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THE

Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM.

Vol. I.—NEW SERIES.

UNIV. OF CALIFORNIA

LONDON:
PUBLISHED FOR THE PROPRIETOR BY WILLIAMS AND STRAHAN,
7 LAWRENCE LANE, CHEAPSIDE.

1875.

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Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
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UNIV. OF CALIFORNIA

The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM.

Vol. I.—No. 1.] OCTOBER, 1874. {Subscription, 10s. 6d. per Annum.

NOTICE IS HEREBY GIVEN, that the PARTNERSHIP lately existing between myself and Mr. James William Thomas, as Public Auditors and Accountants, has been DISSOLVED as from the 17th August, 1874, and that all debts due by the late firm will be paid by me, and all debts due to the late firm will be received by me alone, and my receipt alone will be a discharge.
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The Accountant

Will be published for the present on the 1st of every month. The subscription will be 10s. 6d. per annum, entitling the subscriber to one copy per month (post free). Single copies will be sold at 1s. each. Subscriptions to be forwarded to Mr. Alfred W. Gee, 59, Basinghall-street, E.C. (post office orders payable at the Lothbury office), to whom also applications for advertisement space, and letters relating to the general business of the Paper, should be addressed. Literary communications should be directed to the editor of The Accountant, at the same address.

TO SUBSCRIBERS.

In presenting the first number of The Accountant to the subscribers, the Editor feels it necessary to explain that, owing to the difficulty of making numerous arrangements in a comparatively short space of time, the reports of liquidation and bankruptcy cases, which it is intended should form a special feature of the Paper, are neither so numerous nor so complete as it is hoped they will be in future issues. At the same time, it should be understood that the Editor will be compelled to rely to some extent upon accountants for information respecting liquidation meetings and other matters of importance to the profession occurring in their respective districts, and it is hoped that all members will thus contribute towards the attainment of the object with which the Paper was started, viz., the advancement of the interests of the accountants of the United Kingdom.

The Editor will be glad to receive early information of any proceedings of unusual importance which may be about to take place; and in case a special report is required, the services of a shorthand writer may be obtained upon certain specified terms, which can be ascertained on application. In all cases where it is practicable the MS. should be forwarded to the Editor by the middle of the month.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by this Paper as an advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, The Accountant may fairly hope for a large measure of success in a wide field hitherto unoccupied by any professional organ. The Accountant will thus secure to Advertisers an excellent circulation of an exclusive character; and it will be particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c.

The charge for single insertions of ordinary advertisements will be 1s. per line; a liberal reduction will be made for a series, and special terms allowed for standing trade announcements.

Advertisement "copy" should be forwarded, if possible, by the middle of the month, but late announcements can be received up to the morning of the day previous to publication.

The Accountant.

October, 1874.

THE "ACCOUNTANT."

In days when the world is flooded with the offspring of the pen and the printing press, when anyone attempting to read a tithe of the periodical literature having some sort of claim on his attention would find himself harder worked than the busiest professional man, any addition to the mass of newspapers and magazines should perhaps be ushered in with something in the nature of an apology. Our *raison d'être* is that we do not enter the general literary race in the hope of gathering together a constituency of readers, but rather of supplying the wants of one already in existence. It would probably cause some surprise to many outside the professional ranks to learn that such an important body as the accountants of the United Kingdom, a body dealing with valuable interests of the utmost magnitude, and directly affecting the whole mercantile community of the country, has not, up to the present, been represented by any organ of the press to chronicle its doings, to discuss points of law and practice in liquidations in chancery, and in bankruptcy, in which accountants, as the agents of the public, are so largely concerned. It is the purpose of The Accountant to fill this gap; and perhaps the only reason which it is needful to urge in justification of the establishment of the journal, is the extent and value of the interests thus involved.

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The main object of The Accountant will be to raise the status of, and generally to benefit, the profession; but it may reasonably be hoped (though in all modesty) that our labours in a field where abuses and extravagances are far from infrequent may result indirectly to the advantage of that portion of the mercantile world which looks to our Bankruptcy Laws for assistance and protection. The publication of reports of cases with which accountants have to deal from all parts of the kingdom will be one of the means adopted to secure this end, which will be further advanced by original articles, and an interchange of opinions and experiences upon professional topics. It is manifest, however, that these means will only be made available by the personal assistance of members of the profession. The columns of The Accountant will be open at all times for the discussion of principles and rules of procedure, and the ventilation of important matters connected with accountancy; and we wish it to be thoroughly understood that the gauge adopted in the admission of literary contributions will be one having regard solely to their general utility and fitness for publication, subject, of course, to considerations of the limited space at our disposal. It is our intention to use all means to make The Accountant in every respect the representative organ of the entire profession, and we hope in carrying out this view to receive the hearty support of all accountants.

We began with a semi-apology, and may therefore consistently conclude, to some extent, in a similar strain. The time has been too short to make complete arrangements for the supply of literary matter, and there are consequently deficiencies, particularly in regard to the reports of cases; but we hope to be judged not by results actually shown in our first number, but by the indications therein given of the course which it is intended to pursue in the conduct of this paper.

There is, perhaps, no subject so important to the world of commerce, or more worthy the consideration of the Lord Chancellor in the present recess, than the laws which govern our Bankruptcy Court. It was hoped that the Bankruptcy Act of 1869 would remedy the patent evils existing under the old statutes which it repealed, and that some of the avenues to the perpetration of fraud would be closed against evil-doers. But the reverse is the case. The liquidation and composition clauses of the Act still admit of precisely the same description of malpractices as formerly, with some few additions. Sworn affidavits of creditors apparently provided a safeguard against the operations of "friendly" creditors and the intervention of disreputable advisers; but the wide use of proxies encourages a system as discreditable to our integrity as it is harassing and unjust to the real creditors; and the manner of convening and holding meetings is also open to grave condemnation. A forcible illustration of this was recently exposed in a case heard before Mr. Justice Quain at the Central Criminal Court. Hall, an attorney's clerk, by using the name of a solicitor, undertook to release a certain debtor from his liabilities for a money consideration. A petition for liquidation was filed, the necessary formalities completed, and a meeting of creditors duly summoned. The next stage of the proceedings was the receipt by the Registrar of certain resolutions purporting to have been passed at the meeting for the liquidation of the bankrupt's affairs, which would have been followed in the ordinary course by the appointment of Hall as trustee, and the granting of the bankrupt's discharge. However, it subsequently transpired that not a single creditor attended the meeting, that proofs and proxies were forgeries, as were also the signatures of the Commissioners before whom the affidavits were said to have been sworn, and that Hall himself was the only person present at the so-called meeting. Eighteen months' imprisonment with hard labour rewarded this man's ingenuity; but it is not unreasonable to suppose that other cases of a similar character have escaped detection.

It is more within the province of the legal profession to suggest a remedy for the evil we diffidently point out; but it may be asserted that the presence of a Registrar of the Court, instead of a chairman appointed by the meeting, which admits of a person holding the proxies of a quorum of creditors to elect himself to the office—the presence, we say, of a Registrar of the Court at the meetings of creditors, and a narrower limit to the number of proxies, would do much to deter people from hazarding fictitious proofs, and would render impossible the holding of phantom meetings. A thorough revision of the liquidation and composition clauses is perhaps desirable in order to prevent the possibility of devising and carrying out the forms of fraud resorted to. Though at first sight it may appear an enormous undertaking to amend the

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Bankruptcy Act which has already undergone so many changes, yet we venture to think that the remedy lies mainly in the hands of the Chief Judge and the Lord Chancellor, in whom power is vested to make and vary the rules of procedure. The alterations these officials may themselves effect would be found sufficient to repair most of the defects; for it is not so much the general working of the Bankruptcy Act that is to be condemned as the looseness of certain formalities in the conduct of liquidations. These formalities are entirely at the discretion of the officials we mention to modify, or add to, without reference to higher authority; and it is to be hoped the exposures which have taken place may lead Lord Cairns and his colleague to see the necessity of reforms.

We have received from a subscriber copy of correspondence published in a provincial newspaper upon a subject which, although to some extent of only personal interest, nevertheless embraces a point which should be seriously considered by accountants. A circular is issued, stating that the member of one firm has been appointed receiver of certain property, "upon the application of a leading trade creditor." This is followed by a joint application from two other firms, in which it is asserted that the first-named gentleman "has been appointed receiver at the request of the debtor." Accountant No. 1 contradicts this, and adds that it might have been easily ascertained that the assertion complained of was incorrect, and his solicitor further requests an apology from the opposition, who, however, decline to apologise, on the ground that they were justified in making the statement, whereupon the first-named gentleman, in order to clear himself with the creditors and the public, publishes the correspondence. It is not our purpose to enter into the merits of this particular case, but rather to call attention to the loss of dignity to the profession (to say the least) which must inevitably arise from exposures of this kind, and to urge upon accountants the necessity of taking measures to remove the blot. This is a work which the several accountants' societies in the kingdom—each having some sort of authoritative control over its members—might well take in hand.

Vice-Chancellor Hall has appointed Mr. John Henry Tilly (Messrs. Tilly & Co.) official liquidator of the Penallt Silver Lead Mining Company (Limited), in the room of Mr. J. W. Thomas.

LIFE ASSURANCE COMPANIES' ACCOUNTS.

By the passing of the Life Assurance Companies' Act of 1870, the accounts of all Life Assurance Companies transacting business within the United Kingdom became subjected to the supervision of Government, in that they were required to present annually to the Board of Trade, in prescribed forms, copies of their revenue account and balance-sheet, in addition to (at each valuation for declaration of bonus) a valuation account of no mean dimensions (extending as it has, in some cases, to upwards of between 25 and 30 pages of closely printed matter). The Board has further assumed the power to take exception to, and demand explanation of, any items bearing, in however small a degree, a suspicious appearance.

The sudden change produced by the passing of the above Act, from various, and free-and-easy systems of book-keeping, to others that necessitated the almost entire modification and alteration of the different books requisite for this somewhat exclusive business, startled to no small extent the officials holding snug appointments in the different departments of the life offices. The services of professional accountants were immediately obtained, and under their directions the many quaint old forms and books were abolished to make way for those of a more practical and useful nature, and adapted to facilitate the preparation of the companies' accounts in accordance with the requirements of the Act.

The magnitude of the transactions of the life assurance companies carrying on business within the United Kingdom fully demonstrates the necessity which existed for compelling them to make certain returns in specified forms. This every company has had to do, but notwithstanding that the schedules appended to the Act require detailed accounts of the same nature to be furnished in every instance, it is open to doubt whether half-a-dozen companies would, upon investigation, be found to be keeping their books upon anything approaching the same system.

After the disastrous failures of the Albert and European Life Offices it is obvious that the interference of Government in the affairs of the surviving offices became an absolute necessity, inconvenient as it probably at first was to such as were doing comfortable and honest businesses. We should, however, be glad to see that interference go a step further, in the shape of the compulsory adoption of a good sound system of book-keeping by such offices as have not

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yet availed themselves of one, and the employment of a professional accountant in the compilation of their accounts, who should be held personally responsible for the correctness of the figures presented under his authority to the assuring public.

The Blue Book for 1873 informs us that 125 different companies were carrying on business in the United Kingdom, and, excluding four American companies, the result of whose transactions were not to be obtained, and one company from which no return had been received, we learn that the income for 1872 of the remaining 120 life offices reached the enormous sum of £10,824,093 derived from "premiums," "consideration for annuities," "interest and dividends," and "other receipts;" while the accumulated funds possessed by the above offices, invested or in hand, and available for satisfying claims liable to arise under policies in force to the extent of £338,882,752, amounted to £94,260,592. From the foregoing details it will be apparent to everyone that the protection of so large an amount of what is neither more nor less than public money was by no means uncalled for, the only question being, not as to the necessity of legislation in the matter, but whether it has gone far enough.

ACCOUNTANCY.

The profession of a public accountant dates back but a short period, and has, like the profession of the civil engineer, been mainly created by the magnitude and complication of the appliances necessary to meet the growing wants of the age. Law and medicine, being of ancient date, are intimately connected with the laws, customs, and traditions of our land, and almost from time immemorial have been guarded by regulations to prevent, as far as possible, improper or incompetent persons from practising in them. The professions of public accountant and civil engineer, on the contrary, are open to any persons who choose to adopt them, though the engineers have their institutes and degrees for competent and distinguished members.

This free trade principle does not so much matter in the case of the engineers, in whom incompetency would very soon be discovered and reputation accordingly lost, but it is a great question whether in that of the public accountant—who, if ignorant and incompetent, may make the most egregious blunders without discovery, and on whose integrity and capability so much often depends—some means should not be taken to prevent the incapable and ignorant individuals who are at present bringing their profession into contempt from doing so any longer. It is essential that all respectable accountants should lay aside petty jealousies and co-operate together to obtain the sanction of Parliament to an association of which membership would be a guarantee of reputation; then the profession would be of some commercial influence, and able, in cases of legislation affecting its interests, to express its views to Parliament with some weight.

Such an association would also tend to promote a better understanding between accountants and members of the legal profession, and would materially assist in the conduct of the business of both. It is becoming an absolute necessity that the distinction between lawyer and accountant should be more defined and known, and that members of both bodies should be restrained within certain limits in practising their profession. Complicated and incorrect statements of accounts, and bad legal advice, are often the results of the lawyer attempting to play the accountant, and *vice versâ*, and the time has arrived when an end should be put to a state of things by which so much loss and inconvenience is thrown on the public. To carry out this view it would be necessary to devise a scheme for the examination of all persons desiring to practise as accountants; and this would be a matter requiring some consideration at first, but ultimately there would be no more difficulty than there at present exists in obtaining admission to the legal profession.

The Institute of Accountants in London, and the Society of Accountants in England, have been formed with the object of examining all persons desiring admission as members, and have moreover started libraries at their offices in London, and collect and issue information on all subjects of interest to accountants. To effect these and other beneficial objects, and to give *bonâ fide* public accountants that status to which they are entitled by virtue of their responsibility and skill, it would be well for all the respectable members of the profession to bind themselves together and, avoiding small matters of difference, work with a will to obtain the ultimate formation of an acknowledged profession. Independent local associations are of very little use in themselves, but one general association, with local branches, constructed on a right basis, properly conducted, and

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well supported, would be very effective in raising the standing and promoting the interests of accountants, and thereby benefitting the public at large.

BANKRUPTCY LAWS.

It is universally allowed that England has full title to rank as the first commercial country in the world, and, indeed, in most respects, her assumption of that position is fully justified; but it is open to question whether she does not at times fall behind some of her competitors in one or more ways.

The Bankruptcy Acts of 1861—8 were certainly defective. The present one was ushered in with a great flourish, as offering a check to the recklessness which constitutes the objectionable feature of "free trade." The community were led to expect that the provisions of the Act of 1869 were such as to ensure suspension until 10s. in the pound as a minimum had been obtained, and that defaulters whose estates produced less should be deterred from resuming business until they had paid the required dividend. How far these anticipations have been realised has been learnt by sad experience. The Act of 1869, as interpreted by the administrators of the law (who, of course, cannot be held responsible for its defects), is very stringent upon the solicitors, receivers, and trustees practising and appointed under it, but there never was a merrier time for dishonest insolvents, whether in bankruptcy, liquidation, or under composition.

