

that they are attempting to compromise in a neighboring town. I tell you that Canadian merchants are perfectly demoralized."

Similar complaints were so often dinned into our ears in Manchester and other large centres, that we are compelled to believe that, although humiliating, much of this is true; and if true it ought to bring the blush to the cheek of our importers. But our importers will not submit to be saddled with all the blame of such a lack of promptitude. If their British bills were not paid promptly, it was, they say, largely because their country customers were in turn behind with their payments. These are the scapegoats for all the omissions and shortcomings of the importers, not one of whom ever dated paper one or two months ahead, nor forced the sale of a much larger quantity of goods than he knew the purchaser required, and after getting the order, occasionally duplicating the amount in the warehouse for the purpose of getting a little more paper to palm off on some unsuspecting banker. No, no; to do this is unbusinesslike and wrong, but still somebody does it. There are, too, some uncharitable people who think bankers are not less culpable in this connection. But this must be a mistake. No banker would think of being tempted even by a high rate of interest, knowingly to discount paper that was not *bona fide*, although the parties were responsible. This would not be legitimate banking, and all such work must be done by street brokers and "note shavers." But in some way or other this sort of paper does find its way into the offices and the coffers of respectable bankers, and appears in the monthly statement of assets. But to think of this matter seriously, something should be done to remove the stigma, "*worse than Spaniards*."

Undoubtedly the retail trader, the importer, the banker and the manufacturer, deny it as they will, are each responsible to a greater or less extent for the present demoralized condition of our mercantile credit abroad; and each have a part to perform in restoring our fair name. The coming autumn should witness a complete reorganization of the present wretched system of doing business. We have all suffered, more or less, and we have been reaping the harvest we have sown; that harvest of bankruptcy will not end until a complete revision of our credit system takes place. Now is the time to do it, and it will require individual effort. There is too much grasping and over-reaching, we are sorry to think, for any permanent good to arise out of concerted action. The difficulties that arose in the meetings of wholesale men last spring in Montreal will again arise. To accomplish any permanent good will entail self-sacrifice,

but fortunately we have in the ranks of our merchants and bankers men who are willing to do, and can afford to do, a little less business this season. Bankers too, can greatly assist in putting our credit upon a better basis. Let them no longer bolster up weak and incompetent men, while there are yet plenty of responsible firms in the retail trade to do all the legitimate business of the country; and if they will refuse all doubtful paper offered, no matter by whom, they will do much to improve the commercial condition and the credit of the country.

IMPROPER CONDITIONS.

WILSON vs. GINTY.—For some time past, a number of suits have been pending between creditors of the Toronto, Grey and Bruce Railway Company and the shareholders of that Company who had not paid up their shares. One of these, being an action against Mr. John Ginty, of Toronto, was recently tried before His Honor Judge Mackenzie in the County Court. The defences set up were that Mr. Ginty had never become a shareholder; and that his having nominally subscribed for stock was done under an arrangement between Mr. Laidlaw, a provisional director and the chief promoter of the Company on the one hand, and the defendant and Mr. Alex. Manning on the other, whereby it was agreed that Mr. Manning and Mr. Ginty were to subscribe for a certain amount of stock, and were in return to get the contract to build the road; and that unless this contract were given to them they were not to be regarded as shareholders or held liable on their subscription on the stock book.

The learned Judge held that the defendant was a shareholder of the Company, and as such was liable to the creditors of the Company to the extent of his unpaid shares. The contention that there was a release from this liability by what passed between these contractors and Mr. Laidlaw at the time of subscribing for stock was characterized as entirely without reason or justice.

Mr. Ginty thereupon carried the case to the Court of Appeal, where it was again fought out, with a similar result. The judgement of the Court was delivered by His Lordship Chief Justice Moss. As to the first question, His Lordship refers to the fact of the defendant having paid up ten per cent. of his shares and having attended meetings of shareholders, and acted and voted as a shareholder, which is taken as conclusive evidence of his being such. Then the court deals with the second contention which, it is observed, has no principle of either law or justice to sustain it. It is pointed out that Mr. Laidlaw, as a provisional director, "had not even the semblance of authority to annex to a subscription an agreement binding upon the Company, to give the subscriber a contract upon defined terms to build the Company's road." Then the absurdity of the whole thing is shown

up by pointing out that no terms of the alleged contract had been agreed upon. "It would be preposterous," his Lordship says, "to assert that Mr. Ginty became entitled to receive the contract at any sum he might choose to ask, or upon any terms he might dictate. On the other hand, it can scarcely be urged that he seriously contemplated accepting it upon any terms the company might propose." In conclusion the judgment states that "to assent to the defendant's contention would be to distinctly sanction the proposition that the provisional directors of such a company could procure persons to subscribe the amount of stock and pay the ten per cent. requisite for a complete organization by assuring each one that to him should be awarded the contract for building the road, and that when a creditor who had dealt with the company in the belief that these persons had agreed to pay the amount of their shares, sued one after the other, he should be told that each subscription was merely conditional, and that the contract having been awarded to some other persons, no one was liable. The statement carries its own refutation."

• We think no decision could be more just and reasonable than this. We understand that there are several of these suits against both Mr. Manning and Mr. Ginty, which are being bitterly contested at every step. The defendants would, it appears to us, do themselves infinitely more credit by settling up at once, for there is nothing very creditable in such a defence as was set up in this case.

BUILDING AND LOAN SOCIETIES' MEETINGS.

There is considerable diversity in the results of the operations of several societies of this nature mentioned in our columns this week and last. The affairs of the Montreal company named were complicated by the former defalcation of its principal officer; while the Quebec society, operating in the city and district more than amongst farmers and farm lands, as in the case of Ontario societies, felt the depreciation of property to a greater degree.

The London company, whose report appeared last week, the Canadian Savings and Loan, appears to be one of the best of the later and less pretentious concerns of the kind. Its report gives evidence of business knowledge on the part of its compilers; and there is manifested an appreciation of the situation, and a prudent resolve not to increase their stock that would do credit to older societies. After paying eight per cent. dividend, over \$10,000 was added to the rest, which has reached twelve per cent. of the capital in the third year since its formation.

The first annual report of the London & Ontario Investment Society has been issued to the shareholders considerably in advance of the meeting, which does not take place till October next. The management have had the boldness to pass a dividend and to put most of their earnings at once to reserve account. They tell