

HAMILTON HOMESTEAD LOAN AND SAVINGS SOCIETY.

We give below copious extracts from the judgment of Thos. Hodgins, Q.C., pronounced November 12th, in the case in which W. Southam, of Hamilton, took proceedings on behalf of all the creditors, to determine how different classes of them should rank upon the estate or corpus of this insolvent society. We quote as follows:

"This society was incorporated in 1883, as a building society, under the Ontario Act, R.S.O., (1877), c. 164, with the object of raising by the monthly subscriptions of its members a stock or fund to enable each member to receive out of the funds of the society the amount or value of his share therein, and to provide a safe and profitable investment for money. The shares were not to exceed \$200 each, and were payable in subscriptions not exceeding one dollar per month. It appears to have been the practice of the society to assume that 105 or 108 monthly payments of a dollar, with the assumed profits or interest on mortgage loans, made up the shares to a 'book value' of 200, and that for some years past the society has been allowing its members to withdraw from membership and receive from its funds \$200 for every \$105 or \$108 so paid in by such members.

"In 1897, the society, finding itself in financial difficulties, passed a resolution on the 15th May of that year for the voluntary winding-up of its affairs, and for the appointment of a receiver, and on the 18th May a judgment was pronounced directing enquiries.

"The annual reports of this society from 1884 to 1896 have been produced, and show in figures that the society's assets have been assumed to have increased from \$14,557.77, in 1884, to \$127,931.91, in 1896. To each of these reports auditors have appended and signed certificates, generally in the following form: 'We hereby certify that we have examined the books and vouchers, also the mortgages and other securities held by the society, and find them correct.'

"The sworn evidence in this case warrants me in finding that such certificates must have been given without any proper examination, and are false and fraudulent, for on investigating one item in the statement of assets given in the report for 1896, which was thus stated:

"First mortgages real estate, \$126,276.78, the evidence proves that in truth and in fact all the mortgages then held by the society amounted to only \$25,078.30, of which between \$3,000 and \$4,000 were uncollectible. Another fact established in evidence is that since April, 1892, the society has been insolvent.

"When some of these facts came out in evidence, I suggested to the parties interested in the affairs of the society, that some of the officers or auditors or directors should be called upon to explain these discrepancies, and the serious financial position of the society disclosed by that evidence; but no one was called, and no satisfactory explanation has been given or suggested. I am therefore forced to the conclusion that each of these annual reports was a financial ignis fatuus put forth by the officers and auditors to allure the trusting public into the quagmire of insolvency which had swamped this society.

"None of the rules of the society delegate or give any of the managing or financial powers to the Board of Directors to either president, treasurer, or secretary, and there is nothing in the minutes of the meetings of either the directors or shareholders giving any delegated or other or enlarged powers to these officers. I must therefore hold that the acts and certificates of the secretary in declaring the shares of certain shareholders' matured, and making the society responsible for a larger amount than that

contributed to the society by such shareholder, and the certificate of the secretary and treasurer in declaring that the contributions of a shareholder was a deposit, and fixing it at a larger amount than the sum actually contributed by such shareholder, and declaring the society's indebtedness therefor, were usurpations of the powers of the Board of Directors, and were not authorized by the rules of the society, nor by the statutes, nor by any act either of the directors or the shareholders of the society.

"There is nothing in the minutes of the society authorizing the issue of cheques for the payment of interest at six per cent. to the shareholders, and, in view of the insolvency of the society, I must hold that such payments, being made out of the capital, were unauthorized, and therefore not binding on the society.

"On the question whether the payment of \$105 or \$108 by the first class of shareholders has 'realized' the amount or value of the prescribed share of \$200, I have to find in the negative.

"The judgment concludes as follows: 'I therefore find that there are no priorities among the several shareholders of this society, and that all are to share in the surplus assets, after payment of the debts and liabilities of the society, in proportion to the amounts respectively paid in, or contributed by the several shareholders.'

"SO ENGLISH, YOU KNOW!"

The delightful freedom from prejudice, combined with the impregnable accuracy of detail, which characterizes the observations of Mr. A. J. Wilson on American offices, was never more amusingly illustrated than by some recent and exceedingly bilious comments in the *Investor's Review*, on the recent issue and cancellation of some tabular matter by one of the American offices. There were two tables issued, one of which was wrong, but the whole circular was promptly cancelled. But Mr. Wilson, with delightful inconsequence, selects the table which was perfectly accurate as being the reason of the withdrawal of the whole lot.