Bankruptcy is and always will be, under any English or Continental laws, hard upon and painful to honourable men, who, by misfortune or errors of judgment, fail to meet their engagements; the disgrace consequent upon publicity being a severe blow to all right-thinking men, but to rogues who are devoid of the sense of shame, the chances of succeeding (under our present laws) in bold and impudent trading are twenty to one in their favour. The reason of this is palpable. The principle of fair play is with us carried to such an extreme that until convicted every man is legally assumed to be innocent. This is doubtless sound in principle, but if we not only assume the innocence of a defaulting debtor, but go farther, and *invite* him, so to speak, to conceal every clue to the detection of his guilt, so that while the *onus probandi* is thrown upon the injured individual or upon the general body of his creditors, the *pièces de conviction* are generally only obtainable (if at all) at great loss of time and expense.

A man starts in trade upon borrowed capital, or even insolvent, obtains credit by misrepresentations, recklessly incurs debts without the slightest prospect of being able to discharge them, lives extravagantly, and diverts a portion of his assets, keeping no books, or only making pretence to do so. After a time he is pressed for payment; he puts off the evil day as long as possible, and when the limit is reached files a petition for liquidation. At the meeting he produces a statement of his affairs (the truth of which can only be tested at a heavy expense to his estate), offers no explanation as to his deficiency, and eventually is generally able to get through by making a ridiculously small offer. Perhaps, however, his creditors, being dissatisfied, decide to liquidate or to throw the estate into bankruptcy; in either case he obtains an extended period of protection, and probably, in consequence of the trouble and expense entailed by following up the matter to its proper end, finishes by getting his discharge either for nothing or for a much smaller sum than was originally refused.

The French bankruptcy laws, and public opinion in France, go to the other extreme, and among the better classes the disgrace of a father's bankruptcy is a sufficient stigma to stand in the way of his children's marriage.

The German laws give more latitude; they are severe upon dishonest, and lenient towards honest insolvents. A house built upon a bad foundation will not stand, and the many good intentions contained in the 1869 Act are, for want of a proper basis, rendered ineffective. This basis can easily be created. Any one seeking or obtaining credit, either in trade, speculation, or otherwise, should by law be compelled to keep, *de die in diem*, a true record of *all* his business transactions, and any neglect to comply with such law should be *prima facie* an offence punishable by a specified term of imprisonment, reducible in the discretion of the judge, upon the *offender* proving satisfactorily that no fraud was intended or contemplated.

We offer these opening remarks, as we purpose dealing, in a series of articles, with the principal features of the bankruptcy laws of other countries; and in order that the subject may be thoroughly gone into, shall have pleasure in opening our columns to any gentlemen who may be willing to communicate their experiences.

H. B.

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LAW AND ACCOUNTANCY.

You may, Mr. Editor, be inclined to allow me sufficient space in one of your early numbers to express a few thoughts upon the relative position of lawyers and accountants. An accountant may very fairly take upon himself lowliness and humility of spirit in the presence of so vast and powerful a body as that of the organised solicitors of the United Kingdom. I am aware that the science of numbers is as venerable as that of the law, and that both of them rest equally upon the basis of pure reason, and achieve their successes, so far as they proceed in accordance therewith; but I must bow down before the ancient organisation of the law and confess its superiority over that of accountancy. Hundreds of years have rolled away while the law has been slowly but surely consolidating itself into the form of an adamantine science, and binding the sons of men with cords which cannot be broken. With this organisation accountants cannot compete; but the principles of the accountant's profession are as ancient as those of the law, and as important and necessary for the wellbeing of all mercantile nations, and need but the combination of the members of that profession to place them in as unimpeachable a position before the commercial world.

Is there a platform for each, and can they work together for the benefit of the public without interfering with, or injuring each other? Certainly. Is it necessary that either should decay in order that the other may flourish? Certainly not. They are two worlds, each distinct in itself. Neither profession ought to trespass on the other. In times past, and under the dictation of work-hunger, either party may have been guilty of breaking into the work of the other; but those times are past and gone, let us hope never to return.

It has passed into a proverb that solicitors are the worst accountants, and the liberal members of their profession will readily admit its truth. Speaking from an experience of about twenty years, I may say I have met with very few solicitors who could have become accountants if they had eversomuch desired it. At the same time I freely confess that the accountant makes a very bad lawyer. The action of the solicitor's ingenious and subtile mind is naturally adverse in its operations from the sharp and rapid action of the vivid and concentrative mind of the accountant. Both sets of qualities are seldom to be found in one brain, and there is little risk of the two running against each other if care be exercised in their professional practice.

A plain understanding only is required to make out separate grounds and domains, which shall be sacred to each profession respectively. One shall be at home on one ground and the other on the other. If there is to be lasting peace between the two professions some such terms must be arranged, founded in equity and sustaining the self-respect of both. To dabble in law should be utterly renounced by accountants, and to dabble in accounts should be as completely renounced by solicitors. Matters which require the intervention of a solicitor should be at once handed over to him, and matters of accounts should be handed over to the accountant. We should all agree in the propriety of these principles, and it is worth while to see how far they are now being carried into execution. Is there any effort being made to recognise these principles in practice? I am afraid not. Let us take the business of liquidation, &c. Does the solicitor, as a rule, employ an accountant to do the work of the figures, or do it himself? Why, is it not a fact that in at least eighty to ninety per cent. of the cases the solicitor does the work himself, and becomes for the time being both accountant and solicitor? In this matter then, at least, I am forced to believe that there is no progress being made towards the settlement of this most important question of the proper division of labour.

In other branches of the profession also, it is said the solicitor only employs an accountant when he cannot do the work himself. Is this then to be the rule, that each profession may do what it can either in law or accountancy? I am afraid that at present there is no other solution of the difficulty. We must not ask what is right or proper, but what is legal. I fancy that each profession must ascertain and stand upon its legal rights, and wait for such a solution of its difficulties as time and wisdom may afford. I shall be glad if any member of either profession can give some other answer to the very difficult problem before us. J. B.

The *Glasgow Herald* states that Messrs. M'Fadyen and Co., shipbuilders, of Port Glasgow, have suspended payment.

At a meeting on the 23rd ultimo of the creditors of Messrs. Gomersall Brothers, woollen manufacturers, of Dewsbury, the liabilities were stated at £63,097, and assets at £24,193. It was resolved to accept a composition of 9s. in the pound, payable within 18 months.

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REGISTRARS.

(COMMUNICATED).

A doubt is sometimes expressed as to whether an accountant can, under any circumstances, give a favourable opinion of a solicitor. It is true it is a doubt only, for, of course, no such feeling as mere envy dwells in the mind of any respectable member of either profession; but to leave that part of the question, it may be asserted in the fullest confidence that in nearly every case in which a solicitor becomes a registrar, he worthily joins a class of gentlemen whose conduct towards the profession of an accountant entitles every member of it to the highest respect. There is in them a frankness in admitting the necessity of the accountant's profession, and a disinterested desire to assist in its being placed upon some formal and definite platform, with distinct and easily comprehended duties and proper modes of remuneration, which must secure the admiration of every one who is not most bigoted and narrow-minded.

It may be that the rules and orders, fees and charges, are capable of alteration, and are not the best which could have been drawn, and that it would have been better if accountants had been allowed to express an opinion upon them at their formation. But that is clear and distinct enough from the duties of the registrar, which are simply to administer the rules and orders after they are made, and it is in this aspect that the writer gratefully takes this opportunity of publicly testifying to the uniformly kind and gentlemanly treatment he has received at the hands of every registrar to whom he has made an application, of whatever kind or nature; while in the matter of taxation, the requirements registrars have made have been simply invaluable in suggesting the proper formation of an accountant's bill. It is, of course, easy enough to be captious and fault-finding towards the person who is asking you for more than you think you ought to do—and that is a course which is often taken by an accountant before a registrar. Instead of diligently trying to comply with all the requisitions in the best manner possible, and leaving the impossibilities to stand out by themselves, plain in their unreasonableness, he is frequently politely stubborn and cross-tempered, and unobliging enough almost to provoke even a registrar. But it should be remembered that in an obliging compliance with the requirements of registrars and a profitable use of their wisdom and experience, there is a course mapped out which will, if followed, greatly help accountants in reaching that firm, acknowledged position which the public demand, and which it is the interest of all members of the profession to attain.

SOCIETIES OF ACCOUNTANTS.

THE INSTITUTE OF ACCOUNTANTS.

We learn from the report of the Council, presented at the third annual general meeting of the Institute, held at the Cannon Street Hotel on the 22nd April last, that the number of members is now 151, that is to say, 89 Fellows and 62 Associates. The extension of the scope of the Institute has been so far successful, that, up to the present time, thirteen provincial accountants have been elected to be members of the Institute, eleven of them as Fellows. With the view of promoting a community of interest between the London and country accountants in the proceedings of the Institute, the Council consider it expedient that those practising in various parts of the country should be represented in the governing body, and, therefore, recommend that the number of members of the Council be increased from twelve to sixteen, the additional four members to be provincial accountants. The Council call especial attention to the circumstance that two months only remain of the extended time during which Rule 9, for the admission of Fellows, will continue in operation. (This rule is as follows:—The Council shall have power to admit as Fellows, if otherwise eligible, all persons in practice as professional accountants in the United Kingdom, who shall make application for admission previously to 1st July, 1878, provided that the applicant shall have been in uninterrupted practice as a professional accountant for the five years immediately preceding his application.) With a view to the convenience of provincial candidates for admission as Associates, the Council propose that, with each provincial member of the Council who is *ex officio* an examiner, there shall be associated a paid local examiner, for the purposes of the examination contemplated by Rule 16. (The rule here referred to states that—applicants for admission as Associates up to 1st July, 1878 (save as hereinafter provided), must be twenty-one years of age, and must have served for not less than five years as clerks, either articled or otherwise, to a member of this Institute, or of some other institute or society of accountants, or else must have been in partnership with such person for not less than four years, or have been in practice as a professional accountant for the five consecutive years preceding the date of application, and shall undergo such examinations in their knowledge of book-keeping and accounts, of mercantile and bankrupt law, of the duties of auditors, and of the practical working of liquidations and bankruptcies, as the Council shall from time to time direct.) The proviso herein referred to runs as follows:—Up to the 1st July, 1874, each Fellow may recommend as an Associate one clerk, who shall have been in his employ at the date of recommendation not less than five years, and the Council may in their option admit such applicant without examination. The account of receipts and expenditure during the year ending 31st December, 1873, presented with this report, shows that the entrance fees amounted to £393 15s., and the annual subscriptions to £558 1s. 6d. The Institute has invested £3,402 5s., and the cash at bankers is set down as £591 13s. 7d. In the rules and regulations for the guidance of members, the objects of the Institute are described as being "to elevate the attainments and status of professional accountants, to promote their efficiency and usefulness, and to give expression to their opinions upon all questions incident to their profession." The scale of entrance fees and subscriptions is as follows:—Persons applying previously to 1st July, 1874, and who may be admitted as Fellows without first becoming Associates, shall on admission pay the sum of £31 10s. by way of entrance fee; persons applying later than 30th June, 1874, if admitted as Fellows without first becoming Associates, £52 10s. entrance

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fee; persons applying previously to 1st July, 1874, and admitted as Associates, £15 15s. entrance fee; persons applying later than 30th June, 1874, £26 5s. entrance fee. Associates admitted on an entrance fee of £15 15s. are required to pay a further sum of £15 15s. on admission as Fellows, and those in the other class a further sum of £26 5s. The yearly subscription for Fellows is fixed at £5 5s., and for Associates at £2 2s. The general meetings of the Institute are held on the fourth Wednesday in the months of April and October.

SOCIETY OF ACCOUNTANTS IN ENGLAND.

On the 11th January, 1872, a public meeting of accountants practising in London was held at the Cannon Street Hotel, for the purpose of establishing "The Society of Accountants in England." At that meeting suggestions as to the constitution of the society were discussed, the work then initiated being matured at a meeting held on the 21st February, and the rules and regulations adopted at a general meeting of members held on the 14th March in the same year. The objects of the society are thus described: "To promote the acquisition of those branches of knowledge which are essential to the practice of an accountant; to decide upon questions of professional usage or courtesy; and generally to advance the position and interests of members of the profession." The society consists of three classes of members, namely, Fellows, Associates, and Honorary Members, with a class of students attached. The qualifications for a candidate for admission as an associate of the society are as follows:—"1. He shall have been in actual practice on his own account, or in partnership as a public accountant, on the 11th day of January, 1872, and shall have made his application on or before the 1st day of January, 1873. 2. Or shall have been a clerk to a public accountant on the 11th day of January, 1872, and shall have been in actual practice on his own account, or in partnership, as a public accountant for three years consecutively after that date, and prior to the 1st day of January, 1878. 3. Or shall have served under articles for a period of three years to a public accountant in actual practice. 4. Or shall have been employed as accountant to a corporation or public body for three years, or as a clerk to a public accountant, or firm of accountants, for a period of seven years at the least; but the employment need not have been for more than two years continuously with one and the same person or firm. 5. Or shall have taken a degree at one or other of the universities of Oxford, Cambridge, Durham, London, or Dublin, and shall have served under articles for a period of two years to a public accountant or firm of accountants. 6. But no candidate shall be eligible for admission as an associate after the 1st day of January, 1878, until he shall have passed an examination as to his proficiency to the satisfaction of the examiners of the society." The number of associates originally elected was 101. The report presented at the first annual general meeting of the society, held on the 13th May, 1873, stated that "the society started on the 11th January, 1872, with a provisional committee consisting of 65 accountants, representing the metropolis and all the large provincial towns. All but a very few of these became associates, thus first forming a recognised society. Since then, and up to the present time, the members have increased by 114, making a total of 170." The second annual general meeting of the society was held at the Cannon Street Hotel on the 12th May last. The report presented by the council on that occasion drew attention to the "success which has attended the society during the past year," and stated that "the members now number 181, and the accounts up to the 31st December, 1873, show an available balance in hand of £509 10s. 3d. This amount has been still further increased by the subscriptions for the current year, and in consequence the council has been able to add a further sum of £200 to the existing deposit account, making a total of £500 to the credit of this account."

MANCHESTER INSTITUTE OF ACCOUNTANTS.

This society was established in 1871, and it has now on its list 47 fellows and 5 associates. We learn from the report of the council to the third annual general meeting held on the 6th April last, that "the council have not been successful this year in inducing members to prepare and read papers on subjects connected with their profession. The only paper read during the year was one by Mr. Thomas, on 'The proposal for a National Institute of Accountants.' The council observing in the public prints that Mr. Birley, M.P., intended, when the Juries Bill was brought up on report in Parliament, to propose certain exemptions from service, considered it desirable that the exemption of accountants should not be overlooked, and they will, when opportunity arises, revive the matter. The most important action of the institute has been in relation to the question of the assessment of the income-tax, and at one of the quarterly meetings certain resolutions were passed, a printed copy of which was forwarded to all the members of the institute, the members of both Houses of Parliament, the chairmen of the various chambers of commerce in the kingdom, and to the secretaries of the different institutes in England, Ireland, and Scotland. A copy of such resolutions was inserted in the leading papers of London and Manchester."

