A BY-LAW to continue the commutation of taxes on the Canada Paper Co's. mills at Windsor Mills was last week defeated.

THE Richelieu and Ontario Navigation Co. has contracted for the building of two fast modern boats to take the place of some which have been disposed of.

LAST Monday was the opening day of the Western Fair in London, and according to what we hear, the fair is going to prove an immense success

WE understand that the deal by which the Imperial Electrical Company, of Montreal, becomes amalgamated with the Heat, Light and Power Co. has been consummated.

## DECISIONS IN COMMERCIAL LAW.

HOUSTON AND WARD VS. MERCHANTS BANK.—The law of bankruptcy is constantly coming before the Courts in some of its many and various phases. When a man becomes aware of the fact that his business is declining, he naturally makes extra efforts to pull it together again. This frequently necessitates the placing of chattel mortgages on his stock in trade, and the adoption of other recuperative means, all of which produce very tangled situations if he finally becomes a bankrupt. In the present case Houston held a chattel mortgage on a saw-mill belonging to one G , with machinery and lumber therein, and all lumber that might there, after at any time be brought on the premises This mortgage not being registered, gave Houston no priority over subsequent incumbrances. A couple of months later G. gave Houston a second chattel mortgage on the same property to secure a note of about $700. Shortly after this a contractor applied to G. for a large quantity of lumber, and G, being unable to purchase the logs, applied to the Merchants Bank for an advance. They, knowing of his virtually insolvent condition, refused to do so, unless he secured some other reliable person to purchase and hold the logs for him. Thus G. arranged with his book-keeper to purchase the logs, at the same time assigning the contractor's order to him. An advance of $3,500 was thus secured, G. arranging to cut the logs at a fixed price and to deliver them to the book-keeper at the mill-side. The latter then assigned to the Bank all moneys to accrue in respect the contract, which assignment was agreed to by the contractor, and a day or two after that also assigned to the Bank three booms of logs by numbers, in addition to one previously assigned. This assignment was ostensibly made in accordance with sec. 74 of the Bank Act. Shortly after the completion of the above transactions, G. made an assignment for the benefit of his creditors, previous to which however the logs had arrived at the mill and were mixed with other logs belonging to G. The greater part had been converted into lumber when Houston, the chattel mortgagee, seized them under his two mortgages. The question before the Court was whether or not any property in these logs, which had been purchased by G.'s book-keeper really for G., after which they were assigned by him to the Bank, had remained in Houston by reason of the clause in his chattel mortgages entitling him to all future acquired lumber. The Supreme Court of Canada decided, on appeal from the Supreme Court of British Columbia, that G. himself had never really had any property in the logs which were assigned to the Merchants Bank, and that Houston, having no higher right than his mortgagor, had never had any property in them, and could not therefore claim them under his chattel mortgages.