

at a given price, but not yet delivered, the bargain remaining open for a certain fixed time, awaiting payment. On the occurrence of a loss, the question arose whether the contract or the market price should govern. The Companies admitted, as principles of settlement, that the market price should rule in the case of goods actually held by the assured; but in case of sale by contract, while lying in default of payment, undelivered, the contract price should be taken as the valuation. But, after ample experience, it was decided by the Companies to revert in all cases, to the market value of the day, as the highest limit of price to be paid for merchandise destroyed by fire.

It seems to us that the Companies are not bound to pay more than the value of the oil destroyed in Montreal at the time of its destruction, and that the option is theirs of replacement.

THE earnings of the Great Western Railroad for the half-year, ending 31st July, amount to \$1,777,970. The earnings of the prior half-year were \$1,670,056, so the increase of \$109,643 shows a state of affairs very creditable to the management of the line, and satisfactory, no doubt, to the shareholders. Since the close of the half-year the increase has gone on. The returns are as follows:—

	1867.	1866.	Increase.
Week ending Aug. 2—	\$62,652	\$52,028	\$10,624
" " 16—	66,938	53,596	13,342
" " 23—	63,052	56,656	6,396
" " 30—	77,539	62,795	14,744

Thus exhibiting an average weekly increase of \$11,276 for the month.

Law Report.

FRAUDULENT CONCEALMENT.—A decision of the utmost importance, as affecting the position of shareholders in companies, has just been given by the House of Lords. When the company that had purchased for half a million sterling the good will of the great discount house of Overend & Gurney, collapsed within a year of its formation, a great many very unpleasant facts came to light. It then appeared that instead of £200,000 which had formerly been the average profit annually divided among the partners, the operations of the firm had been carried on for some years past at an annual loss of £500,000. Nearly £4,000,000 had been advanced on securities, the value of which at the time of the transfer of the business to the company barely exceeded £1,000,000. In fact, the gigantic concern was hopelessly insolvent at the very time when a share capital of £5,000,000 was raised for purchasing and carrying it on. A great many of these facts were, indeed, plainly stated in a secret deed placed by the old firm in the hands of the directors of the new company, but never shown by the latter to the shareholders, who only had access for their information to a more formal but less candid deed of transfer. The members of the old firm appear really to have believed in the possibility of saving the concern by fresh capital and sounder management, and they not only retained large stakes in the enterprise, but actually refused to sell when, through the prestige of the Crossus-like name of "Overend, Gurney & Co., Limited," the £50 shares, with £15 only paid up, were eagerly snapped up in the market at £25. But things were too bad even to mend, and before a dividend of any kind had been declared the smash came. Of course, after the first shock of the calamity, the question that occurred to the unlucky shareholders was how far the alleged fraudulent concealment affected the liabilities of those who had taken shares on the representations of the prospectus. Those who had sought shares in open market subsequently to the allotment stood of course on a different footing, but nevertheless did not despair of extricating themselves from the liability to

further call. Two representative cases were selected, and one of the Chancery Courts pronounced that, notwithstanding all the circumstances, every shareholder was liable to the full amount of his share remaining unpaid. The House of Lords was appealed to, and has just dismissed the appeal. It is laid down that a contract like that implied in taking shares is not rendered void by concealment or misrepresentation such as that complained of, but only rendered voidable, and voidable only within the time in which the taker of shares can be reasonably expected to make himself acquainted with the real nature of the undertaking he has joined—certainly not after the application for winding up had been made. So, of the two classes one of which must have suffered, the speculators who went in for the profits of a great financial undertaking, without the care or trouble of management, have to pay up till all claims are satisfied, while if the appeals had been successful they would have escaped scot free, and the unlucky creditors and depositors would have found the private fortunes of the eight directors the only tangible security upon which they have been relying.