INCORPORATED SOCIETY OF LIVERPOOL ACCOUNTANTS.

The memorandum of association of this society, which bears date April 7th, 1870, describes the objects of the association as follows:—"First,—The protection of the character, status, and interests of the accountants of Liverpool, the promotion of honourable practice, the settlement of disputed points of practice, and the decision of all questions of professional usage or courtesy in conducting accountant business of all kinds. Secondly,—The consideration of all general questions affecting the interests of the profession at large, or the alteration or administration of the law. Thirdly,—The doing of all such other things as are incidental or conducive to the attainment of the above objects."

BANKRUPTCY STATISTICS.

An analysis (compiled from the Controller's Report for the year ending December 31, 1873) shows that of 430 estates closed in bankruptcy during 1873, in 135 cases the costs were *one hundred per cent.*, in 146 cases *seventy-one per cent.*, in 149 cases *thirty-nine per cent.* An analysis (made from the same source) of bills taxed since the Bankruptcy Act shows the following result:—

	Year	
Solicitors' Bills...	1868	£56,936
" "	1869	61,570
" "	1870	62,391
" "	1871	163,362
" "	1872	177,870
" "	1873	224,831
Accountants' bills	1868	£7,436
" "	1869	6,142
" "	1870	3,709
" "	1871	3,189
" "	1872	3,135
" "	1873	3,951

The Controller's report also shows that whilst the 1s. compositions were 94 in 1870, they were 352 in 1873, and that the compositions from 7s. 6d. to 10s. were 482 to 1870, and 205 to 1873.

The Bankruptcy Act seems to be, therefore, plainly responsible for three results, and the General Rules for a fourth, which is perhaps worse than all the rest. The first result is the enormous expense of bankruptcy; the second result is the rapid increase of legal charges; the third result is a severe diminution in the rate of creditors' compositions; and the fourth and worst result is the power given to the debtor to place his estate beyond the control of his creditors and under that of his agents, and, in fact, to revive the old evil of debtors' petitions in their worst and most expensive form.

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Correspondence.

"DESCRIBED AS AN ACCOUNTANT."

TO THE EDITOR OF THE ACCOUNTANT.

Sir,—It is not unfrequently that one sees in the police intelligence of the daily papers a report of some swindling case or other, in which the person accused is "*described as an accountant.*" This description, I fear, to no little extent tallies with one that was adopted a few years ago by some fast fellows who, when their pranks necessitated their removal to the nearest police station, invariably described themselves as "medical students," gentlemen studying medicine being presumably allowed greater license than others. A shrewd and sensible magistrate, however, suddenly put a stop to this assumption of description by stating publicly that he should inflict the heaviest penalty allowed by law on the next *pseudo* lot of aspirants to the healing art that came before him; the result being a marvellous diminution in the numbers of the stereotyped announcement, "*described as a medical student.*" I think, Sir, you would be doing the body of *bonâ fide* accountants an immeasurable benefit if you could, through your columns, call the attention of our magistracy to the "described as an accountant" nuisance, and prevail upon them to deal in the strictest manner with the dishonest rogues who, when their rascality is brought to light, adopt a description to which they have no title, simply for the purpose of leading "his worship" and the public to believe them respectable men of business.

I am, Sir, yours truly,
L.

TO THE EDITOR OF THE ACCOUNTANT.

Sir,—I beg to call your attention to two rather interesting blunders in the Life Assurance Companies' Act of 1870, namely, in the Revenue Account (first schedule), and the Consolidated Revenue Account (fifth schedule), where the *Dr.* and *Cr.* sides have been made to change places. Is the public to accept the alterations to which I refer as an "official" blunder, or are we to take them as a further demonstration of the arbitrary and overwhelming power possessed by an Act of Parliament?

Yours truly,
City, 28th September, 1874. Accountant.

Accountants' Diary.—Mr. Alfred C. Harper announces the publication of what may be looked upon as a *desideratum* by the profession, viz., a folio diary for the special use of accountants. In addition to a variety of general information which will be very serviceable in the course of daily business, we have promise of a Directory giving the names and addresses of accountants in England and Scotland, and a list of the several societies and institutes, with terms and modes of admission.

Value of Life Reversions.—It frequently happens that accountants are called upon to give the present value of reversionary property on the spur of the moment, and when they probably have not their tables at hand to assist them. The following method, devised by Mr. C. M. Willich, will be found to afford a ready means of ascertaining the value of such property:—When the age of the life is between 5 and 60 years, then 81½, minus present age, divided by 3 and multiplied by 2, equals the expectation of life; age from 60 to 74, 88¾, minus present age, divided by 2, equals expectation of life; age 74 to 90, 103, minus present age, divided by 4, equals the expectation of life.

The failure was reported on the Stock Exchange last week of a firm of "jobbers," due to speculative operations for a fall in Imperial Ottoman Bank Shares, which of late have risen to a very important extent. The partners succeeded about three years ago to the business of an old and influential member of the "House," and their liabilities are understood to be rather considerable.

COURT OF BANKRUPTCY.

September 3.

(Before the Hon. W. C. Spring Rice, *as Chief Judge.)*

In re J. H. Danvers.—The debtor, described as of 33, Wormwood-street, and Croydon, wine merchant, trading as Danvers and Company, recently filed a petition for liquidation, and the Court last week appointed a receiver of the estate, and granted an interim injunction staying further proceedings at the suit of certain creditors. The liabilities are returned at £5,200, and the assets, consisting principally of stock and book debts, are estimated at about £1,800. His Honour continued the injunction until further order.

In re Wirth Brothers, artistic furniture manufacturers, Paris, Brienz, and London.—The debtors filed a petition for liquidation on Monday, September 7th, and on the application of Messrs. Lumley & Lumley, of Conduit-street, solicitors to the debtors, Mr. Harry Brett, public accountant, of 150, Leadenhall-street, was appointed receiver. The liabilities are estimated at a little over £15,000, with assets at £20,000, consisting principally of stock and book debts.

(Before Mr. Registrar Murray.*)*

In Re T. Sturdy.—At a first meeting held under the bankruptcy of Thomas Sturdy, of 66, Ludgate-hill, African merchant, proofs of debts were admitted, and a resolution passed appointing Mr. W. J. White, accountant, Cheapside, trustee. A statement of affairs discloses liabilities £9,965, and assets £997.

September 4.

(Before the Hon. W. C. Spring Rice.*)*

In Re J. R. Yglesias and Co.—The debtors were merchants of Jeffery's-square, St. Mary-axe. This was an application on behalf of Messrs. J. M. Ortiz and L. Zereleta, merchants, of Lima, for an order that Mr. Turquand, the receiver and manager appointed under the petition for liquidation, should hand over a bill of lading relating to certain hides, or the proceeds of the same. It seemed that in April last 1,000 hides were consigned to the debtors on the joint account of Ortiz and Zereleta, and the hides had arrived in this country, but were not yet sold. Mr. Turquand, as representing the debtors' estate, set up no claim against the bill of lading, but desired to be protected by the order of the Court before parting with the same. The Court accordingly made the desired order.

September 8.

(Before Mr. Registrar Murray, *sitting as Chief Judge.)*

In re E. Scott Jervis.—The case of this bankrupt, who is described as of Queen's-gate, Hyde-park, came before the Court upon the occasion of the first meeting for the proof of debts, and the appointment of a trustee to the bankrupt's estate. The bankrupt was adjudicated on the 21st of July last, the insertion of which in the *Gazette* was stayed pending the result of the meeting under the liquidation petition. The resolutions passed at that meeting were to the effect that the estate should be liquidated in bankruptcy, and the adjudication then advertised. There was a large attendance of the creditors, debts to the amount of between £30,000 and £40,000 being admitted against the estate. Resolutions were come to appointing Mr. John Pattinson (Messrs. Harry Brett, Milford, Pattinson, and Co.) trustee of the estate, with a committee of inspection. No statement of affairs was produced, but the secured and unsecured liabilities are at present estimated at about £140,000. The assets consist of equities of redemption on large estates in Wales.

September 9.

In re Tiden, Nordenfelt, and Company.—Mr. H. P. Sharpe applied, under proceedings for liquidation by arrangement instituted by Messrs. Lorentz Tiden and Thorsten Nordenfelt, merchants, of 34, Clement's-lane, trading as Tiden, Nordenfelt, and Company, that Mr. Robert Fletcher, accountant, 2, Moorgate-street, should be appointed receiver of the estate. The liabilities are returned at £547,752 in the aggregate; of the value of the assets no estimate has yet been

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formed. A creditor for £4,200 supported the application, and his Honour made the desired appointment.

(*Before the Hon.* W. C. SPRING RICE.)

IN RE GRANT AND BRODIE.—The debtors were merchants carrying on business in the East India-avenue. They recently filed a petition for liquidation by arrangement, with liabilities estimated at £185,000 in the aggregate; assets of uncertain value. At the first meeting of creditors a resolution was passed for a liquidation by arrangement, Mr. John Weise, accountant, Tokenhouse-yard, being appointed trustee to act with a committee of inspection. A question had arisen whether the necessary majority of the creditors had assented to the resolution. Messrs. Phelps and Sedgwick, as the solicitors having the conduct of the proceedings, now applied for leave to register. It appeared that some of the bills upon which the debtors were liable had run off since the institution of the proceedings, and in other cases existing liabilities would not rank against the estate. The debtors alleged that the necessary majority had been obtained. His Honour allowed registration, subject to the examination of the figures, it being understood that Mr. Penn, chief clerk, would go through the proofs and certify.

September 15.

(*Before Mr. Registrar* MURRAY, *sitting as Chief Judge.*)

IN RE A. L. MONCKTON AND CO.—This was a first sitting for the proof of debts and the appointment of a trustee. The bankrupts, Messrs. Arthur Lewis Monckton, Charles Compton, and T. G. Doughty, were colonial brokers, carrying on business at 13, Great Tower-street, as "A. L. Monckton and Co." A statement of affairs showed the debts of A. L. Monckton, the senior partner, to be £4,685, with assets £307; the joint debts amounted to £304 only, with assets £2 2s. Mr. Calkin, on behalf of the separate creditors of the bankrupt Monckton, applied that his clients, although "separate creditors," should be permitted to vote in the appointment of a trustee. Mr. Lindo, for the petitioning creditor, in opposition, contended that as the bankruptcy was a joint one, joint creditors only could vote in the appointment of a trustee. His Honour held, in accordance with the Act and the settled practice of the Court, that although separate creditors might prove their debts, they could not vote. Mr. B. P. Daniels, accountant, was then appointed trustee, to act with a committee of inspection.

September 22.

(*Before Mr. Registrar* BROUGHAM.)

IN RE MARQUER AND ECKHAUS.—The bankrupts, Henry Marquer and Philip Eckhaus, described as of New London-street, Fenchurch-street, steamship owners and general agents, were adjudicated on the petition of Mr. J. R. Palmer, printing-ink manufacturer, Wine Office-court, Fleet-street; and the first meeting under the adjudication was now held. Mr. Dubois said he appeared for the bankrupt, Marquer, and desired to tender a protest against the continuance of the proceedings, on the grounds, first, that they had not come to his knowledge; and, secondly, that the firm had been adjudicated bankrupts in May last by the Tribunal of Commerce, Antwerp. The act of bankruptcy upon which the adjudication was founded was the alleged departure of the debtors from England with intent to defeat or delay their creditors, but the fact was that the debtors were never residents in England at all, and the petitioning creditor's debt had been contracted abroad. His Honour said he could take no notice of the protest, as any application to set aside the proceedings must be made in a formal manner. The protest might, however, be placed upon the file. Mr. Sydney stated that he appeared for the bankrupt Eckhaus, and intimated that he should apply for the annulment of the adjudication. With that view he asked for an adjournment of this meeting. His Honour thought that if there were any *bonâ fide* intention to apply to set aside the adjudication, it would be convenient for the meeting to stand adjourned. Mr. Ditton, who represented the petitioning creditor, did not object, and the meeting was adjourned accordingly.

September 23.

(*Before the Hon.* W. C. SPRING RICE.)

IN RE SIR WILLIAM RUSSELL, BART.—The debtor, one of the members for the city of Norwich in the last Parliament, was a shipowner and merchant of Salter's Hall-court, Cannon-street, trading as Campbell and Co., and also late of the Bathurst Cement Works, cement merchant. He recently filed a petition for liquidation, and the creditors have passed a resolution for liquidation by arrangement, coupled with a proviso that the debtor should set aside his income beyond £600 per annum for the benefit of his creditors until they should be paid in full. His liabilities were £52,052, and assets £1,934, in addition to half-pay of £200 per annum as a colonel in the army. Mr. Munns now applied for registration of the resolutions. Mr. Linklater, on behalf of an opposing creditor, took the objection that the proceedings under a petition for liquidation presented by the debtor in March, 1870, were still pending, and in fact there were no assets which could vest under the present petition. His Honour: The point is an important one, and well worthy of consideration. Mr. Munns said he had understood the notice of objection to refer to the insufficiency of assets, not to the point as to whether or not the assets could, under the circumstances, vest in the trustee appointed under the present petition. Mr. Linklater said that he could not oppose the adjournment if his friend was taken by surprise and desired to consider the point. His Honour thereupon granted an adjournment.

September 29.

(*Before Mr. Registrar* ROCHE.)

IN RE EVERSHED.—A first meeting for the proof of debts and the appointment of a trustee was held under the bankruptcy of Arthur Evershed, described as of 8, Bellevue, Hampstead, licentiate of the Royal College of Physicians. A preliminary statement of affairs shows the following figures:—Creditors, £4,515; and assets, book debts, £49; cash at bankers, £19; furniture, fixtures, and fittings at Bellevue, £920; other property, £30. The adjudication had been made upon the petition of a creditor for £1,750, the act of bankruptcy being a declaration of insolvency. Mr. Strangways appeared for the petitioning creditor, and Messrs. Field and Co. also attended the proceedings. The case was adjourned, with a view to a proposal being made by the bankrupt for the annulment of the adjudication and the payment of a composition.

ROLLS' CHAMBERS.

September 29.

THE CROWN CO-OPERATIVE SOCIETY.—This society, which was carried on in Craven-terrace, Lancaster-gate, was under a winding-up order, and an application was made to carry on the business in order to sell the same as a "going concern," by which the creditors would be paid in full. Mr. Peckham, as solicitor for the official liquidator, Mr. White, and other parties, represented to the Chief Clerk (Mr. Peak) the importance that the business should be continued, by which it was expected that the creditors would be paid 20s. in the pound. The Chief Clerk sanctioned the course proposed, and directed the official liquidator to carry on the business to the 31st October.

CREDITORS' MEETINGS IN THE PROVINCES.

SHEFFIELD DISTRICT.

