

transfer had been received. The Judicial Committee of the House of Lords held that, although this person had acted in good faith he was bound to indemnify the company for its payment to the real owner of the shares. The judgment reads:

"There is no duty in a corporation or a company to the innocent holder of a transfer of stock who applies for registration to see that the transfer is legal and valid. The only duty owing is to existing shareholders. The person who brings a transfer to be registered must be taken to affirm the genuineness of the document, the office of the registering authority being merely ministerial. Where, therefore, the corporation has been compelled to make good the loss to the true owner, it is entitled to be indemnified by the holder of the forged transfer applying for registration."

This decision relieves any company whose shares have been fraudulently transferred from any liability therefor, but throws the onus of such fraud upon whoever presents a forged transfer for registration. The judgment runs on the same lines as others relating to frauds of an analogous nature.

#### Boiler Burst.

#### Criminal Neglect.

The explosion on board the U. S. gunboat "Bennington" last week, by which 56 marines were killed, 48 wounded and many missing, being blown to pieces, was directly caused by gross neglect of ordinary precautions against such an occurrence—accident it cannot be termed with due regard to the meaning of words. The official report to President Roosevelt says:—

"Accident to 'Bennington' caused by small leak in the boiler, which was about to be repaired when the boiler burst and was forced astern through its bulkhead coming in contact with a second boiler which was also forced through its bulkhead both the boilers exploding."

It was known some days before that there was something wrong with this boiler, yet, when it was known there was a leak, which is always liable to cause an explosion, the defective boiler was kept in use in defiance of the dictates of prudence and regardless of the imminent danger to all on board. This is not the first boiler explosion resulting from criminal neglect of indications of danger.

#### Transvaal

#### Gold Output.

The output of Transvaal gold last month was less than in May, the several amounts being as in table below. It will be noticed that these variations have too frequently occurred to have any significance. February, this year, was less than January, and April less than March, last year, February, April and June were less than in preceding month, so were February and December in 1903; and February, April and September in 1899, so the returns of any one month may be dismissed as of no moment. The figures of the Transvaal Chamber of Mines are as follows:

	1905.	1904.	1903.	1902.
	£	£	£	£
Jan.....	1,568,508	1,226,841	846,489	298,786
Feb.....	1,545,371	1,229,726	844,739	345,782
March.....	1,695,340	1,309,329	923,739	442,503
April.....	1,695,550	1,299,576	967,936	507,980
May.....	1,768,734	1,345,826	994,505	588,746
June.....	1,751,412	1,309,231	1,012,322	606,493
July.....	.....	1,307,621	1,068,917	633,674
August.....	.....	1,326,468	1,155,939	691,322
Sept.....	.....	1,326,506	1,173,211	725,522
Oct.....	.....	1,383,167	1,208,669	770,706
Nov.....	.....	1,427,947	1,188,571	795,922
Dec.....	.....	1,538,800	1,215,111	832,652
	10,021,915	16,054,809	12,589,248	7,253,665

The total in 1899 was £15,739,923, which fell in 1900 to £1,498,901, and in 1901 to \$1,014,687. The total production this year is promising to be over £20,000,000. This seems to be a good outlook, but "kaffirs," are under a "slump" in the London market owing to a reaction.

A decision of great importance to joint-stock companies and to investors was given by the Court of Appeal on 12th inst., in the case of *Mears v. the Western Canada Pulp and Paper Company, Limited*, which is reported in the London "Economist."

The point at issue was whether under section 4 of the Companies Act, 1900, it is a condition precedent to a valid allotment of shares that all cheques sent in to cover application money should first of all be cleared, and the Court decided the point in the affirmative. It appeared from the statements put forward that in April last the company issued a prospectus, in which it was intimated that the minimum subscription on which the board would proceed to allotment was 200,000 of the 300,000 preference shares offered, the sum payable on application being 2s 6d per share. The company received applications for 200,000 shares, and the directors duly went to allotment, but at the time the allotment was made a large number of the cheques forwarded with the applications had not been placed to the company's credit at their bankers. Three of these cheques, of the total amount of £500, were subsequently dishonoured, but the shares were taken up and paid for by third parties. The plaintiff, who had been allotted 283 shares, and had paid the application money on them, contended, however, that under the circumstances described, the sum payable on allotment had not been received by the company within the meaning of section 4 of the Act of 1900, and he therefore claimed rectification of the register and the return to him of the moneys he had paid. The clause in question provides that: "No allotment shall be made of any share capital of a company offered to the public for subscription unless the following conditions have been complied with, namely, (a) the amount (if any) fixed by the memorandum or articles of association, and named in the prospectus as the minimum subscription upon which the directors may proceed to allotment, or (b) if no amount is so fixed and named, then the whole amount of the share capital so offered for subscription has been subscribed, and the sum payable for the amount so fixed and named or for the whole amount offered for subscription has been paid to and received by the company." Mr. Justice Swinfen Eady had found against the company, and the Court of Appeal has now upheld his decision.