THE MONETARY TIMES,

AND TRADE REVIEW.

TORONTO. CAN., FRIDAY, SEPT. 15, 1871.

INSURANCE DEPOSITS IN CANADA.

A case has just been decided by the Court of Appeal in Montreal, (Osgoode *et al.*, Appellants, and Steele *et al.*, Respondents), which is of interest to foreign insurance companies doing business in Canada, also to their creditors here. The facts are these:

In 1867, Daniel Butters of Montreal, insured with the Columbian Insurance Company, by two policies, goods shipped on board the vessel Micmac, bound to Glasgow. The policy was made over to Steele & Co., and the vessel and cargo totally lost on the homeward voyage. The Company having their head office in New York, became insolvents, and Osgoode & Co. were appointed receivers by the Court there, under the law of New York. Steele & Co. sued the company in Montreal, and attached money in the Bank of Montreal, alleging the insolvency of the Company. The receivers intervened in the suit, claiming the right to take this money to New York, and distribute it to the creditors generally. Their intervention was disallowed in the Superior Court, and the Bank ordered to pay the money to plaintiffs. From this judgment rendered by Judge Monk, November 25th, 1867, the receivers appealed.

Judge Drummond dissenting, said,—that the tendency of modern legislation in France and England was to treat Bankrupt Laws as of more than local effect and application. Several authorities were here quoted in support of this view. "Now, a foreign judgment makes full proof in England. It is argued by respondents that because the United States would not give up the assets of an insolvent to the assignee here, if creditors there objected, that we should treat them in the same manner. It is nothing against our law surely, even if it is more liberal than the law of another country."

Judge Badgely, for the majority considered the authorities quoted not applicable to this case. The Company had a business domicile here, and the contract was made here. These Receivers did not in fact correspond to our Assignee's in Insolvency; but are mere sequestrators names by the Court. Story rightly says that foreign laws are not extra terratorial, especially when they are prejudicial to the subjects of the country. They can have force only by virtue of the legislation of the latter, or when they form part of the contract. But our authorities have legislated directly contrary to Appellants' pretensions, in declaring that all seizures must be determined by the laws of Lower Canada. It is known that Assignee appointed in England obtains control of all the property of the Insolvent in Ireland, Scotland, or the Colonies. But this is in virtue of special Imperial legislation. He could not withdraw property from the United States if there were creditors there unpaid. This money attached in the Bank is now under the control of our Courts, and we cannot allow it to be taken to a foreign country to the injury of the creditors here. Judgment confirmed.

This Company not having made any deposit in Canada in terms of the Insurance Acts, these statutes have no bearing on the case in question; so that Canadian creditors would, as we infer, have recourse against the assets in Canada of any Insolvent foreign insurance company, no matter whether these assets were specially designated to be deposited for the benefit of Canadian policy holders or not.

At the last session of the Canadian Parliament, the Insurance Bill, as first introduced, contained, if we mistake not, a a clause requiring that the deposits of all foreign insurance companies should be supposed to be made "for the benefit of Canadian policy holders," instead of for "Policy holders generally," as in the case of the American Life Insurance Companies, with one exception. This clause was objected to chiefly on the ground that a mutual company could not place any portion of its assets aside for the exclusive benefit of any class of its members. It would appear, however, from the case above noted, and from the wording of the amended Insurance Act of 1871, at least doubtful whether these Companies could, in case of Insolvency, withdraw their Canadian deposits until all Canadian claims were satisfied and paid.

TORONTO AND NIPISSING RAILWAY.

The Directors' report elsewhere shows that steady progress is being made with this undertaking. Up to the 31st August, the total expenditure was $952,298, or close upon one million of dollars, and the receipts $696,057, the difference in these amounts being represented by outstanding liabilities. For these liabilities ample provision exists, as shown in the statement. By the close of the year, a distance of 64 miles from Toronto to Woodville, at the junction with the Midland Railway, will have been completed and opened for traffic. It is now a matter of certainty that we shall soon see at least one Canadian railway with a really substantial and excellent permament way, amply equipped and in full operation at a total cost of $15,000 per mile. This is an achievement not long ago thought to be beyond the bounds of possibility; and now that the fact is practically demonstrated, it must operate as a powerful stimulus to railway enterprise in this country. We notice the election of Mr. Wm. Gooderham, Jr., to the position of Vice-President; if a change was to be made, we do not see that it could have been better. It is gratifying to notice the liberality of the Company to Mr. Laidlaw, who is deserving of all and more than he received.

A SCREW LOOSE SOMEWHERE.

A SHORT SERMON FOR BUSINESS MEN.

There is a large class of persons in Canada, as in every other country, who have no difficulty in making money, but who never become any richer, and not unfrequently end by becoming insolvents. The class to whom we refer are generally well-behaved members of society, in most cases industrious, and stand well in their respective localities. They appear to make good wages, or do a flourishing business, and are the persons who one would suppose could most readily accumulate wealth. But they don't succeed, and the old saw, there is "a screw loose somewhere," reveals the why and the wherefore of their failure.

Now, we are far from asserting that the accumulation of wealth should be the chief aim of human existence, or that the possession of riches is essential to happiness. But it is proper that both individuals and nations should strive to obtain wealth, and it has been well said by an eminent man, that he is a benefactor to his race who makes two blades of grass grow where one grew before. The failure of the class to whom we refer, is, therefore, a loss to the wealth of the nation; it has its effect upon