Accountants have, if one may judge by that part of their professional practice which comes to a certain extent before the public, of late been tolerably busy in the Sheffield district and at Sheffield itself. During the past month, for instance, there have been numerous small failures, besides one or two of considerable amount, involving much care and trouble in extricating matters from the state of chaos into which they had fallen, and reducing them to the clearly-defined condition of balance-sheets for presentation to the creditors. The largest failures which have been dealt with are those of Mr. John Whall,

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solicitor, &c., Worksop, Mr. Henry Hawkesley, Sheffield, Mr. Henry James, Sheffield, and Mr. Arthur John Fretwell, Whittington—the last three trading jointly as a brickmaking and colliery company, besides their separate estates; and of Mr. John Smith Swinton and Mr. Thos. Green, grocer, &c., Rotherham. Taking matters in the order of sequence in which they have occurred, I find that the failures, &c., of the past six weeks or so are as follow:—On July 31st a meeting of the creditors of Wm. Steele, late a farmer, but now of Ellesmere Road, Sheffield, was held at the offices of Mr. F. E. Machen, solicitor, Sheffield; liquidation was resolved upon, Mr. Cowton Appleby, accountant, being appointed trustee. On August 1st a meeting of the creditors of Mr. Wm. Hanson, tailor, &c., of Hatfield, was held at the offices of Mr. E. C. Peagam, Doncaster, liquidation resulting, with Mr. Edward Bennett, Sheffield, as trustee. On August 3rd a meeting of the creditors of Mr. George Richardson, hatter, &c., of 70, Infirmary Road, Sheffield, was held at the offices of Mr. W. C. Auty, solicitor, 66, Queen Street, Sheffield. It was decided to adopt liquidation, Mr. Isaac Jackson, of York Place, Leeds, being appointed trustee, with Mr. Auty to register the resolutions. On the 16th of August the creditors of Mr. Archibald Haswell, draper, &c., Brookhill, Sheffield, were called together at the offices of Mr. George Mellor, solicitor, Sheffield. The accounts showed the liabilities to be £794, and assets £305. It was resolved to wind up the estate in liquidation, Mr. Cowton Appleby being chosen as trustee, with Mr. Mellor to register. On August 21st the creditors of Mr. William Hunter, Bailey Lane, Sheffield, assembled at the offices of Mr. Fairburn, solicitor, Sheffield, liquidation resulting, with Mr. Edward Bennett as trustee and Mr. Fairburn to register. Three days later (August 24th), the creditors of Mr. Arthur Rawson, plumber and glazier, 21, Allen Street, Sheffield, met at the offices of Mr. Ralph Nicholson, solicitor, Sheffield. It was decided to adopt liquidation, Mr. Thos. G. Shuttleworth, accountant, Sheffield, being appointed trustee, and Mr. Nicholson to register. On August 26th Mr. Robert Hyde's creditors (Meadow Street, Sheffield, grocer, &c.) met at the offices of Messrs. J. Brook, Greaves, and Allen, Sheffield, and decided to liquidate the estate, Mr. Francis Day, accountant, being selected as trustee, and Mr. Samuel Allen being chosen to register the resolutions. The same day the creditors of Mr. John Smith, timber merchant, grocer, and dealer, &c., met at the Prince of Wales Hotel, Masborough. Mr. C. H. Moss (Hart and Moss, Rotherham, accountants), the receiver, read a statement explaining the debtor's affairs, and showing that during a recent partnership he lost £1,300, besides a further sum of £500 since its dissolution. The total liabilities were about £4,000, of which £800 were secured, and available assets £1,339. The meeting was adjourned until the following Thursday, when an offer of 5s. in the pound was offered, but liquidation was resolved upon, with Mr. Moss as trustee, and Messrs. Lee, Asker, Wood, Waddington, and Corbidge as the committee of inspection. During the next week, however (on Sept. 9th), the committee met on the debtor's premises and decided to accept an offer of 6s. in the pound, in two instalments within three months. On August 27th the creditors of Mr. Joseph Blake, tobacconist, &c., Doncaster, held a meeting at the offices of Messrs. Shirley and Atkinson, solicitors, Doncaster, and decided to adopt liquidation, with Mr. Edward Bennett as trustee, and the solicitors named to register. On August 31st a very noisy meeting of the creditors of Mr. John Whall, solicitor, Worksop, was held at that town. The liabilities were shown to be £20,228, and assets £2,702. Mr. E. S. Foster, accountant, Sheffield, read a long and exhaustive report on the state of Mr. Whall's affairs, detailing a very grave state of things. Many serious charges and allegations were made, both in the report and by those present at the meeting, it being alleged that a great portion of the total liabilities was formed of monies entrusted to Mr. Whall for investment or as security by clients. Mr. Foster was appointed receiver, and at a subsequent meeting, held at the Sheffield County Court, Mr. Foster and Mr. John Hardcastle, accountant, Leeds, were chosen joint trustees. On September 2nd Mr. Henry Hawkesley, carrying on business as a hatter at Sheffield, and in partnership with other persons as the Whittington Brickmaking and Coal Company, near Chesterfield, filed a petition in the Sheffield Bankruptcy Court, and Mr. G. T. Earle was chosen as receiver. Next day a petition was filed against Mr. Henry James, another partner in the company, accountant, &c., Sheffield. Mr. James having absconded, an adjudication in bankruptcy was made against him some days afterwards, with Mr. E. Bennett as receiver, under the direction of the Court. Then, again, a few days later, Mr. Cooper Corbidge was appointed receiver and manager by the Court in the joint estate of the Brickmaking Company, Mr. Arthur J. Fretwell, the other co-partner, having no separate estate. On Sept. 21st a meeting of Mr. Hawkesley's creditors was held, liquidation being adopted, with Mr. W. F. Tasker as trustee, the liabilities and assets being shown to be nearly even. On Sept. 4th a largely attended meeting of the creditors of Mr. C. H. Disney, Morley Park Iron Works, Derbyshire, was held at Derby, Mr. Bean (Butterley Iron Company) being in the chair. The liabilities were stated to be £16,004 19s., and assets £2,984 18s. Liquidation was adopted, with Messrs. Harrison of Derby as trustees. On Sept. 3rd the creditors of Mr. Thomas Nicholson, grocer, &c., Harvest Lane, Sheffield, was held, Mr. Isaac Ellis, accountant, St. James's Street, being selected trustee. On September 7th a meeting of the creditors of Messrs. John and Alexander McIntosh, drapers, &c., was held at the offices of Messrs. Binney and Sons, Queen Street, Sheffield, liquidation resulting. On Sept. 15th the creditors of Mr. Thomas Green, grocer, &c., College Street, Rotherham, met at the offices of Messrs. Badgers and Rhodes, solicitors, Rotherham. Mr. Chapman (Hazlehurst and Sons, Runcorn) presided. The liabilities were shown to be £2,535, and assets £1,262. An offer of 7s. 6d. in the pound was accepted, the first three payments of 2s., 3s., and 2s., respectively, to be guaranteed. Mr. Moss was voted trustee. On Sept. 16th a petition was filed in the Sheffield County Court in the affairs of Mr. George A. Robertson, pawnbroker, &c., Sheffield, the liabilities being estimated at £1,300, and assets £300. Mr. John Edey was appointed receiver. On Sept. 17th a petition was filed in the Sheffield Bankruptcy Court against Mr. Wm. Topliffe, publican, Doncaster, the liabilities being estimated at £1,500. Mr. E. Bennett was appointed receiver. On Sept. 18th a meeting of the creditors of Mr. Thomas Moreland, draper, &c., Sheffield, was held at the offices of Mr. Crang, solicitor, Sheffield; liabilities £943 3s. 7d., assets £755. Liquidation was decided upon, with Mr. Chesney, accountant, Bradford, as trustee. On Sept. 19th a meeting of the creditors of Mr. Job Henry Smith, grocer, &c., New Whittington, Chesterfield, was held at the Chesterfield County Court. The liabilities were shown to be £1,313, and assets £335. It was resolved to wind up in bankruptcy, Mr. John Edey, accountant, Sheffield, being chosen trustee, with a committee. It will thus be seen that there have recently been numerous failures, and it appears probable that several others will shortly take place. I have not space to mention several dividends which have just been declared invarious estates.

BIRMINGHAM.

JOHN THORNELOE, hairdresser, on the 31st August, at the office of Mr. Parry, solicitor, Bennet's-hill; two shillings in the pound was accepted, payable in three months.—JOHN PERRY, boot dealer, at the offices of Mr. Wilson, Bennet's-hill, on the 3rd ult.; resolved to wind up the estate.—JOHN ERNEST HYDE, Aston, schoolmaster, at the offices of Mr. J. F. Grove, solicitor, on the 2nd inst.; composition of 1s. in the pound was accepted. —JOHN SMITH, junior, grocer; the Hen and Chickens hotel, on the 9th ult.; Mr. W. Lomas Harrison presided, Mr. Henry Hawkes, solicitor, represented the debtor; liabilities £1,466 8s. 1d., assets £1,023 13s. 1d.; a composition of 9s. in the pound, payable in two and four months, was accepted; Mr. C. T. Starkey, accountant, was appointed trustee.—JOSEPH LEVI, outfitter's manager; held at the King's Head hotel on

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the 1st ult.; liabilities £1,089, assets *nil;* Mr. Cresswell appeared for the debtor; a composition of 1s. in the pound was declined.—JAMES OSBORNE, mattress maker; at the offices of Mr. A. East, solicitor, Colmore-row; a composition of 2s. 6d. in the pound was accepted.—JOHN and ALFRED CRESWELL, builders, contractors, and agents; held at the Queen's Hotel Company, on the 11th ult.; Mr. E. Lloyd, Great Grimsby, presided, Messrs. Ryland, Martineau, and Carslake represented the debtors; receiver, Mr. Harrison (Laundy, Harrison, and Harris, accountants); liabilities £5,762 5s. 8d., assets £3,607 16s. 9d.; a composition of 7s. 6d. in the pound, payable in one, six, and twelve months, was accepted; Mr. C. A. Harrison, accountant, Waterloo-street, was appointed trustee.—F. J. CRESWELL, contractor; held at the offices of Mr. W. H. Griffin, Bennet's-hill, on the 11th ult.; Mr. Williams, solicitor, presided; liabilities £128 2s. 5d., assets estimated at £90; Mr. C. A. Harrison, accountant, appointed trustee.—THOMAS FORTNAM, Redditch, farmer; before Mr. Registrar Chauntler, Birmingham County Court, Mr. Parry, solicitor for the petitioning creditors; Mr. L. J. Sharp, accountant, was appointed trustee.—WILLIAM COPE, brass caster; held at the office of Mr. R. Duke, solicitor, on the 11th ult.; Mr. A. C. Cox, accountant, presided; a composition of 1s. in the pound accepted.—CHARLES PORTER, surgeon; held at the offices of Mr. Crowther Davies, solicitor, Bennet's-hill; a composition of 5s. in the pound accepted.—TERTIUS FARADAY, brush manufacturer; held on the 11th inst.; Mr. E. Wignall, accountant, was appointed trustee.—PIMM and DAVIES, electro-platers; a meeting held on the 23rd Sept., at the offices of Mr. J. M. Green, solicitor; a composition of 15s. in the pound accepted, and Mr. L. J. Sharp, accountant, appointed trustee.—HENRY BURNHAM, draper; meeting held on the 16th ult., at the offices of Messrs. Reece and Harris, solicitors; a composition of 2s. 6d. in the pound was offered but refused; it was, therefore, resolved to wind up the estate in liquidation, and Mr. Marris, accountant, was appointed trustee.—ZACCHEUS BOWEN, Hereford, gunmaker; meeting held at the offices of Mr. Richard Free, solicitor, on the 21st ult.; the statement of accounts submitted to the meeting showed liabilities amounting to £1,156 6s. 4d., assets £264 0s. 6d.; it was decided to wind up the estate in liquidation, and Mr. Robert Free, accountant, Bennet's-hill, was appointed trustee.

Whilst upon this subject, we may quote the following from a paper forwarded to us by a London accountant, who is of opinion that "the present state of the debtor and creditor insolvent practice is the worst in history, so far as the creditors are concerned—viz., the average costs under a petition for the proceedings up to the first meeting are £1 per creditor. The average number of petitions from 1867 to 1872 is 11,054 per annum. The average number of creditors under each petition is 42. Then, 11,054 x 42 = 464,268, and that number, reckoned at £1 each, may be taken as the fair average amount of unnecessary yearly expenses which the rules have compelled debtors to inflict upon their creditors. The rate of dividend has decreased. In 1870 the dividends at and over 7s. 6d., compared with those at and under 2s. 6d., were two to one. In 1872 they were one to two (see bankruptcy returns, 31st December, 1872). Further, the average rate of composition dividends in 1872 was lower than in any year since 1862, viz., 4s. 6¾d. The average amount from 1862 to 1870 was 5s. 6¾d. so that the rules have caused a loss of 1s. in the pound to the creditors. The amount of this loss may be arrived at as follows: the average amount of liabilities of the failures in each year from 1867 to 1872, both inclusive, is £32,186,071, and 1s. in the pound upon that sum is £1,609,302. If to this amount be added the estimate of £464,269 for legal costs, we may charge the rules with inflicting a loss upon creditors exceeding £2,000,000 per year."

NEWCASTLE-ON-TYNE.

There was a good deal of excitement on the Quay-side last week on account of one large firm having handed their books over to accountants and stopped payment. The large Limited Liability Company, with which this firm was connected, it is stated, has its capital intact. Some other establishments in Newcastle are said to be involved in transactions with this firm, and probably will have to appeal to their creditors for forbearance. There can be no doubt, however, that the commercial credit of the Tyne is in a thoroughly sound state, and the present embarrassments that have arisen have had their origin, not in business, but in inflated credit, or as some people put it, using too much paper.

PALMER'S SHIPBUILDING COMPANY.—The annual report of this company, which has just been issued, states that the works have been actively employed during the financial year. All the departments of the company (except the shipyard, in respect to the old contracts taken before the advance in prices, as stated in the last annual report, and completed during the year) have given satisfactory results; and but for the unfortunate and annoying losses on those old ship contracts, and the bad debt made with Watson and Campbell, of Glasgow, the profits of the year would have been satisfactory, and the directors would have been able to declare a liberal dividend. The net profits, as shown in the balance sheet, are £25,102 17s. 10d., and the directors recommend a dividend at the rate of 2½ per cent. per annum, which will absorb £22,522. The reserve fund remains at £30,000, and the actual share capital is £900,880. The meeting was held on Saturday last, at the Queen's Head, Newcastle, and was of rather a stormy character, considerable discussion arising as to loss on certain ships and as to circular issued in regard to the accounts and balance sheet by Mr. Bishop (Turquand, Youngs, & Co.), one of the auditors; the result in the latter case being a decided opposition to Mr. Bishop's re-election, and ultimately Mr. Collier (Chadwick's, Adamson, and Collier, of Manchester) was elected in his stead.

