

E. Mayer & Co., and it was alleged that the bankrupts took these bills as security. Messrs. Barclay, Berman & Co. for discharging. This went on until 1884 right down to the bankruptcy, when Mr. Wilson (or Mayer & Co.), being called upon for payment, made a clean breast of it. Messrs. Barclay, Berman & Co. He should submit that the bankrupts had in this matter been guilty of a fraud within the bankruptcy act. Wilson had been released from the payment of the bills, his friends having paid out of \$2500 to the official receiver. This bill was given on the 7th March, 1887, and on the 14th of the same month, only one day before the filing of the petition, a large quantity of bills of exchange and other negotiable securities—in fact, all the available assets they had in that shape—were given to the New Brunswick Trading Co. by John Stewart on behalf of the firm. It must be remembered that the bankrupts had agreed to sell their business to New Brunswick, and the business of George Guy & Co., and Guy, Berman & Co. to the New Brunswick Trading Co. and they were to act as managing directors of that company at a salary of \$1,000 each per annum. On the 12th March, Robert Stewart, on behalf of the firm, assigned a lot of property in New Brunswick under a deed for the benefit of certain of the creditors, especially for those secured under a previous deed.

Mr. Woolf having put in various documents, stated that since last July, Mr. Weiden, C. M. P., of New Brunswick, had been examined respecting the bill transactions in that country. Messrs. Stewart, and he had been told that the money had been obtained upon bills bearing the names of clerks and other in the bankrupts' employ at New Brunswick.

Mr. Finlay and Mr. Gerratt also made charges similar to those presented by Mr. Woolf after which the court adjourned.

At a subsequent meeting of the Court, Mr. Gardiner, an accountant, who had made an official examination of the accounts of Messrs. Stewart, Barclay, Guy & Co. and Guy, Berman & Co. gave testimony.

Mr. Gardiner said the bankrupts and Mr. Robert Guy were trading in partnership previous to 1878. The profits of Stewart's Canadian business were deposited in the books that were kept at London. The partnership was dissolved in 1878, when the joint capital of \$41,000 was equally divided between Guy, who retained \$20,000, and the Stewarts, who had a similar sum. None of the Canadian books had been handed to him. The bankrupts' interest in the Ottawa property has been sold by the trustee. The style under which the bankrupts traded in London was "Stewart Bros." From 1878 until the end of March, 1882, they were chicanery. The amount to the credit of R. A. Stewart at March, 1882, was \$23,900, and that of John Stewart was \$23,400; that showed an increase in the joint capital account to the amount of \$47,300 representing four years' trading. R. A. Stewart transferred in October of that year \$10,000 of his capital to the trustees under his marriage settlement and was made by the trustees for that amount had been admitted under the present bankruptcy proceedings.

Mr. Woolf did not say that Guy, Berman & Co. was about the same time as Messrs. Stewart, Barclay, Guy & Co. and Guy, Berman & Co. had under this bankruptcy the trustee of Guy & Co., and Guy, Berman & Co., has, under the agreement of 1882 (by which the bankrupts took over the business), claimed to prove for an amount of \$23,900.

Proof was made for \$100,000—I do not remember I think it was for \$120,000. And admitted for \$80,000.—Yes.

Under the agreement before mentioned, Guy was to be paid \$250 yearly by the Stewarts.—Yes.

Was he paid?—He paid himself.

Was Guy's business entirely distinct from Stewart's?—Yes.

Separate books?—Yes.

And were there separate staffs of clerks?—Yes.

Was Guy paid the \$3,000 he was to receive under the agreement?—In part.

Did he receive interest on it?—Yes.

Were any payments made to Mr. Barclay as shown on the books?—Yes.

Mr. Barclay seems to have received three sums of \$200 each, in addition to six half-yearly payments of \$250 each, as interest on the \$10,000 he had advanced.

At August, 1885, there was a sale by Stewart Bros. of property to the New Brunswick Trading Company of London.

Was the property sold all the available property of the bankrupts?

Mr. Woolf: There can you say if the bankrupts had any property of value beyond that disposed of to the company?

Witness: I think they had. I cannot say how much it was worth. They had property at Bathurst, New Brunswick, for instance; which, however the trustee has not had handed to him.

Mr. Gore stated that was the property that had been mortgaged to the People's Bank.

Mr. Ringwood then took up the examination, and the witness stated that the bankrupts sold their forest lands to the company, receiving payment in shares, which, he believed, were not assignable. The bankrupts made no profit in their business after they sold their property to the company—in fact, during the year ended 30th April, 1886, the private ledger showed a loss of \$16,022, and the total loss to the date of the bankruptcy was \$28,187.

Of course, included certain previous losses that should have been written off.

The Registrar: We have it in the Official Receiver's report that the net trading loss after April, 1886, was \$12,270.

