

tives of the shareholders, or be divided among the preference and ordinary stockholders as provided by the Act. The unpaid dividends had always appeared in the books, both of the original and the amalgamated company, as a liability of the respective companies.

ROMER, J., said that the dividends were debts due to the shareholders, for which they could have sued the company, and time began to run in favour of the company under the Statutes of Limitation from the time when the dividends became payable. The company had not become a trustee for the shareholders either by the declaration that the dividend was payable or by the entry of their liability in respect thereof in their books. Neither could it be said that the company and the shareholders were in the position of partners, or in an analogous position. The defence of the statutes was, therefore, fatal to the claims of the shareholders' representatives.

---

#### DIVIDENDS AND THE STATUTE OF LIMITATIONS.

*In re The Severn and Wye and Severn Bridge Railway Company*, before Mr. Justice Romer, is another reminder that a shareholder cannot sleep on his rights. Not that shareholders as a rule are in the habit of doing so. On the contrary, when dividends are unpaid they manifest a burning desire to know the reason why; but for some mysterious reason a shareholder in the *Severn Case* had not done so. There the dividends were declared year after year for forty years, and carried to the shareholder's account in the books of the company, and the shareholder's executor did not see why he should not have them; but the company by its liquidator said, 'No; the dividends were a debt for which you might have brought your action. You are barred now.' To this the shareholder rejoined: 'The company, by declaring the dividend and crediting it in the books to me, constituted itself a trustee, and no lapse of time can bar such a trust. Besides, we were partners with an open account, and while we were so the statute does not apply.' But neither contention found favour with the Court. It refused to find a trust, and it differentiated an incorporated company from an unincorporated partnership, like that in *Renny v. Pickwick*, 16 Beav. 246. The Statute of Limitations, though it often wears the semblance of hardship, is a very salutary