BIRKENHEAD.—In the County Court of Cheshire, in re Annie Metcalfe, of Dacre Hill, Rock Ferry, a bankrupt. This person was made bankrupt under a petition filed by Henry Wilson, a butcher, for £122 18s. 2d. In the statement of accounts filed by her and examined by the trustee, J. G. B. Mawson, of Birkenhead, accountant, the liabilities are £532 15s. 11d., and assets stated to be nil. Public examination adjourned to 13th October.

LIABILITY OF TRUSTEES.

At the Tunbridge Wells County Court (J. J. Lonsdale, Esq., judge) the case of John Humphrey *v.* George Herbert Ladbury was a claim for £6, defendant being an accountant, of London, who was appointed trustee and manager of the estate of Henry Sandars, of Ticehurst, a liquidating debtor, and plaintiff a tallow chandler, &c., of Tunbridge Wells. Mr. Cheale for plaintiff, and Mr. Knight, of London, for defendant. Plaintiff stated that on April 11 last he received an order from Mr. Sandars for certain goods, which were sent by carrier, and on the 15th he executed a second order. In reply to Mr. Knight, he said he debited the goods to Mr. Sandars, and Mr. Ladbury had told him that he knew nothing about them. Had proved former debts under Mr. Sandars' bankruptcy, but not the present sum. James Jenner, carrier, proved the delivery of the goods, the second lot, on April 16. Henry Sandars, grocer, carrying on business at Ticehurst, stated that on April 11 he filed a petition for liquidation, and Mr. Ladbury was appointed receiver and manager. On that same day he gave an order to the plaintiff for some goods. The receiver did not come down until the 15th, and between those dates he (witness) carried on the business. He also gave the second order on April 15. In cross-examination he said he gave orders on his own account. He never received any instructions from Mr. Ladbury not to order goods, and what he did was to carry on the business. He gave no orders after the receiver arrived. Mr. Knight said Mr. Ladbury, who was engaged largely as a receiver, considered that he might be ruined if held responsible for all orders given

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by persons filing petitions. The petition was not filed when the first parcel of goods was ordered, and Mr. Ladbury knew nothing about them. He was sued as a trustee to the estate; but if a debtor ordered goods prior to the filing of the petition of bankruptcy the creditor must prove that claim under the bankruptcy; and if orders were given afterwards by the bankrupt, he must be held personally responsible. Defendant stated that he had never given instructions to Mr. Sandars to purchase goods on his credit, and he knew nothing about the goods. He gave strict injunctions to his man in possession that no goods were to be bought without his knowledge. Mr. Cheale maintained that the goods having gone into the estate, and the receipts therefrom and profit, if any, to the trustee, he was responsible for all goods received. His Honour said that the receiver should have found out what goods had been ordered, and then he could have rejected them, but he failed to do so. He thought that he should have inquired, and therefore must make an order against him as liable.

CHARGE OF FRAUDULENT BANKRUPTCY.

Mr. Gustavus Marks, a merchant, of No. 16, Gould-square, Crutched-friars, surrendered to his bail, before Sir Thomas Dakin, at Guildhall, to answer the charge of having committed various offences under the 11th section of the Bankruptcy Act. Mr. Ditton, solicitor, said that he had been instructed by the majority of the creditors who were opposed to the prosecution to ask for a remand. The trustee had not taken the proper course to get in the assets, or they might have been realised by other means. Mr. Besley objected to Mr. Ditton being heard, as he had no *locus standi*, he not being engaged either for the prosecution or defence. The prosecution had been ordered by the Court of Bankruptcy, and the evidence would show that that prosecution was justified. In July, 1872, the defendant started in business as a merchant, in Gould-square, Crutched-friars, and opened an account at the National and Provincial Bank of England with £50, and in the course of seven months' trading he had managed to run into debt £3,500, for which the creditors had not received one farthing. The petition in bankruptcy was filed against him on the 4th of February, 1873, and he was adjudicated a bankrupt on the 25th of March following. On the 17th of April a trustee was appointed, and the defendant was examined in May and July, but he failed to produce any accounts. In November he was ordered to file cash and goods accounts, but he did not do so. A peremptory order was then made that he should do so, but he neglected to do it, until an application was made for his commitment for contempt. On the 27th of June, 1874, he filed his accounts, and at the meeting of creditors which was held on the 29th their consideration was adjourned until the 31st of July last, when the meeting was adjourned *sine die*, with leave to the trustee to prosecute. The trustee was Mr. Jules Grabowski, of No. 66, Aldermanbury, and he was the agent for Messrs. Niel Frères, woollen manufacturers, of Paris. The defendant went to Mr. Grabowski, and wanted to purchase about £400 worth of merinos, but as he at that time owed them nearly £600 Mr. Grabowski refused to let him have them. It was ultimately arranged that the defendant was to pay £200 in cash, and the remainder in a bill, and then he should have them. On the 18th of December he gave them a cheque for £194, being one half of the amount, less discount at three per cent., and the goods were transferred at the packer's from Mr. Grabowski's name to the defendant's. At the time he gave that cheque for £194 he had only 13s. 2d. at the bank to meet it, and he never afterwards had any more there. He knew that the cheque would have to go to Paris, and be some days before it would be presented; and therefore as soon as the goods were under his control he went to a person named Davis, and obtained an advance upon them of £300. When the cheque was dishonoured Mr. Grabowski went to him, and he said that it was only a temporary difficulty—his money at the bank had been attached, but it would be set right in a few days. In his statement he had put Messrs. Niel down as creditors for £800, whereas they were creditors for over £1,000. In fact, there was scarcely an offence under the 11th section that the defendant had not committed. He had kept no accounts, he produced no books, he had made no entries of the receipt of money, he had disposed of his goods otherwise than in the ordinary course of business, and had not accounted for money that he had received.

Charles G. R. Lenfant, clerk in the Bankruptcy Court, produced the proceedings in bankruptcy, which were in detail as Mr. Besley had stated them generally.

Mr. Straight complained that application had been made to the registrar in bankruptcy for copies of the documents in the proceedings, and he had refused to give them. Perhaps if he (Sir Thomas Dakin) were to express an opinion before the officer of the Bankruptcy Court which he could convey to the registrar all further difficulty would be avoided. It was the most extraordinary and unheard-of thing that a person charged with a criminal offence should be refused copies of official documents.—Sir Thomas Dakin said he thought there could be no doubt that the defendant should have copies of the documents furnished to him.—Mr. Besley said he would give his learned friend every assistance, but the matter had been argued before the registrar, and he had given his opinion that copies of these documents ought not to be given.

Evidence was then given as to the above facts.

Mr. Lenfant objected to Mr. Straight looking at the bankruptcy proceedings, and said that he had been instructed by the registrar not to allow that to be done.

Mr. Straight said that Mr. Spring Rice ought to be ashamed of himself to give such an order, but he would not dare to say the same thing to him. He was not going to steal the documents, and he did not care what the registrar said.

Mr. Lenfant said there was an order on the file that the defendant was not to see the proceedings.

Mr. Straight said he should like to know how he dared to make such an order. He did not care what order the registrar had made; the documents were in court, and he should look at them. Mr. Besley asked him to read the order.

Mr. Straight complied. The order stated that defendant had applied to inspect and copy the proceedings, and the application was refused. That was really monstrous. If they were at the Old Bailey he wondered what the Recorder would think of such an order, and what attention he would pay to it. The documents were there in evidence and he should look at them. Mr. Besley knew the laws of evidence, and that he had a right to look at them.

At this stage of the proceedings the case was adjourned, the defendant being admitted to bail on the same sureties as before.

At the adjourned hearing, on the 16th Sept., Mr. George Blagrove Snell, one of the official shorthand writers of the Court of Bankruptcy, proved the notes he had taken of the examinations of the defendant before the Registrar in Bankruptcy. Other evidence was taken as to the transactions of the defendant, after which he was again remanded.

ELECTION OF AN ACCOUNTANT TO THE COMMON COUNCIL.

On Wednesday, the 23rd September, a numerously attended meeting of the inhabitants of the Ward of Bassishaw was held in the vestry-room of the Church of St. Michael, Bassishaw, for the election of a Common Councilman, in the room of the late Mr. Deputy Heath. Four gentlemen were duly proposed and seconded, viz.:—Messrs. William H. Pannell (of the firm of Slater and Pannell, accountants), of Guildhall Chambers, Basinghall-street; W. Whitton, W. H. Osborn, and W. Matthews. Mr. H. A. Dubois, in proposing Mr. Pannell, said that gentleman had time at his disposal, which he was willing to devote to the interests of the ward and the city generally. He was a member of the Loriners' Company, and was in every way qualified to fill the office which he sought at the hands of the ward. Mr. Walter W. Brown seconded the nomination. Mr. Alderman Stone put the names of the four candidates to a show of hands,

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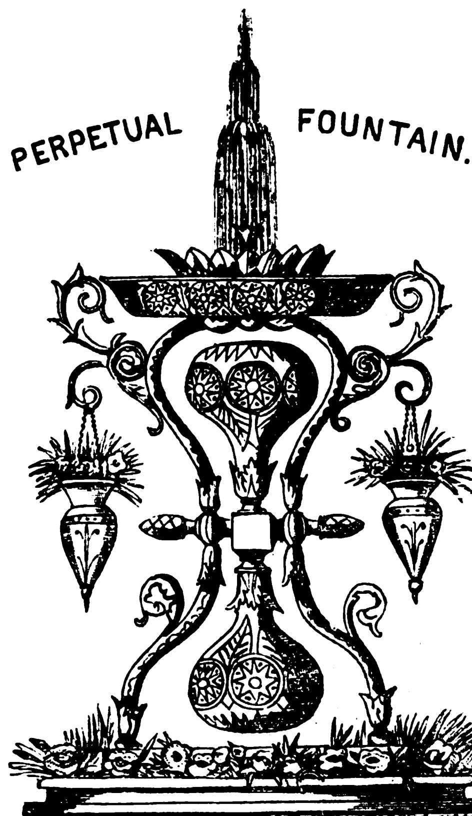
and declared it to be in favour of Mr. Pannell, whereupon a poll was demanded on behalf of the other candidates, which took place on the following day. The poll opened at 10 o'clock and closed at 4, the number of votes recorded being—for Mr. Pannell, 59; Mr. Whitton, 43; Mr. Matthews, 43; and Mr. Osborn, 12. The announcement was received with very loud applause. Mr. Pannell, who was very cordially received, said he was deeply sensible of the honour which had been conferred upon him that day, and he was also fully alive to the responsibilities of the position. He was proud indeed at having been elected as a member of the ancient Corporation of the City of London—the greatest city in the world. He did not know whether politics were quite out of place at that meeting, or whether he was wrong in telling them that in politics he was a Conservative (hear, hear, *and cheers*). Whether or not that statement was out of place he would at once tell them that he was not at all ashamed of being a Conservative (cheers), and he certainly would not be one who would support, or approve, of the sweeping away of existing things unless they could be bettered. He would not pledge himself to support any rapid changes that might be proposed, but he would promise to give to every matter of public interest that came before him his best and most earnest attention and consideration. To their worthy alderman he begged to return his sincere and warm thanks for the kindness and urbanity with which he had presided over the election, and he also expressed his acknowledgments to his brother candidates for the great courtesy and goodwill he had met at their hands throughout the entire election. He also thanked his numerous friends for their assistance during the contest, and said he attributed his present position entirely to the efforts of his friends who had sacrificed their time and interests for the promotion of his own. (Loud cheers.)

Henry Charles Winston England, aged 24, of 36, Polygon, Somers' Town, *described as an accountant*, and Cecilia England, aged 66, of the same address, surrendered to their recognisances, at Clerkenwell Police-court, on Friday, to answer a charge of unlawfully assaulting and beating George Frederick Beverton in the execution of his duty as sheriffs' officer for Middlesex, and rescuing Philip Newbury England, a money lender, from his lawful custody at the above address. On the 10th of September the complainant went to England's house and apprehended him on an order from the Court of Queen's Bench, signed by Mr. Justice Blackburn, for his committal for six weeks for the non-payment of a sum of £1,033 19s. 6d., in a case of "Jennings *v.* England." On that occasion Philip Newbury England made his escape, but he has since surrendered, and is now in custody at Holloway Gaol. The assault now complained of was that the defendants struck Beverton, and pulled him away. Complainant said he did not tell either of the defendants on the day of the assault in question who and what he was, nor did he produce his warrant. Police-constable Bowen, 409 Y, proved that when Beverton attempted to enter, the male defendant caught hold of the side of the door, put his left arm around the neck of the prosecutor, and his hand over his mouth, and said, "I will see if you come in here." When evidence was given which confirmed the complainant's statement, Mr. Montagu Williams, who appeared for Henry England, said that he hoped the magistrate would not decide the issues raised in this case until the summons as to the validity of the present proceedings was decided. The matter would come before the judge at chambers. Mr. Cooke said he should most certainly not dismiss or commit for trial until the case had been settled elsewhere. He should like the learned gentleman to look up the case, as to whether the complainant was a peace officer or not. That the sheriff was a conservator of the police there could be no doubt; but whether the complainant was he would not at present say. At present his strong opinion was that he was not. He then adjourned the case for a week, and the defendants were allowed at large in their own recognisances.



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ACCOUNTANTS' DIARY AND DIRECTORY
FOR 1875.
The above will be published on the 1st December next, applications for which, and correct names and addresses for insertion in the Directory, are requested to be sent without delay to Mr. ALFRED C. HARPER, 2, Cowper's Court, Cornhill. Price 5s.

Printed and Published for the Proprietor by George Berridge & Co., 37 & 42, Eastcheap, E.C.—October 1st, 1874.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM.

VOL. I.—No. 2.] NOVEMBER, 1874. {Subscription, 10s. 6d. per Annum.

NOTICE.—I have this day taken into Partnership Mr. HARRY PEARCE GOULD, who has been with me for nearly four years in the capacity of confidential clerk. The style of the Firm will be SAMUEL CULLEY & Co.

Guildhall Chambers, Norwich, 1st October, 1874. SAMUEL CULLEY, Public Accountant.

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The Accountant

Will be published for the present on the 1st of every month. The subscription will be 10s. 6d. per annum, entitling the subscriber to one copy per month (post free). Single copies will be sold at 1s. each. Subscriptions to be forwarded to Mr. ALFRED W. GEE, 59, Basinghall-street, E.C. (post office orders payable at the Lothbury office), to whom also applications for advertisement space, and letters relating to the general business of the Paper, should be addressed. Literary communications should be directed to the Editor of THE ACCOUNTANT, at the same address.

TO SUBSCRIBERS.

The Editor desires to express his thanks for the many flattering and encouraging communications he has received relative to the first number of THE ACCOUNTANT. It is impossible to obtain anything like completeness or perfection at a bound, but the Editor is encouraged in the hope that THE ACCOUNTANT will in time prove of great value to the profession.

It should be thoroughly understood that the Editor will be compelled to rely to some extent upon accountants for information respecting liquidation meetings and other matters of importance to the profession occurring in their respective districts, and it is hoped that all members will thus contribute towards the attainment of the object with which the Paper was started, viz., the advancement of the interests of the accountants of the United Kingdom.