Mr. Gardiner next stated that the trustee of Stewart's estate had realized from \$5,000 to \$7,000. The liabilities were paid down at \$186,102, but profits had been made to the amount of \$196,507.

The Maritime Bank had a further profit for \$70,000, and there were, in addition, other small disputed claims. He had investigated the accounts, with a view to ascertain if the surplus of \$48,000 really existed as shown by the balance sheet dated April, 1887. The result of that investigation went to prove that, instead of there being a surplus, there was a very considerable deficit. This was due to the fact that large amounts which ought have been written off had been treated as good assets. Heavy losses incurred prior to April, 1886, upon certain shares were not written off until after that date; the value of certain vessels had been put extremely high, and debts due to other parties had been returned as good.

An influence he quoted the date of Jones & Co., of Cardiff, for \$7,175. That firm apparently failed in the early part of

1886, and the bankrupts must have known the date of the failure. As to the bills drawn by the bankrupts upon Mayer from April, 1886, to the date of the bankruptcy represented \$23,081 13s. 1d. Continuing his analysis of the balance sheet, he said that it included an item of \$1,757 for overdue accounts, which ought really to have been totally written off.

The present statement of affairs returned, he said, was in liquidation, and had only one asset, consisting of a steamship which was mortgaged for more than what proved to be its value.

The company consisted of about six or seven persons, most of whom were clerks in the employ of the bankrupts, the balance being the managing directors of the company. He was of the opinion that at least \$23,000 should have been written off the assets shown upon the 1886 balance sheet.

That was not all. The nominal capital of \$48,000 shown on the balance sheet included an item of \$28,041, the value of the Ottawa property. It did not appear that the bankrupts paid anything for that property, but they subsequently gave a charge thereon to Mr. Tucker and to the Maritime Bank. The effect of including that item in the capital accounts was to make the bankrupts appear to be worth \$38,000 more than they really were.

Mr. Reid: That is an argument. You are only called to pay the bills.

Witness: It is an unadmitted fact. Continuing, he said that the indebtedness to Tucker was about \$40,000. He fully believed that at April, 1886, the bankrupts had a deficit of \$34,458. They afterwards raised money by means of managing directors, and had the transactions with Messrs. Easton, Messrs. Redmond, Messrs. T. C. Jones & Co., and Messrs. E. Mayer & Co. They sold goods to Easton to the amount of \$27,000 odd, resulting in return bills for \$25,000 odd. He believed that Easton, Redmond and Jones had since become bankrupts.

At any rate, Easton had paid a commission and Jones was made bankrupt at Liverpool. Under Easton's estate the trustee under these proceedings put in a proof, which was, however, rejected. The difference in the value of the goods sold was no less than \$147,276. There were also debts between Stewart Brothers and George Guy & Co. From 30th April, 1882, down to the bankruptcy, goods were sold by the bankrupts to Guy & Co. amounting to \$49,041, and were bought from Guy & Co. to the extent of \$15,702, making a balance of \$33,339 due from Guy & Co. The bankrupts during the same period received bills from Guy to the amount of \$115,299; the books further showed that the bankrupts had \$1,046,641 in cash from Guy, while the latter had paid \$133,642 in cash, and the bankrupts accepted bills for Guy's New Brunswick firm to the amount of \$441,363. They accepted bills of George Guy to the amount of \$182,396. The difference of \$23,816, and Guy, Berman & Co. had both become bankrupts; Mr. Kemp was trustee in each case, and no dividend had been paid. The witness then described the manner in which the ships were dealt with in the balance sheet. Taking the "Edinburgh," he said the first cost was \$137,710, and she was built in 1875-9. The account took credit for profit, and interest amounting to \$10,914, while the actual earnings were only \$5,585. The difference of \$23,816, and Guy, Berman & Co. had both become bankrupts; Mr. Kemp was trustee in each case, and no dividend had been paid.

The Registrar: In fact they have put into their books what they consider the ship owes them instead of what it owes.

Mr. Reid: That is Mr. Gardiner's evidence, but it is not actually so. The ship does not stand at the figures stated by the witness, as I shall be able to prove.

Witness further said that he found, on reference to the private journal, that the bankrupts had placed \$5,000, part of the value of these ships, to a surplus account, and had described the entry thus: "Owing to the depression in shipping, it has been thought desirable to reduce the amount to surplus account No. 2, in case of any reversal in trade." Yet notwithstanding that note the \$5,000 appeared on the credit side of the ledger, and continued to do so up to the date of the bankruptcy. The fact was that in the 1886 balance-sheet the vessels were returned at the value of \$23,298, or three times that put on them in the statement of affairs. Had the 1886 balance-sheet been prepared on a proper basis, it would have shown a deficiency of \$7,175 due from Jones & Co., he had found that sum in the ledger of goods sold to that firm.