TRANSFER OF SHARES—IMPORTANT DECISION.—**HAWKINS v. MALTBY.**—The question in this case, before Vice-Chancellor Wood, was one of considerable importance, as involving the legality of the practice which is prevalent on the Stock Exchange with regard to dealings in shares. The plaintiff, Hawkins, on the 21st of March, 1866, directed his brokers, Messrs. Crawley, to sell forty shares (£5 paid up) in the Imperial Mercantile Credit Company. He received a bought and sold note for £202 10s. (including commission) the same day, from Messrs. Crawley, who sold in the market to McKenzie. On the 26th of March, a call was made by the directors, and the price of the shares immediately fell. On the 27th of March, which was "name day," Mackenzie directed the Crawleys to take from a stockbroker named Butler, the name of the transferee, and gave that of the defendant Maltby as purchaser, through Messrs. Wilkins, his brokers. Crawley accordingly prepared deeds of transfer as from Hawkins to Maltby, and the plaintiff Hawkins executed them, the consideration being in blank. The Crawleys having received £145 (and 15s. for stamp) from Messrs. Wilkins, inserted £145 as the consideration money, and sent the transfers, with the share certificates to Messrs. Wilkins. Having also received £57 10s., the difference between £202 10s. and £145, from Mackenzie, the Crawleys paid the plaintiff £202 10s. On the 11th of May, the company stopped payment, and was afterwards wound up. The bill was then filed to compel the defendant to execute the deeds of transfer (which he had hitherto not done,) and to have the transfer registered, and the defendant's name put on the list of contributories, instead of the name of the plaintiff, the plaintiff had since been obliged to pay a liquidators' call of £5, and also the former directors' call of £5 on the shares. The defendant's case was that he had directed his brokers, Messrs. Wilkin, to buy for him 100 shares of the company, which they bought in the market on the 26th of March, and for which he had paid them £365 17s. He had since received the share certificates, together with what purported to be deeds of transfer of forty Imperial shares from the plaintiff, which he admitted he had not executed. Mr. G. M. Giffard, Q. C., and Mr. Townsend, for the plaintiff, contended that his contract with the defendant was perfectly good and binding according to the custom of the Stock Exchange, and ought to be enforced. If the price had risen, instead of having fallen, the plaintiff could not have kept the shares. Mr. Druce, Q. C., and Mr. Bush, for the defendant, said that there was no privity between him and the plaintiff. The defendant's brokers had bought in the market, and knew nothing of the plaintiff until they received the deed of transfer. The Vice-Chancellor held that the defendant was not bound to register himself as a shareholder, or to have his name placed on the list of contributories. His Honor put the following case:—Suppose a leasehold property which is bought by A, and A afterwards tells B, the vendor, that since he bought he has resold to C; if C, before he has the legal estate in him, repudiates the purchase on the ground of the property not being in the state in which he thought it was when he purchased, B cannot enforce the contract as against C. In this instance, no doubt, the purchaser would have to pay for the shares, as having £5 paid up, but it was another thing to say he was bound to complete the purchase, when he finds that there was a call of £5 actually due at the time, which threw down the value of the shares. He could not be compelled to

take shares which he had bought without any knowledge of this existing call. The legal title was not in the defendant, and the equitable title could not be enforced against him. His Honor dismissed the plaintiff's bill with costs.

Market Review.

THE weather, during the last fortnight, has been uncommonly dry, retarding the growth of root crops and rendering fall pasture exceedingly scarce. Political excitement incident to the elections has monopolized the attention of business men, and in fact that of all voters. The same cause will operate against business for a fortnight to come, as elections are still pending in many constituencies to the east and west. Owing to the delay thus caused to farmers in preparing their grain for market, the early fall receipts of grain which will be due in a few days will probably be delayed a week longer.

BOOTS AND SHOES.—The demand for heavy goods continues active, and prices last quoted are fully sustained, stocks both in Toronto and Montreal being very light. Light goods are neglected, being out of season.

DRY GOODS.—The wholesale houses are busy assorting and marking goods in preparation for their fall customers, who will be coming forward in a few days. In some houses the work is nearly completed, in others, it is still in progress. Stocks are well assorted and attractive. Importations are on a liberal scale, as it is expected that a full business will be done, though no unusual demand is expected, country dealers being inclined to operate carefully. In woollens, we notice a large percentage of Canadian manufactures, which continue to be substituted in a great degree for imported articles. Reports respecting the cotton crop in the States, upon the result of which the future course of the market will depend, are very conflicting. A Macon writer estimates as follows:—Texas, 275,000; Georgia, 225,000; Alabama, 200,000; Mississippi, 225,000; Louisiana, 200,000; Arkansas, 125,000; Tennessee, 100,000; South Carolina, 150,000; North Carolina, 50,000; other sources, 125,000. Total, 1,825,000. Others have estimated the crop in some of the States at higher figures.

GROCERIES.—Sugars continue to move off pretty freely, and prices are still as last quoted. Teas are coming out firm in price, and there will be no reduction in the rates of last season, especially in fine qualities, for which high prices are demanded. Fruit is a shade firmer. Rice continues steady at 4c. and 4½c.

HOPS.—The yield in England and in the principal hop growing districts of the United States will be, it is supposed, below the average. The State of Wisconsin, however, will produce a large crop. In Canada, the crop will also be deficient, owing to the ravages of the louse and the dryness of the weather. The first receipts of the new crop are to hand, and the market is firm for the reasons just stated.

HARDWARE.—Business has been much interrupted. There is no movement worthy of notice, and prices are unchanged.

LEATHER.—Trade continues good, and for most kinds of stock there is a fair demand. Spanish sole is in great demand, and the requirements of the fall trade being still unsupplied, an advance in prices seems probable. Harness leather meets with a ready sale. The demand for upper leather is slack, but stocks are not large. Hides are firm; green selling at 8c.; from 8½c. to 9c. being asked by holders for trimmed, cured, and inspected.

PRODUCE.—In the absence of stocks, and with very light receipts of produce of any kind, but a very small business in this branch has been done. There is a fair demand for flour, and prices have undergone a decline of from 25c. to 30c. per barrel on superfine since the date of our last report. In all the principal markets of the Western States receipts of grain are large, shewing in every case an important increase on the figures of last year. This fact confirms the anticipations entertained of a bountiful crop, and leads to the expectation of a still further reduction in the price of breadstuffs. For the higher grades of flour there is no demand, and none offering. Sales of very choice superfine are reported at \$8 to \$7.05, holders asking \$7 for ordinary and \$7.15 for choice. Wheat is nominal. There were no receipts in Toronto excepting a few waggon loads on the street, which sold at