The Editor will be glad to receive early information of any proceedings of unusual importance which may be about to take place; and in case a special report is required, the services of a shorthand writer may be obtained upon certain specified terms, which can be ascertained on application. In all cases where it is practicable the MS. should be forwarded to the Editor by the middle of the month.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by this Paper as an advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, THE ACCOUNTANT may fairly hope for a large measure of success in a wide field hitherto unoccupied by any professional organ. THE ACCOUNTANT will thus secure to Advertisers an excellent circulation of an exclusive character; and it will be particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c.

The charge for single insertions of ordinary advertisements will be 1s. per line; a liberal reduction will be made for a series, and special terms allowed for standing trade announcements.

Advertisement "copy" should be forwarded, if possible, by the middle of the month, but late announcements can be received up to the morning of the day previous to publication.

N.B.—During the past month the Proprietor has received communications from several Advertisers as to the excellent results which have attended their Advertisements in the first number of this paper, thereby affording very gratifying proof of the value of THE ACCOUNTANT as a medium for advertising Vacant Partnerships, Estates, &c.

NOTICE.

In consequence of the large demands upon our space, it has been found necessary to increase the size of THE ACCOUNTANT from Sixteen to

TWENTY-FOUR PAGES.

Notwithstanding the increased size, a considerable quantity of matter, including both London and Provincial reports, is unavoidably omitted. The Proprietor wishes to impress upon Advertisers and Contributors the urgent necessity of forwarding their "copy" in all cases where it is practicable by the 20th of the month.

The Accountant.

NOVEMBER, 1874.

The case of alleged conspiracy to defraud creditors, recently brought before the Middlesborough magistrates, is one which should possess a certain amount of interest for all members of the profession. Not that there is any special feature in the incidents of the alleged fraud. On the contrary, according to the statement for the prosecution, there has been nothing much more original than an attempt to defraud by means of an antedated agreement, and, if considered on that ground only, the affair would have no particular claim upon the attention of accountants. But when we learn that two of the leading actors are *soi-disant* "accountants," it becomes not merely a matter of curiosity or interest, but one of positive duty for members of the profession to give their serious con-

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sideration to the case. A brief statement of the facts will suffice:—An innkeeper, named Hodgson, became insolvent in May, and his affairs were in liquidation, when (according to the prosecutor's case) he made, on the 17th June, an assignment of certain fixtures, &c., in satisfaction of a debt of £80 said to be owing to an auctioneer named Hedley, who is, by the way, a member of the Middlesborough Town Council. The story of the witness who prepared the agreement is that it was done on the 17th June, that he was told by his master to leave the date blank, and that he subsequently received instructions to insert "April 27th." This was, in substance, the case upon which the prosecutor relied, whilst for the defence it was contended that the money was actually owing to Hedley, and that the document referred to was drawn up and attested on the 27th April, and not, as alleged, on the 17th June.

We can very well take up this matter without any infringement of the wholesome rule which bars discussion upon the merits of anything *pendente lite;* our comments will have reference solely to the so-called "accountants," who cut such very dubious figures in the case. Mr. John Henry Bennison, the master, stands accused of complicity in a gross fraud, and his confidential clerk, Mr. John Gibson, appears as the accuser, and relates a "plain unvarnished tale" of his own exploits, and his connection with the case, such as is seldom heard from the respectable standpoint of a witness-box. Indeed, the offence with which the master is charged pales into comparative insignificance when placed by the side of the achievements of the clerk, who has served one term of imprisonment for forging the name of a witness, and a second term for forging a testimonial to his own character, and who, in the course of his life, has dwelt in many places and cities, changing his name with his dwelling, and "playing billiards incessantly" when unoccupied by weightier affairs. After such a career Mr. Gibson must have felt rather strange in the witness-box, and it was highly essential that the prosecutor should bring other witnesses to support his story of the tell-tale diary, the purchase of a new one, the exciting negociations as to "old ink," and of his having virtuously refused the elegantly couched proposals of his master to copy another diary and "square" the matter for £10. However, upon the joint testimony of these witnesses, the magistrates could scarcely have adopted any other course than that of committing the accused for trial.

Accountants may draw a very palpable moral from this unsavoury story, quite apart from any considerations as to the guilt or innocence of the parties concerned, viz., as to the necessity for thoroughly united action, with the view to obviating the discredit which inevitably attaches to exposures of this kind. Of course we do not mean that any action accountants may take will prevent attempts at fraud; but it is very desirable that the various accountants' societies should unite in trying to bring about the establishment of a duly constituted authority, to decide upon, and enforce, a standard of admission to the profession, and to punish members found guilty of fraud or questionable practices, as a barrister would be punished by being disbarred, and a solicitor by being struck off the roll. Such an authority would not put a stop to frauds by the black sheep of the flock, but it would, at least, ensure respectability and comparative competency at the outset of a professional career, and would tend to obviate the scandal attendant upon persons convicted of, or charged with, malpractices being subsequently paraded through the length and breadth of the land as "accountants."

RECEIVERS' DUTIES.

A case we report from the Liverpool court is of interest, bearing as it does upon the duties of receivers. We cannot say, however, that the ruling of the judge meets altogether with our approval. Bankruptcy and liquidation proceedings are of the same force and effect. It has been the immemorial custom for the officer of the court, where he could not obtain peaceable possession, to effect forcible entry. It is quite true that an execution by the sheriff could not be similarly enforced without rendering him liable to an action, but in bankruptcy who is there that could bring an action? Surely not the bankrupt, for the property seized does not belong to him, but to his creditors, and it would be rather an anomaly if the representative of the creditors could not take forcible possession of their property. Where the property of a bankrupt is in possession of third parties it is only right that the directions and authority of the court should be invoked, but surely not where it is ostensibly in the possession of the bankrupt, he being the tenant of the premises. By the very terms of his appointment, the receiver is required to take immediate possession of all property, and it appears to us that he would sadly fail in his duty if he waited until the formality of obtain-

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ing the directions of the court had been gone through. Pending such application every fragment of property might vanish, and it would be difficult to say in such case who would be answerable to the creditors.

It is further extremely doubtful if the court would make any order, as the provision of the Act has reference more to the administration than to acquiring possession of an estate. Assuming that the court were to give directions, it is questionable whether the act of taking forcible possession would be valid or regular. If it be irregular to break into the premises of a bankrupt, no order of any court can make it regular. It is much to be regretted that the rules do not always definitely state what are the duties and powers of a receiver, and, as the chief judge possesses ample authority to alter and amend existing rules, as well as to frame new ones, we hope it will not be long before the omission and difficulty to which we refer will meet with his attention.

THE BANKRUPTCY ACT, 1869.

The recent Bankruptcy Act, 1869, has been of no small assistance to accountants in bringing the importance and value of their business more directly before the public. A few years back and the accountant was comparatively unknown; but with the growth of commercial pursuits and the extension of our home and foreign relations, the necessity of a talented, experienced body of men for the purpose of regulating business transactions became apparent, and now manifests its presence in the persons of the men who have adopted accounts as their profession. The various societies that have been formed show the growing wants of the day, and the ultimate development of a new and acknowledged business cannot be far off. The legal profession generally has been for many years entrusted with the duties now undertaken by accountants, but in almost every case it has been found that the services of an expert, one conversant with the puzzles of book-keeping, have had to be obtained in order to disentangle the cobweb of figures which the well-meaning attorney has been vainly striving to master.

Enormous costs, delay of business, and unsatisfactory results are *ipso facto* the outcome of incompetence, and accounts furnished by the lawyer's clerk entail one of the three in almost every case. In the administration of the estate of an insolvent or deceased person, for instance, the only essential requisites are a general knowledge of business, with skill in preparing accounts. In questions of law which may possibly arise, the legal profession is entitled to be consulted, but certainly not in questions of accounts. The estate of an insolvent or deceased person should be administered in the same manner as if his business had never ceased, and the lawyer should be resorted to on such occasions only as he would have been under ordinary circumstances.

An accountant, untrammelled by 6s. 8d. and 13s. 4d. items, devotes his time and takes an "unprofessional" view of the difficulties which arise in the administration of an estate; and at a moderate and reasonable charge. The only drawback existing is that at present he is looked upon as an irresponsible party, and, unlike the lawyer, he cannot, except for embezzlement, be made amenable to the courts in the same way as a solicitor. To meet this requirement is one great object of the societies recently formed, and their utilisation in that respect ought not to be long delayed. The accountants supply a growing want of the age, and their main object should be to institute some test of fitness, both as to skill and respectability, which would secure for them a position upon which men of business would look with admiration and respect.

The *Law Times* says, "An accountant offers his services to solicitors in the following patronising terms:—

"'I take the liberty of enclosing my card. I have recently commenced business as Law Stationer, Law Bill Clerk, Public and Private Auditor and Accountant, House, Land, and Estate Agent, Rent and Debt Collector, and Trustee in Bankruptcy. From my past experience in Solicitors' Offices in the various capacities of Engrossing Clerk, Law Bill Clerk, Cashier, and Managing Clerk (extending over a period of twenty-two years), I have confidence that I am able, to your satisfaction, to audit your Books and Prepare Bills of Costs for delivery to your Clients, or for Taxation. In addition to the ordinary duties of a Law Stationer and Law Bill Clerk, I assist Solicitors in Drawing Conveyances, Mortgages, and other Deeds, Abstracts of Title, Wills, Agreements, Affidavits, Conditions of Sale, Residuary, Succession and Legacy Duty Accounts, and Pedigrees Tracing Heirships, Searching for Wills and Registers, Seeking up and Procuring Evidence, and Preparing Briefs and Cases for Counsel's opinion. I make journeys for the Examination of Abstracts with the Muniments of Title, and I attend Sales by Auction of Properties. I am present at the Assizes and Sessions to conduct Cases on behalf of Solicitors. I take journeys to Northallerton to search for Incumbrances and Register Deeds.'

"So long as the advertiser confines himself to endeavouring to do the work of solicitors for solicitors we cannot complain, but we are afraid the advertise-

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ment will lead to an infringement of the law. Perhaps a change is coming over the spirit of the accountants."

We think our contemporary is disposed to be rather hard upon accountants in describing this jack-of-all-work as "an accountant," for, to adopt this enterprising advertiser's own description, he is, first and foremost, "Law Stationer and Law Bill Clerk," and his strong point in the way of recommendation is that he has been for twenty-two years in "various capacities" in solicitors' offices. It is sarcastically suggested that "perhaps a change is coming over the spirit of the accountants;" but looking at these facts, it certainly seems that Law, and not Accountancy, is responsible for the production of this wonderful hybrid. However, we can assure the *Law Times*—if any such assurance be needed—that this individual is just as much, or, rather, just as little, allied to respectable accountants as (we are charitable enough to suppose) to the members of the legal profession, for whom he is so anxious to "take journeys to Northallerton."

BANKRUPTCY LAWS.—No. 2.

RECEIVERS.

In our last issue we proposed to deal with the Bankruptcy Laws of the leading commercial countries. The first on our list are naturally those of England, and following the rotation in which the Act, rules, and orders have been framed, *bankruptcy* claims the first attention. The steps requisite to obtain an adjudication in bankruptcy are under the control of the legal profession, and it is only upon the appointment (where necessary) of a receiver that the services of accountants are called into action. The position of a receiver is somewhat anomalous. By his order of appointment (Form 13) he is directed to "collect, get in, and receive" the property of the bankrupt. These directions certainly appear to be clear enough. Supposing the estate to consist (*inter alia*) of stock and book debts, it would to all practical minds seem not only desirable, but even necessary, that the receiver should take an inventory of the stock of which he is to possess himself, in order that he may control its custody, and account in due course to the trustee for the same. In one instance within our knowledge the bankrupt (a publican) was detected throwing bottles of wines and spirits out of a window to conniving friends; and yet it has been decided by the London taxing-masters that a receiver is not entitled to take an inventory, or at least he must not ask to be remunerated for the trouble of so doing. To "collect, get in, and receive" certainly also implies that it is part of a receiver's duty to apply for book debts (and when required, to deliver particulars of the same), and this the more so as it is far from uncommon for a bankrupt to collect and divert all he can; nevertheless the taxing-masters have ruled that a receiver is not only not entitled to collect book debts, but also that it is no part of his duty to send notices of his appointment to debtors to the estate. Common sense would also argue that a receiver should know of *what* he is to take possession, and for this it would in many instances be necessary that he should have the books made up to date; but if he does so he will again find himself at variance with the taxing-master. The difficulties of a receivership in this respect might certainly be rendered much less and the result more satisfactory, if power existed (pending the passing of a law rendering book-keeping compulsory on traders) to compel bankrupts, under a penalty for contempt, to make up in books detailed accounts of their liabilities and assets, without waiting until the estate is partially wound up. Let it not be supposed that we are seeking to find fault with these gentlemen, who carry out their duties with unfailing courtesy. Their position is in this respect as undefined as that of a receiver, who knows that he has undertaken certain duties, but can only by practice (and at a sacrifice of time and money) learn what those duties really are. In fact there is in the Act and rules nothing to clearly show what a receiver should and what he should not do. We believe the now accepted practice has arisen mainly from the fact that in the majority of early cases (under which the principles of taxation were fixed) the assets were so small, in proportion to the difficulties presented, that their value was indirectly made the basis of the system of remuneration, instead of the receiver being remunerated for the time and trouble involved. Notwithstanding these facts a receivership entails serious responsibilities, so that while a receiver's hands are fettered by the present restrictions he may find himself called upon to make good a missing asset, which was perhaps only nominally under his control, unless he succeeds in satisfying the court that he has not been guilty of neglect. For the interests of the profession and of the public (upon whom defective laws necessarily re-act) we trust that some good representative

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case will be brought under the notice of the Lords Justices, in order that the duties of a receiver may thereby become clearly defined, and more especially with regard to stock, and book debts. At the present time a receivership implies both too much and too little.

H. B. (London).

Reviews.

PRACTICAL BOOK-KEEPING.*

It is, without doubt, a somewhat venturesome undertaking to lay before the public a work professing to deal with the many varied systems of book-keeping, more particularly when it is in the wake of a numerous body of writers on the subject that an author necessarily has to follow. A treatise explaining the practical keeping of accounts or books for any and every description of trade, it might reasonably be surmised, would be a work of no small dimensions, and at the first glance it appeared to us hardly credible that, in "Practical Book-keeping," the author could possibly have carried out what he claims in his title-page to have done. He gives, however, in as concise and handy a form as possible, and in a terse and simple manner, an extraordinary amount of useful information and instruction, supplying at the same time, in an appendix, an explanation of the terms peculiar to commercial transactions and accounts. By dividing the work into separate parts, and dealing with the different systems individually, the confusion which generally attends the perusal of books of this class is avoided; consequently for the student or the practitioner, no publication could possibly be more handy for instruction or reference. In Part I. the principle of double entry is lucidly explained, and the various plans, so to speak, adopted by wholesale traders, life assurance, limited liability, and shipping companies, are amply illustrated. Section 6 deals with the "cost book" system, and furnishes specimen pages of a working cost book. Part II. is devoted to the principle of single entry, with a set of books illustrative of the accounts of retail traders. In Part III. the author deals in an exhaustive manner with what he aptly terms the mixed method of book-keeping; and the forms of accounts showing the Scotch and English methods of keeping solicitors' accounts are well worthy of attention. Specimens of judicial, factory, and curators accounts, accounts for newspaper and printing businesses, books for private investors and for public institutions, with many valuable remarks, are here given. In conclusion, we may observe that the work has been carefully got up, and the author has wisely availed himself of the assistance of many practical men, whose courtesy he amply acknowledges in his prefatory remarks. The book should certainly be in the hands of every student, and indeed it is of so complete a nature that we do not doubt that it will become a favourite with many practitioners.