By Mr. Gore: With reference to the date of \$7,175 due from Jones & Co., he had found that sum in the ledger of goods sold to that firm.

By Mr. Garrett: The account with the New Brunswick Trading Company started on the 9th September, 1885. During October, November and December, 1886, and January, 1887, the bankrupts appeared to have drawn large sums from the company, in return for bills of the Maritime Bank. On the 3rd February, 1887, Stewart Brothers balanced the account by a cash payment of \$700, but the balance was of course subject to the bills being duly met. In the accounts the bankrupts took credit for several payments for marine insurance, but he had no means of ascertaining if the said premiums were actually paid to the brokers. The bankrupts owed the company \$3,500 at the date of the bankruptcy. The bills amounted to \$15,000. The bankrupts' books did not show what was done with their shares in the New Brunswick Trading Company, but he believed that the company claimed a lien on the shares.

At the rising of the court the case was adjourned until January.

X'mas Holidays 1889.

X'MAS GROCERIES, CONFECTIONERY AND NUTS.

Will be sold at reduced prices during the holidays.

Oranges and Lemons, Pure Spices, and Flavoring Extracts a Speciality.

also a nice assortment of

China Gift Cups & Saucers, Mugs, Toilet Set, Vases, &c.

and the usual assortment of Glass and

COMMERCIAL BLOCK, WATER ST. CHATHAM.

ALEX. MCKINNON.

Miramichi and the North Shore, etc.

PARTIALLY DISABLED.—The meeting of the Municipal Council claims the daily presence of an important working member of our staff, the influential and able charge of our foramen and several other workmen, while the election was an additional paralysing agency—all of which have caused a delay of half a day in publication of the ADVANCE this week.

SMOKE THE OLEO. The best ten cent cigar in the market. For sale wholesale and retail at Z. Tingley's, Chatham.

ACCIDENT AT RICHMOND. A Richmond despatch 17th says—William Hudson, a prominent merchant of that town, met with a very serious and painful accident at noon on Wednesday by falling and breaking the main bone of his left arm. Dr. J. W. Doherty was at once sent for and set the fracture. Mr. Hudson is doing as well as could be expected.

PRO'S CURE FOR CONSUMPTION and PLEURAL REMEDY FOR ASTHMA are sold by J. D. P. F. MacKenzie, Druggist, Chatham.

OBITUARY.—General sympathy is manifested for Hon. M. Adams over the loss of his bright little boy, "Deacon," the familiar name by which he was known to almost everybody in New Brunswick and many elsewhere. He was about ten years old and a general favorite with old and young. The fact that the little fellow was attacked by influenza, brought on by the prevailing influenza epidemic, whilst his father was from home and could not reach him in time to even say "good-bye," makes the event, unusually sad.

The funeral which took place yesterday was a very large one. The Municipal Council being adjourned for an hour at the request of members who wished to attend.

PERSONAL.—Master Freddie Blair, who has for nearly two years, so creditably filled the position of organist of St. Mary's Church, Chatham, leaves to-day for St. John, where he has accepted the position of organist of St. George's Church, West End. Master Fred is one of Chatham's most bright and popular boys, and we are sorry to part with him. His departure is, however, in the way of an advance on the road to what promises to be a life of usefulness, and if we mistake not, the beginning of a career that will be creditable to both Chatham and himself. He intends remaining a year in St. John, when after course under Prof. Moore he proposes entering at the Boston Conservatory of Music.

LITTELL'S LIVING AGE.—The numbers of *The Living Age* for January contain Literary Criticism in French and Russian Characteristic, Forthrightly: The Old Missionary, and Ancient Arabia, Contemporary; La France of London Fog, and Stamping Out Protestantism in the East.

On motion of Coun. Adams Messrs. J. B. Williston and Howard Cassidy were appointed to be in attendance upon Council as constables.

Adjourned until 2.30 p.m.

APPROVED SENIOR.

Coun. Morrison moved that the resolution of the Council be adopted.

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of battling with the sea. Chief Mate John Kerr, who was with him, and his companions remained in this condition suffering much from exposure and want of sleep until they were rescued by the "Alfreda," which succeeded with great difficulty in sending a life boat alongside the wreck, but the sea was so rough she could not get alongside the wreck, and the men saved themselves by swimming or jumping from the rigging into the boat.

The "Nordrap" was a bark of 611 tons register, and was built at Bathurst, N.S. She was under the command of Mr. J. W. MacKay. The cargo is insured.

MANAGERIAL COUNCIL.

COURT HOUSE, NEWCASTLE, Jan. 21st, 1890.

