increase its capital, and issues new shares rateably to its members to represent the same, any shares so issued in respect of settled shares become part of the capital fund under the settlement: (*Bouch* v. *Sproule*, 57 L.T. Rep. 345; 12 App. Cas. 385; *Baring* v. *Ashburton*, 16 W.R. 452). What Mr. Justice Neville had, therefore, to satisfy himself was as to the precise character of that which the company had resolved to do. Was it the intention of the company to capitalize that portion of its accumulated profits which it was distributing? If that was the actual nature of the scheme, then the decision of the House of Lords in *Bouch* v. *Sproule* (*ubi sup.*) clearly governed the present case. In the absence of some special provision in the constitution of a company, it cannot, of course, authoritatively convert a portion of its accumulated profits into new capital against the wish of any individual shareholder. But Mr. Justice Neville was of opinion that, in the present case, the company had successfully done so by offering such inducements to the shareholders as prompted them to avail themselves of the scheme. By shewing that it was seeking to induce the shareholders to apply the bonus dividend in taking up further shares, the principle of *Bouch* v. *Sproule* (*ubi sup.*) became applicable. True it is that the shareholders were given an option to take the bonus allotted to them either as a dividend or to return it to the company as a payment in respect of new shares. And there are authorities which shew what the effect of that may be: (see, *inter alia, Re Malam; Malam* v. *Hitchens*, 71 L.T. Rep. 655; (1894) 3 Ch. 578; and *Re Despard; Hancock* v. *Despard*, 17 Times L. Rep. 478). But the learned judge did not think that in the present case there was enough in that to rebut the presumption which, according to *Bouch* v. *Sproule* (*ubi sup.*), ought to be regarded. Moreover, as his Lordship remarked, he had to deal with a case of trustees who, as between themselves and their beneficiaries, had no right of election, whatever they might have as between them and the company. This latter consideration, indeed, seems quite to dispose of any argument founded on the option point.—*Law Times.*