SOLICITORS' BOOK-KEEPING.†

In presenting to the public this practical work on the keeping, by double entry, of solicitors' books, a good deal has undoubtedly been accomplished by the author. Comparatively small though the work is, the book-keeping requirements of a solicitor are very fully entered into and explained, whilst upwards of forty pages are devoted to examples of various detailed accounts. Although the author modestly affirms in his introductory observations that he does not presume his treatise to be altogether capable of supplying a long-standing want, it is, nevertheless, apparent that his endeavours have been so far successful as to have placed within reach of the lawyer a knowledge of book-keeping sufficient to enable him almost to be his own accountant, or at any rate to understand how his accounts should be systematically and correctly kept. The examples given of the entry-book, attendance-book, and disbursement-ledger, are, perhaps, rather out of place, but there can be no doubt as to their absolute practical utility in the course of business. The only fault, if any, in the other examples of accounts consists in the peculiar wording adopted in them, which, however, there would be no necessity to copy. However, altogether the work is certainly very complete in itself, and is a thorough digest of the whole system, upon which the accounts of solicitors might be easily and simply conducted.

* *Practical Book-keeping*, by F. Hayne Carter, C.A., Edinburgh. London, Simpkin, Marshall, & Co.

† *Solicitors' Book-keeping.* By Robert Henry Richardson, Ravenscourt-park, Hammersmith.

THE INSTITUTE OF ACCOUNTANTS.—At the half-yearly meeting of the Institute, held on the 28th October, at the City Terminus Hotel, Cannon-street, Mr. Samuel L. Price in the chair, the minutes of the annual general meeting held in April were confirmed. The chairman announced that this meeting was held in conformity with rule 46, for the purpose of electing members under the special power conferred by rule 19, and discussing questions incidental to the profession. The election of Mr. Charles John Schreidau as an Associate was then proceeded with, and that gentleman was declared to be unanimously elected. A discussion ensued as to the desirability of fixing a day when the members of the Institute may dine together (as they did towards the close of 1873), and the council was requested to do what may be necessary in the matter. Some further discussion took place as to what topics could with propriety be brought under the notice of a general meeting of the Institute, and as to the advantage which would result if some member of the profession would make a commencement of the discussion of topics of general interest by preparing a paper on one of such topics; after which thanks were voted to the chairman, and the meeting terminated.

SOCIETY OF ACCOUNTANTS IN ENGLAND.—The monthly meeting of the council of this society was held on Wednesday last, at the offices, Cowper's-court, Cornhill, Mr. John Bath, vice-president, in the chair. Mr. John Hepburn Dudgeon, of 6½, Austin-friars, was admitted an Associate of the society, and two other applications for admission were considered by the council. The chairman moved, and Mr. G. E. Ladbury seconded, the following resolution: "That steps be taken to ascertain what work can be legally undertaken and charged for by accountants," and the secretary was instructed to communicate with the secretary of the Incorporated Law Society on the subject of this resolution.

Messrs. Hart Brothers & Co., accountants, 57, Moorgate-street, announce that, having taken Mr. Tibbetts (who has been connected with their house for over 20 years) into partnership, the style of their firm will be in future Hart Brothers, Tibbetts, & Co.

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Correspondence.

A. B. C.—The point referred to in your letter should be left to the personal judgment of the firms concerned.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—The subject of the respective provinces of solicitors and accountants having been noticed by J. B. in your first number for October, 1874, and there being evidently, to judge from the frequent remarks and letters as to "Our Invaders" in one, at least, of the legal journals, much misapprehension on this subject, I am induced to ask for space in your next number for this letter.

Before proceeding further I beg readers to bear in mind that though I use the word "Accountants," I do so the rather because under that designation the said legal journals often class those whom they call "Our Invaders." Yet under that term must evidently be included a number, I may almost say a great number, of professional persons other than accountants, namely, land, house, and estate agents; stock, share, and ship brokers, &c. I premise that, in my opinion, no respectable accountant would ever think of invading the province of an attorney or solicitor; but it appears to me that no good will result from any discussion on the subject until it is clearly ascertained what an attorney or solicitor is, and what are his privileges.

Now an attorney or solicitor is protected by his certificate, and by that only, and the protection extends thus far: he alone can act in the courts of common law and in the Court of Chancery, and he alone can prepare conveyances of land and real estate in general, including, as quasi-conveyances, mortgages; leases—whether I am technically right or not I expressly except, for reasons which will presently appear. For this privilege he pays a stamp on his articles, and certain fees on his admission and future practice. I ignore any plea for exclusive privilege on the ground of his legal education, because it probably costs as much for a respectable accountant—in which word, once for all, I include a land, house, and estate agent; stock, share, and ship broker, &c.—to become master of his profession as it does an attorney or solicitor to acquire the requisite knowledge and ability. Why, then, should not an accountant prepare transfers of stock, shares in public companies, or in ships? Why should he not prepare leases of houses and land? He is certainly more likely to be competent for this duty than any attorney or solicitor; nay, it is certain that when any transfer, or any dealing with stocks or shares is concerned, a broker is more competent than an attorney or solicitor, and that, in point of fact, a broker is actually, directly or indirectly, employed, and really does all the work required; and it is also well known that in cases of leases of houses or farms the agent is the person who really prepares the lease; for an attorney or solicitor generally, if not universally, knows nothing of the details as to repairs, routine of cropping, and management in general, which are necessary to be provided for in a lease. It may safely be said that nine-tenths of such a lease are really prepared by the agent, and that only one-tenth falls to the attorney or solicitor to put into shape; and further, that this one-tenth, though of a legal nature, is not so much so but that any person of ordinary capacity and business training may do what is necessary as well as any attorney or solicitor.

A great effort is being made, and a great and constantly increasing desire is being expressed, for facility in the transfer of, and dealing with, landed property, and it is argued that landed property ought to be dealt with and transferred as easily as stocks and shares. I do not agree with this. The transfer of landed property is one thing, and the transfer of personal property another; but some members of the legal profession oppose this with mistaken and misplaced energy, and I must say, with rather bitter temper. I say *some* members, because I well know that the opposition is not at all universal, and that there is a feeling and opinion in the legal profession that the outcry of some in that profession is unreasonable; and I have even heard in high legal quarters, such an expression as "tight-laced" used in reference to those who stickle so unreasonably for what they are pleased to think and term their privileges, but which are no privileges at all.

Now I have mentioned the outcry in legal journals of "Our Invaders." Let us see who the real invaders are, bearing in mind that the attorney or solicitor must confine himself to the monopoly granted by his certificate, and that he has no *prima facie* right to claim more than it gives. Monopolies are proverbially odious in a state, and he who claims one must abide by the very letter of his charter. This monopoly, as I have said, is that he only shall conduct proceedings in the courts of law and equity, and prepare conveyances and mortgages of real estate. It is within living memory that one of the first noblemen in the kingdom had not long ago a land agent who kept the court rolls of his manors, which were and are both numerous and extensive, and prepared the admittances in respect of lands therein. And it is also within living memory that a corporation (I do not disclose whether it was a lay or an ecclesiastical corporation) had a land agent who did just the same thing; and lest it should be said that these are things of the past (though that would be no good answer), I add that *at this moment* I know there is a titled commoner of large possessions whose land agent keeps the manor books, holds the courts, and prepares the admittances, and from whom even the solicitor of this titled commoner does, when occasion requires, take admittances for his clients, without for a moment thinking of any interference. And why should not this be so? There is little or no special or peculiar knowledge, save that of a well educated man, required in the land agent for this duty.

Then as to leases of houses or farms, as before intimated, does not the agent prepare or settle all the important parts of such leases, and could the attorney or solicitor prepare a proper lease without him? Certainly not. The fact is, attorneys and solicitors have by some means or other crept into offices which do not, as is evident from what I have adduced, belong to them, and that THEY are the real "*Invaders.*" If their unreasonable claims are allowed, the liberty of the subject must be greatly interfered with, and the Solicitor-General was quite right in opposing the lately attempted Attorneys and Solicitors and Legal Practitioners Bill as at first framed. Why do not they, who so cry out, demand that there shall be no land or estate agents, no stock, or share, or ship brokers; no insurance agents; and why not also demand, for it would be equally reasonable, that no one should transact any business with any other person unless there be an attorney or solicitor behind his counter or in his office?

Commercial men understand commercial matters; land and estate agents understand matters relating to houses and land; brokers understand stocks and shares, and all that relates to them, far better than attorneys and solicitors, who indeed are proverbially nearly useless in anything but technical points of simply legal practice or learning. I am far from contending that accountants should act in legal matters, but the question really is, What are legal matters? Would it be tolerated for one moment that attorneys and solicitors should take out of the hands of stock and share

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brokers their peculiar business? and yet these stock and share brokers, I suppose, transfer as much property in one day as all the attorneys and solicitors transfer—in real estate—in a year. Even the legislature, or at least the executive, fully recognise all this by providing printed forms on stamp for such transfers. No; the idea of giving attorneys and solicitors such a monopoly could not be entertained for a moment. No minister of the country would listen to such a proposal, and the case is the same with respect to ships, leases of houses, or farms and personal estate in general.

The true distinction in deciding on this question appears to be that, as respects landed property, an attorney or solicitor alone should prepare transfers, whether by way of absolute sale or mortgage; but that as respects personal property and leasehold interests there should be no restriction, or any such exclusive right or privilege; and unless it be as to leases—possibly—there is none by the present law.

I have not noticed wills, because I conceive that it would be simply impossible, except at the sacrifice of all justice and freedom of the subject in general, without reference to right or wrong in the matter, to impose any restriction; but I will just add that from thirty-five years' experience I learn that where one will prepared by a so-called non-professional man is disputed, 100, I think I may safely say, prepared by attorneys or solicitors, are contested or come into question. And in conclusion, supposing attorneys and solicitors obtain the exclusive privileges which some—but only some, and they the least important members of the profession—ask for, ought they not to be prohibited from acting as brokers, insurance agents, collectors of debts, rent, and interest, &c. For why should they claim both a monopoly in one thing and also the privilege of trespassing in respect to every other thing? If I read the signs of the times aright I would advise the attorneys and solicitors to be VERY QUIET. Accountants, properly so called, will know how to accept these remarks, which constitute, as I have said, only an exercise; but legal journals having chosen to use the title "Accountants" in their attacks on those they call "Invaders," I had no other alternative than to take the name chosen by themselves. Respectable accountants know their own business. I may just add that not only "Accountants," so called by the law journals, but barristers also are at present, and have been for some time past, treated as invaders.

I am, &c.,

26th October, 1874. B. J.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I am favoured with a copy of No. 1 of THE ACCOUNTANT, in common, I presume, with other members of the profession. The paper supplies a want in the profession, and with a continuance of the enterprising spirit indicated in the first number, the proprietors will, I trust, succeed in making the paper intrinsically valuable. There are one or two matters, however, referred to in ACCOUNTANT No. 1, in regard to which, with your permission, I would make a few remarks. The first matter I would refer to is the article on Life Assurance Companies' Accounts, the second paragraph of which is very greatly at fault. It makes a sweeping assertion regarding the book-keeping of life assurance companies prior to 1870, and the effect of the Act of that year, which calls for very grave qualification. In short, the general terms of the statement are only applicable to certain of the English companies, and these not of the best, while the whole of the great Scotch companies, without exception, have not only been built upon an admirable system of book-keeping, but have found it unnecessary to make any material change in their book-keeping in consequence of the Act of 1870. Moreover, I believe, in no case has the operation of that Act rendered it necessary for the companies I have referred to to call in professional assistance for the preparation of the statutory accounts. It would indeed have been matter of surprise had it been otherwise, since the managers of at least the Scotch offices are thoroughly trained men, and many of them were formerly prominent members of the Society of Accountants in Edinburgh, *videlicet* Mr. Raleigh, of the Scottish Widows' Fund; Mr. Maclagan, of the Edinburgh Life Office; Mr. Ramsay, of the Scottish Union; the late Mr. George Todd, Scottish Equitable Society, &c. As so large a proportion of the life assurance business of the country is transacted by the Scotch offices, it is a matter for regret that the paragraph in question was expressed in such unqualified terms.

The second matter I would especially refer to is the paragraph on page 10, headed "Value of Life Reversions," giving the very ingenious method of Mr. C. M. Willich for ascertaining approximately the expectation of life according to the Carlisle table. It would have been well to have added to this paragraph a caution to avoid the very prevailing error, on the part of accountants who are not actuaries, of attempting to value reversionary interests by discounting the sums in reversion for the period indicated by the expectation of life. The effect of this very natural, but very serious error, when the sums dealt with are of large amount, is pointed out in "Jones on Annuities," vol. i., p. 122; and I may mention that in a calculation of the value of certain life interests which I had occasion to make last week, the difference in the two methods amounted to no less than £3,000. One other remark I would make on this paragraph is, that the Carlisle table (which, although not mentioned by you, is the table approximated to by the formula given) has been proved by recent investigations to be totally unreliable at the advanced ages, its expectation of life being considerably too high.

I am, Sir, your obedient servant,

Edinburgh, Oct. 16th. J. E. D.

VALUE OF REVERSIONS.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I observe in your last number a paragraph, under the above heading, professing to give, under the authority of the late Mr. Willich, a compendious rule for the valuation of reversionary interests, for use "on the spur of the moment." It is due to the late Mr. Willich to say that the rule quoted has no reference to the value of reversions, but supplies simply an approximation to the "expectation of life." Accountants should by no means use this rule, as it is both inapplicable and incomplete. There are many elements that affect the market value of a reversion as distinguished from the table value; the securities in which the fund is invested, the limitations of title to the same reserved by the conditions of sale, the costs of litigation and winding up, legacy duty, &c., all more or less influence the market value.

It is an error to suppose that any reversion that possesses a "table value" (when properly computed, and not by false rule above referred to) will sell for a fair value, or sell at all. There are many reversions that are good to hold, but valueless, or nearly so, at auction. Accountants should note this when dealing with bankrupts' estates, and especially when the interests are contingent and remote. I must refer to the suggestion of making valuations "on the spur of the moment." My strong recommendation is never to give any opinion or valuation either "on the spur of the moment," or whilst people wait. I am often pressed to do so, but always decline.—Yours, &c.,

Fleet-street, Oct. 12th. ACTUARY.

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SOCIETY OF ACCOUNTANTS IN EDINBURGH.

