

last year. The gross earnings from operations the March quarter of the year were \$523,756; operating expenses, \$383,290; net earnings, \$135,457; other income, \$36,804; fixed charges, \$437,959; and deficiency, \$265,697. From this showing it would seem that from a financial standpoint it would have been better to have stuck to the old horse cars. It is very certain that the successful and economical method of using electricity is yet to be discovered.

Wabash has been one of the active stocks of the week and has been sold at 31½, making a new high record. There has been more or less discussion as to whether the Debenture B Bonds would receive any interest at this time or not, but it seems to have been definitely decided that they will not. In view of the extensive work now being done by this company it would hardly be policy to pay anything on them, although it is generally believed that it could be done and still leave a fair amount to go to the Preferred Stock. We think, however, that it will not be long before all the securities of this system sell at materially higher figures, and to those who will buy and lay them away we say buy any of these issues. Indications cropped out yesterday of the early disintegration of the coal miners' strike, whereupon the Reading issues promptly experienced renewed activity and at advancing prices. The course of this stock shows a steady absorption by some interest, who, while not bidding for it, will take all there is offered. The Reading Common is a purchase every time that it runs off.

Meetings of directors of several of the Vanderbilt roads have been held this week, chiefly for the purpose of declaring dividends. The New York Central statement for the year ending June 30 shows an increase of net earnings over last year of \$405,400, and the Board declared the regular 1¼ per cent. quarterly dividend. The Michigan Central shows a surplus for the year ending June 30 of \$670,000, as against \$548,080 last year, and the Board declared the regular 2 per cent. semi-annual dividend. Lake Shores' net earnings for the same period were reported as \$4,377,000, as against \$4,754,422 last year, and the Board declared the regular 3½ per cent. semi-annual dividend.

The dividend of the Canada Southern was made the same as at this time last year, viz., 1 per cent. It is quite likely, however, that the rate for the last half of the year will be made 1½ per cent., thus making the annual rate 2½ per cent., the same that it was for last year. While these figures are fairly satisfactory, indications are not wanting that a more careful supervision and the running of some of the departments on a better business basis would produce better results in this system. The market while quiet has been strong all day.

ACKNOWLEDGMENTS.

Our portrait gallery has been enriched by two exceptionally well executed photographs kindly sent by Mr. William McCabe, F.I.A., Managing Director of the North American Life, who has our best thanks for the courtesy. One is a portrait of Mr. J. L. Blaikie, President of the Company, the other of Dr. Thorburn, Medical Director. Each one is an excellent likeness. Messrs. Blaikie and Dr. Thorburn are amongst the best known and most highly respected citizens of Toronto. They severally represent the best elements in the Queen City: the one all that is stable, reliable and shrewd in finance, the other all that is honourable and expert in medicine, as well as whatever is genial and of good report socially.

RECENT LEGAL DECISIONS.

DIRECTORS' REMUNERATION.—An English company brought an action against one of its shareholders, who was also a director, for payment of certain calls. The shareholder attempted to set against this a claim of four hundred pounds as remuneration for his services as a director of the company during two years. The articles of association provided that the directors should be allowed to receive as a remuneration for their services, and there should be allowed to them out of the funds of the company two hundred pounds each per annum, to be paid at such times as they might determine. The directors had passed a resolution with regard to the question of unpaid directors' fees to the effect:—That in view of the fact of the company being without funds the payment of the same should remain in abeyance for the time being. It was contended by the

company that under this state of facts the director could not counterclaim for his fees, and this view the English Court of Appeal sustains, holding that the fixing by the directors of a time for payment was a condition precedent to the right to be paid the remuneration. (*Carliad Copper Mining Co., Ltd. vs. Swallow*, 18 Times L. R., 601.)

EMPLOYMENT OF BROKER AND BANKER.—Generally speaking, if not universally, trustees in the execution of their trust are entitled to choose the solicitor, broker or banker with whom they will deal. Trustees are not bound to regard even the direction of their testator as to the solicitor they shall employ. The trustees under the will of the late Duke of Cleveland from the sale of certain estates held two hundred thousand pounds in their hands for investment. The person entitled to the income for life was a Captain Forester, and he was desirous that a particular firm of stockbrokers, nominated by himself, should be employed to invest the capital moneys in the hands of the trustees, and all further sums of capital which they might receive, in such authorized investments as he might select. He had, in fact, consulted his brokers, and under their advice had selected certain investments for the purchase of which he proposed to enter into contracts with his brokers. The trustees, on the other hand, desired that the investments should be made through their bankers, who in the ordinary course of business would employ their own brokers. The captain took out a summons in the English courts, and asked that the trustees might be directed to apply the capital in hand in the purchase, through the brokers nominated by him, or such other brokers of good credit and position as he might select, of such authorized investments as he might direct. Mr. Justice Joyce, who heard the application, decided that the trustees were entitled to select their own solicitors and their own brokers, and, adopting the rule of law as above, he refused the application of the tenant for life. (*In re Duke of Cleveland's Settled Estates*, 18 Times L. R., 610.)

INSURANCE COMPANIES—INCOME TAX.—The House of Lords decides that the mere entry in the balance-sheet of a company, having its head office in the United Kingdom, of the interest of its foreign investments received by its agents abroad, such interest not having been remitted to England, is not such a receipt in the United Kingdom as to render the company liable to pay income tax upon it. This decision reverses the English Court of Appeal, and was a victory for the insurance company. (*Gresham Life Assurance Society vs. Bishop*, 18 Times L. R., 626.) Reference to this case was made in our issue of 13th inst.

REINSURANCE—MARINE POLICY.—Certain underwriters insured a ship valued at £16,000 for twelve months against all risks. The policy contained this clause:—"The insured value shall be taken as the repaired value in ascertaining whether the vessel is a constructive total loss." The underwriters reinsured this and other ships with the Steamship Owners' Underwriters Association against total, including constructive total, loss only—to pay as may be paid—on the original policies. This clause in the original policy was printed on the reinsurance policy form, but was, with other clauses, struck out. The ship went ashore during the currency of the policy, and was abandoned as a constructive total loss, but was afterwards floated and repaired. In an action on the reinsurance policy it was found as a fact that the ship was a constructive total loss according to the ordinary rules for ascertaining that fact, but that if the repaired value were to be taken at £16,000 she was not a constructive total loss. The Court held that the risk covered by the reinsurance contract was the risk which the underwriters undertook by the original policy of total loss on the basis of the repaired value being £16,000; that the underwriters were not liable to pay as for a total loss under the original policy, and that, therefore, they could not recover from the Association under the re-insurance policy. (*Martin vs. Steamship Owners' Underwriters Association*, 18 Times L. R., 613.)

FIRE INSURANCE—ADDITION TO MAIN BUILDING.—A fire policy "on a frame mill building, and all additions thereto adjoining and communicating, including steam pipes, if any, and occupied by the insured as a pail shop," has been held by the Courts of New Hampshire, to cover a dry house twelve feet away from the main building, and between which was a movable bridge. There was no other building besides these except a boiler house two feet from the dry house, all being connected by steam pipes, and each of these buildings was a necessary part of the plant. It also appeared that after effecting insurance on the buildings and additions as above ex-