances without the defendants concurrence, which avoided the policy.

It appeared that Mr. Rice, after having insured with the defendants company, effected a further insurance in the Stadacona. The defendant's policy issued on 20th April, 1875, the insurance in the Stadacona was made on 1st July following, and on the 5th July Mr. Rice posted a notice to the defendants local agent advising him of the second insurance. This letter further notified the agent of an intention to effect an additional insurance in the Beaver and Toronto Mutual Ins. Co; and on the 18th July, without further notice, this insurance was effected. The agent received the notice on the 5th, and on the 8th forwarded it to the head office, where it was received on the 20th. The premises were destroyed by fire on the 19th, and on the 20th the defendants notified Rice that they would not consent to the additional insurance and that they had cancelled their policy. Before the defendants sent this notification they had notice of the loss having taken place; still they were within the two weeks allowed them to dissent from an additional insurance by 36 Vic. c. 44, sec. 38, Ont.

The case, after trial, came before the full Court of Common Pleas, where it was decided that the plaintiff could recover nothing as the defendants had cancelled their policy on account of the additional insurance within the time allowed by law for that purpose. From this decision the plaintiff appealed, but, the Court of Appeal has given judgment unanimously sustaining the finding of the Court below on the same ground. The importance of the point thus decided is too evident to require any comment.

It must now be regarded as settled that the occurring of a loss in the meantime does not interfere in any way with the right given by the statute in question to cancel a policy in consequence of further insurance.

—It has been proposed to form an association of tanners for Ontario, with the objects of occasionally conferring upon matters relating to material and manufacture, and of regulating the production of leather. We imagine, too, that another object held in view, though not so openly avowed, is that of attempting to regulate the price of hides, since the disproportion between these and leather is one of the greatest grievances of most Canadian tanners to-day. The object last named is one which, we fear, could not well be adjusted by even such a combination of consumers, for the hide market is governed by influences far beyond the limits of this Province. A much more reasonable consideration, however, is that of restricting the production within the needs of shoe manufacturers, which would tend to prevent any sudden leaps or falls in prices of leather. We have consulted several tanners and leather people as to the proposed society, and find their opinion to be that the country is not yet ripe for an association of the sort, and that it would not be workable. One of the largest makers of sole leather writes: "They have such things in the States, and the object is that each member may assist the other in improving his product, and consequently the value thereof. In our line (I mean sole leather) the business in Canada is too limited for anything of the kind. It might do some good amongst makers of upper stock, as many of them make an article that might be much improved, but I fear the country is too small for the project, and the tanners as a body are scarcely liberal enough to open up their modes of doing business to each other, as they freely do, on the other side."

—Said a genial manufacturer whose opinion we asked yesterday upon stocks in the country: "Those who *think* at all, have concluded to do with little stock or none this summer; but those shop-keepers who never consider what to-morrow may bring forth—whose heads are as useless for thinking purposes as the head sculptured out of butter at the Centennial Exhibition—those will sit on their counters and order, right along, whatever one is soft enough to sell them." The emphasis which our friend laid on "*think*," shows that he has shrewdly discovered that there is a class of retailers who buy goods thoughtlessly, who do not weigh the chances of crops, of prices, of weather, of the policy of their neighbor merchants, of the rise or decline in goods, the change in fashions or in freights, but will order in one year the same amount of goods they had the year before. Such men, though perhaps easy to sell to, must prove unsatisfactory and unsafe customers, for in the long run "Those that think must govern those that toil."