This reminds one of the Coburg theatre, where one of the audience shouted that he did not expect manners, and he did not expect grammar, but they might "jine their flats." Mr. Wilson's opinions may not matter, but he might at least be accurate in his facts. And to a certain extent he has let himself loose on British offices occasionally, with delightful inconsequence. He hits all round in fact.

INSURANCE LOSSES—THEIR REASON.

Complaints of loss of fire business are loud and long, but it is doubtful whether there has been any loss of business this year. The reports will probably show, on the other hand, a larger sum at risk than at the close of 1897. The loss is in premiums, due to lowering rates. If this arose wholly from improved methods of business and better fire protection, with a consequent decrease of hazard, there would be no reason to complain; but, for the most part, it is not due to better classification of risks, nor to any rational expectation of lessening of the fire hazard, but to rate wars, to unwise and imprudent competition, in some cases to foolish retaliation, much of which could be avoided if companies could be induced to work on intelligent lines, and taught to realize that departing from a reasonable margin of safety—not, of course, in a single instance, but to a large extent—is as sure to bring loss as noxious microbes are, under favoring conditions, to multiply, and to sicken and kill. For the discouraging outlook, the companies have themselves largely to blame. Their stock-

holders share in the losses, but this is one of the risks they assume. But the agents are the principal sufferers, by reason of the great reduction of their incomes, while their labors are not decreased. The future of the fire field-worker is not golden with the glory of the dawn. Clouds obscure the sun, which seems to have passed the meridian, and gloomy shadows darken the scene.—Insurance Register, N.Y.

BANKING IN THE YUKON.

The manager of the Bank of Commerce at Chatham, Ont., received an interesting report on the banking operations in the Yukon from a member of the bank's staff there. It is dated September 19th, and the following is an extract:

"You would hardly believe the value of news here from the outside world. When we got here a man gave \$100 for an outside paper, one month old, rented a hall, and charged \$1 admission to hear it read, and even now Seattle papers are difficult to get at 50 cents apiece. I have not been much out of Ontario, but I've seen more money here in circulation in one day than I would see in a month on the outside. Gold dust has been, and is pretty much now, the circulation medium, and whether a man's dust is worth \$14 or \$18 to the ounce, in trade it passes for \$16, the government taking it at \$15. For small quantities we give \$14 in bills per ounce, and in large quantities, 4 per cent. less than the mint price. Our last shipment left here on the 14th of September, and contained 38,711 ounces, or \$600,000, it being our fourth shipment, and making a total of more than two and a quarter millions. The Bank of British North America also made their first shipment on the same boat, amounting to \$575,000.

"The current rate of interest is three per cent. per month to ordinary men, but A1 customers get money at 2½ per cent. While Eldorado gold is worth \$15.50 per ounce, Stephen and Dominion are worth \$16.50, and Hunker \$17.50 per ounce.

"Mr. Ogilvie took the post-office in hand to remedy immediately upon his arrival in Dawson. He changed the hour of opening from 9 a.m. to 7 a.m., and the closing hour from 4 to 6 p.m., no intermission being allowed for noon. All the old office fittings were cleared out and new ones with 150 letter boxes introduced. The public is now enabled to get mail matter a few hours after its arrival, without having to wait in line two or three days, as was formerly the case."

TRADE MARKS AND PATENTS.

People interested in patents and trade-marks will have an opportunity to influence legislation, dealing with those subjects in the near future. The commission appointed by the president some time ago to suggest improvements in patent and trade-marks laws will begin its sessions in Washington on November 22nd, and prior thereto it will invite all persons interested in inventions or trade-marks as related to foreign commerce, to suggest such amendments of the laws relating thereto as are desirable for the advancement of foreign commerce and for the carrying out of the convention regarding industrial property concluded at Paris, in March, 1883. In particular, expressions of opinions are desired on the subject of caveats, and the questions when foreigners should date their inventions, and to whom patents should be granted in the case of the death of a foreign inventor. Regarding trade-marks, the commission will welcome recommendations as to the possibility and advisability of a federal law to carry out the convention, as to the difficulties in the way of foreign protection of trade-marks, and touching the international registration of trade-marks.—Bradstreets.