Council called to order by Mr. J. W. MacKay, Secretary at 12.30. The roll of members was called, and the following answered to their names:

Lawlor—John Campbell, Jas. S. Fairley.

Blair—John A. McDonald, F. D. Swin.

Underhill—E. Hayes, (Councillor) Underhill was reported ill but was in his place Wednesday.

Norfolk—P. J. Rogers, Robert Adams. Southern was absent in that part of the regular report will appear next week.—Editor.

A Bathurst Man.

The Rev. D. J. Macdonald, B. D., pastor of St. Andrew's Church, Toronto, arrived in Vancouver this morning from New Westminster, in company with the Rev. E. D. McLaren, and is looking well after his trip across the continent. He expresses sorrow that he was unable to spend more time enjoying the wonderful scenery of the province. He proposed remaining over in Vancouver. He is now, however, the people of Victoria telegraphed for him to go over today, so that no unforeseen delay or accident to the boat could deprive them of his services on Sunday. His time is limited that he will have to start back for the east again on Tuesday. On this account he will not be able to address a Vancouver audience at all during this trip, which will, naturally enough, be a disappointment to many friends in this city who have been looking forward to his coming with such pleasure, as well as to that distinguished divine himself. He called during the forenoon on many of his former parishioners from this city as well as old friends. He is a native of Bathurst, N. B., and wished he had time to meet many here from his native town. He visited several places in the Northwest on his journey to the coast. On Tuesday next he will be able to spend a few hours again in this city.—[Vancouver World, 14th.]

Presbytery of Miramichi.

The Presbytery met at Newcastle on the 14th inst. Present: Rev. W. Hamlin, acting moderator, T. G. Johnston, N. McKay, W. Aitken, J. D. Murray, John Robertson, A. E. Thompson, Isaac Baird, Jas. Rossborough, Geo. Fisher, W. J. Fowler and Joseph McCreary, ministers; Rev. J. P. Forsyth, ruling elder.

Rev. Joseph McCreary, from the committee appointed to visit St. John Church, Chatham, reported that the committee had found everything in connection with that church in a satisfactory and prosperous condition, and were pleased with the prompt and accurate replies given to the usual enquiries both by the session and manager. The report was received and the clerk given to the committee.

The clerk reported that the H. M. Board had agreed to make grants in aid of the mission charges of Beauséjour and Metapedia of \$300 each—that no stated laborers had yet been found for those places, but that stated catechists had given three Sabbath supplies to each during the Christmas holidays. The report was received and approved.

Communications from New Richmond were read and arrangements made to send the balance due to the catechists who labored in that field during the session.

The Presbytery then adjourned for an hour and a half.

Met again at 2 o'clock p. m. Present as above, with addition of Rev. E. Roberts.

The clerk reported that the Mission field at Beauséjour. The commissioners (Revs. J. H. Cameron and N. McKay) visited the field and held service at Beauséjour, where they found the people very much attached to Rev. Mr. Johnston's labors, and the superintendent of the field in promising. They recommended that the Presbytery accept the care of its associate at Blackville, and can find for the present by appointing a lay catechist who labored in the supervision of Mr. Johnston. The report was received and adopted and the balances of expenses of the commissioners were ordered to be paid.

Rev. J. G. Forbes, Esq., St. John, was appointed the Presbytery agent for the management of the McLaglan Trust.

Read a Report of missionary services at Metapedia by Mr. Robert Frew. The Mission Board requested to pay the balance of \$41.92 still due.

The Presbytery then proceeded to consider the remits of the General Assembly.

1. The remit proposed to reduce the remuneration of Presbyteries from one fourth to one sixth of the salaries of the Ministers.

2. The remit in reference to the appointment of a general superintendent for Sunday School work was also approved.

3. The questions on Sabbath Observance, submitted to the Presbytery were handed to the committee on Sabbath Observance to be answered by them.

Rev. J. D. Murray reported in record to the visitation of Douglastown, where the committee found everything in a satisfactory condition. The report was received and the diligence of the committee approved.

The following were appointed commissioners to the General Assembly to meet at Ottawa in June next.

Rev. T. G. Johnston.

D. Murray.

N. McKay.

Married.

At the residence of the bride's father on the 14th inst. by Rev. Joseph McCreary, M. A. Mr. John N. North of Newcastle to Miss Josephine, second daughter of Mr. John Galloway of Napton.

Parish Returns & Co. Accts.

All Parish and County Officers, who have not yet paid their accounts, are hereby required to settle their accounts with the undersigned at this office.

Secretary-Treasurer's Office, Newcastle, 6th Jan. 1890.

SAM THOMSON, Secy. Treas.

Rev. W. Aitken reported in reference

to the Augustan Fund. Some one or two congregations desiring against the payment of their allotments, Mr. Aitken was instructed to write requiring them to pay their fair share of this important fund.