(INCORPORATED BY ROYAL CHARTER.)*

The business open to an accountant in Edinburgh is varied and extensive, embracing not merely all matters of account, but requiring for its proper execution a knowledge of actuarial science, and a thorough acquaintance with the general principles of law, particularly of the law of Scotland, and more especially with those branches of it which affect mercantile relationships, insolvency, and bankruptcy, and all rights connected with property. The Court of Session—the Supreme Law Court in Scotland—has frequently before it suits involving matters of accountancy, in the extrication of which an accountant is almost invariably employed to aid the court in eliciting the truth, as such investigations are manifestly quite unsuited to such a tribunal as a jury, yet cannot be prosecuted by the court itself without professional assistance on which it can rely, the accountant to whom such a remit is made by the court performing in substance all the more material functions discharged in England by the Masters in Chancery. Accountants in Edinburgh are also largely employed in judicial remits in cases which are peculiar to the practice of Scotland, as, for instance, in bankings and sales, in processes of count and reckoning, multiplepoinding, and others of a similar description. They are also commonly selected to be trustees on sequestrated estates, and under voluntary trusts. It will be readily understood that, with such a range for professional practice, a successful accountant in Edinburgh requires not only great experience in business and very considerable knowledge of law, but also other qualifications, which can only be attained by a liberal technical education, and it was specially in order to provide this necessary training that the principal members of the profession, in the year 1854, applied for, and obtained from Government, a royal charter, incorporating them under the name of "The Society of Accountants in Edinburgh."

The regulations for admission to the society, which in the matter of the examinations have recently been placed on a new footing, now stand as follows:—The applicant must serve an apprenticeship of five years to a member of the society, under a duly recorded deed of indenture (the apprentice fee being 100 guineas). He must be 16 years of age before he can be articled, and must also first pass satisfactorily a preliminary examination in rudimentary education. In the third year of his apprenticeship the candidate undergoes a further educational examination, divided into two branches, viz., imperative and voluntary. A bursary of £10, tenable for two years, is annually awarded for the highest proficiency in the imperative examination, and another of £20, also for two years, to the apprentice highest in both the voluntary and the imperative.

In the course of his apprenticeship the candidate is also required to attend the Scottish Law and Conveyancing Classes at the University of Edinburgh. After his apprenticeship has been completed, and the discharge of his indenture recorded in the books of the society, he may apply for final examination previous to being proposed for admission.

As the final examination indicates the extent of the *professional* training required by the Edinburgh society, we give the syllabus of examination in full, as follows:—1. Law of Scotland:—(*a.*) The dates, import, and effect of the Statutes on which the original Bankrupt Law of Scotland was founded, and the principles thereby established applicable to alienations by insolvents in favour of parties related to the granters, and to transactions involving preferences to particular creditors; (*b.*) The dates, import, and effect of the modern Sequestration Statutes, and the leading rules of law applicable to the administration of bankrupt estates; (*c.*) Specially the rules of Ranking of Creditors, secured and unsecured, at common law and under the Statutes; and the mode of treating Claims against Companies and individual Partners, and upon Accommodation Bills; (*d.*) The dates, import, and effect of the Statutes and Acts of Sederunt relating to the estates and affairs of minors and incapacitated persons, and to property subject to Judicial Factory, and the legal principles applicable to the powers and duties of officers appointed by the Court to manage such estates; (*e.*) The principles of law and practice applicable to Judicial Reference and Private Arbitration, and the powers and duties of Arbiters acting under the same; (*f.*) The law relating to Partnership, Succession, and Life Assurance. 2. Actuarial Science:—(*a.*) Compound Interest and Annuities certain; (*b.*) The Elementary Theory of Probabilities; (*c.*) The Elementary Principles of Life Annuity and Assurance Calculations. 3. Candidates will also be examined upon their knowledge of the general business of an accountant; this examination will embrace—(*a.*) The Theory and Practice of Book-keeping; (*b.*) The Management of Sequestrated Estates, Private Trusts, Judicial Factories, &c.; (*c.*) Audit of Accounts. The society awards one Fellowship of the annual value of £30 in respect of the highest proficiency attained in this final examination. The Fellowship is held for three years, and is awarded only in the event of the examiners being satisfied with the proficiency attained.

We may mention that the honour of being the first holder of this newly instituted Fellowship was awarded by the examiners, at the beginning of the present year, to Mr. John Edwd. Dovey, C.A., 6, North Saint David Street, Edinburgh. The society is in a flourishing condition, and at present numbers 113 members.

* The members of this society, in common with the Glasgow society, are distinguished by the initial letters "C.A." (Chartered Accountant) written after their names.

THE ACCOUNTANT.—The *Law Times* says:—"We are glad to see that the accountants have determined to be represented in the Press. A new monthly periodical called by the appropriate title of "The Accountant" undertakes to support their interests. We can assure our contemporary that solicitors have no ground of complaint against accountants as a body; they only find fault with individuals when they attempt to overstep the limit of their own duties and to perform the duties of solicitors. We hope that the new publication will take accurate views of the relative positions of solicitors and accountants, and enforce them by a strong expression of opinion. If it takes this course we shall wish it every success."

IMPORTANT TO TRUSTEES.—The following case was heard before the judge of the County Court at Romford, on Tuesday, 27th October:—BLOWS *v.* BATH.—The plaintiff sued Mr. John Bath, of 40a, King William-street, accountant, for the sum of about £13, for goods supplied to carry on the business of which the defendant was the trustee, on the ground that the goods were ordered by the man placed in possession by the defendant. Objections were taken by Mr. Rawlings, of Romford, solicitor for the defendant, first, that defendant could not be personally liable, and ought to have been sued, if at all, as trustee; secondly, that the man in possession had no authority to pledge the trustee's credit; and thirdly, that the goods were in fact supplied to the debtor, and not to the trustee. Verdict—Plaintiff nonsuited, with costs, the third point not being considered.

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CONTEMPT OF COURT.

At the Liverpool County Court, on the 3rd Oct., application was made to Mr. Registrar Watson for a rule *nisi* upon John Mayor, of Byrom-street, provision dealer, and Alfred John Richards, of Victoria-street, provision merchant, to show cause why they should not be committed for contempt of court. The circumstances stated shortly were these:—A petition for liquidation was presented by Mayor two months ago, and at the first meeting of creditors his explanation of his affairs was deemed so unsatisfactory that the creditors refused to pass any resolution, but one of them at once filed a petition for adjudication in bankruptcy. This petition, as is usual, was made returnable seven days afterwards, but as service thereof could not be effected the time was extended for a fortnight, in order that the necessary advertisements might appear. Pending the hearing of the petition, Mr. William Williams, solicitor to the petitioning creditor, obtained the appointment of Mr. Bolland as receiver of the property. This consisted of stock-in-trade in Byrom-street, and the furniture in the dwelling-house. The former, it appeared, had been transferred some months ago to Mr. Richards, and he was in possession, and the latter also was claimed by Mr. Richards, but he was not in possession. This property was accordingly seized by the receiver and a bailiff left in possession. It appeared that on the day after possession was taken Mayor and his wife obtained entry to the house on the pretext that they wanted a change of linen, and they, a few minutes afterwards, on hearing a tap at the door, opened it and admitted some eight men, who were apparently acting under the directions of Mr. Richards, who was present. The receiver's bailiff, after showing his authority to retain possession, and expressing his determination to prevent any removal, was then, by direction of Mr. Richards, seized by two of the men, and removed to an inner room, where he was confined for several hours until the whole of the property had been removed. The possession of the receiver being deemed to be that of the court, any attempt to disturb the same is a contempt of court, and the present application was for the committal of the parties implicated. Mr. Williams, after proving the facts detailed, said that he founded his application upon the 66th section, which conferred upon the court all the powers and jurisdiction of the Court of Chancery. Here, it was true, there had been no adjudication of bankruptcy, and the course of procedure defined by the rules in order to commit did not apply; but in the absence of any prescribed mode there was no reason why the procedure adopted for a committal after an adjudication of bankruptcy should be varied in the case of a committal before adjudication. The 178th and 179th rules defined the mode of commitment, and the present application was in conformity with those rules. The Registrar said he considered it a proper case to be brought before the court, but he had grave doubts as to the mode of procedure. The rules referred to did not apply, as they had reference to the committal of some one over whom the court had jurisdiction by virtue of the bankruptcy, but here there was no bankruptcy. The practice in Chancery was to proceed by way of motion, and that appeared to him the proper course here. Mr. Williams replied that where there was shown so glaring a contempt of the authority of the court as this, it ought not to be too technical in the mode of bringing the delinquents before it, as the sooner it asserted its authority the better. Further, he submitted that there was no distinction between the present and the case of restraining an execution creditor in bankruptcy or liquidation. There, although there were no rules defining the practice, the court, in the first instance, granted a rule *nisi* calling upon the creditor to show cause why he should not be restrained. Where a person was alleged to be a wrongdoer the more summary the method of putting him on his defence the better. Practically there was no difference between proceeding by way of motion and that now proposed, except the delay. The motion would be that the parties be committed, and they would have the right to appear and show cause why they should not be committed. In the present case, he asked for an order calling upon them at once to show cause why they should not be committed, and there was really no difference in the modes suggested, except that one was more summary than the other. The Registrar said that the difference was something like issuing a warrant from a police-court where a summons was sufficient, and in a matter which might affect the liberty of the subject he did not feel disposed to issue any order, but would fix the earliest day for the court to consider the question by way of motion. Mr. Williams expressed his regret that the present Bankruptcy Act could be so construed as to throw a shield over bankrupts to the detriment of creditors. He should, however, act upon the Registrar's suggestion, and would proceed by motion.

The application was renewed before Mr. Collier on the 13th ult. Mr. W. Williams appeared for the receiver; Mr. Kennedy, barrister, for Mr. Richards; and Mr. Nordon for the bankrupt. Mr. Williams said his contention, which was a very simple one, was that the goods and chattels of Mr. Mayor, the debtor, being in the hands of the officer of the court, they were in reality in the custody of the court. His Honour: How did the receiver get in? Mr. Williams: That seems to me immaterial. His Honour: No, it does not seem to me immaterial. It is an omission in the history of the case, and I should like to have some information on that point in order to consider whether it is material or not.

Mr. Williams said his contention was, that so long as he was in possession, it was immaterial how he got possession; and that whether the goods were the goods of the debtor was equally immaterial, because the parties who had any complaint to make or any claim to make upon the goods ought to have come to this court to establish their right, and to have obtained an order against the receiver to deliver them up. He asked the court to commit both the debtor and Mr. Richards to prison for contempt of its authority.

Mr. Kennedy, on behalf of Mr. Richards, said that if his client had acted illegally he desired to make the most ample apology, and to express his deepest regret for such conduct.

Mr. Nordon, on behalf of Mr. Mayor, made to the court the amplest apology for any illegal act which his client might have committed whilst acting under the impulse of the moment.

Mr. Williams, in reply, submitted that, having ascertained that John Mayor, the bankrupt, resided upon the premises, the receiver was fully justified in taking possession of the house, even without being furnished with a key, and in taking possession of the property.

His Honour thought that the receiver in this case was undoubtedly justified in taking possession of this property. It was quite clear—indeed, it was admitted—that the house, 7, Grey-road, Walton, was in the occupation of the bankrupt, and the receiver had no notice of any bill of sale, and therefore he was justified *prima facie* in taking possession of the property. But he did not think he was justified in taking forcible possession of the property. The premises being shut up, it was the receiver's duty to apply to the court for directions how to act, and therefore, in the first place, there had been an irregularity, if he might use such an expression, on the part of the receiver. At the same time, the receiver being in possession, and showing the authority of the court, it appeared to his Honour that there could not be any doubt that it was a contempt of court to interfere with the receiver when he was still in possession. The party who had any grievance against the receiver should have applied to the court, and the court would have done justice between them. Although he considered the receiver had acted wrongly, it was quite clear to him that Mr. Richards and Mr. Mayor were a great deal more in the wrong, and he could not help thinking that an act of contempt of court had been committed. He quite agreed with the solicitor for the receiver that his wrongful possession—assuming it to be so—did not make any difference in the nature of the offence; but it made a very considerable difference in the degree of the offence, because the receiver thereby set an example of irregularity. If there had been no irregularity on the part of the receiver, if there had been

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no pretence of any right on the part of Richards, he should have felt it his duty to award a commitment in this case. He was not sure that he was right in stopping short of a commitment, but, having regard to the circumstances brought to light, he thought the justice of the case would be met if he ordered the costs the receiver had been put to in consequence of this interference, and the costs of the motion, should be paid in equal parts by Mr. Richards and Mr. Mayor. Judgment accordingly. An order was also made that the property in question should be restored to the custody of the receiver. An adjudication of bankruptcy was afterwards made against Mr. Mayor.

CHARGE OF CONSPIRING TO DEFRAUD CREDITORS.

The attention of the Middlesborough magistrates has lately been much taken up by a charge of conspiracy to defraud creditors, in which two so-called "accountants" have played conspicuous parts, one in the character of accused, and the other as a leading witness for the prosecution. The case has caused considerable sensation in the district, the leading facts being as follows:— On the 30th of July, James Hedley, auctioneer, and a member of the Middlesborough Town Council; George Harper, income-tax collector; John Henry Bennison, "accountant;" and Frederick Hodgson, late innkeeper, all of the borough of Middlesbrough, were charged by John Braithwaite, accountant, of Middlesbrough, the duly appointed trustee of the estate of the said Frederick Hodgson, a debtor in liquidation, "that within six months last past, at the said borough, they did unlawfully conspire, combine, confederate and agree together by divers false pretences and representations and subtle devices, falsely and fraudulently to obtain for themselves certain moneys, or securities for money or divers goods, the property of the creditors of the said Frederick Hodgson, he the said Frederick Hodgson then recently having become a liquidating debtor, with intent to defraud, contrary to the statute." As alleged, the act of conspiracy to defraud consisted in the ante-dating of an agreement to the 27th of April, 1874, the agreement being really signed on the 17th of June. Hodgson, one of the defendants, had become bankrupt in May, and his estate was therefore in the hands of his creditors. It was contended that he consequently had no right to assign over any of his goods, and that the ante-dating was concocted in order to make the transaction appear as though conducted before Hodgson's bankruptcy. The following is a copy of the agreement:—

Agreement made and entered into this 27th day of April, 1874, between Jas. Hedley, of Middlesbrough, auctioneer, and Frederick Hodgson, of the Ship Inn, Middlesbrough, innkeeper.

Whereas the said Frederick Hodgson is indebted to the said James Hedley in the sum of eighty pounds for fixtures and fittings, being in and upon the Ship Inn, Middlesbrough, and being about to leave the said house and unable to pay such sum of £80, hath applied to the said James Hedley to release and indemnify him, the said Frederick Hodgson, from and in respect of such sum. And it is hereby agreed between them that, in consideration of Christopher Bateson taking and becoming tenant of the said house known as the Ship Inn, and agreeing to purchase the whole of the fixtures in respect of which the said sum of £80 is due and owing to the said James Hedley, and upon the said Christopher Bateson agreeing to pay the said James Hedley the sum of eighty pounds for such fixtures, the said James Hedley hereby releases and exonerates the said Frederick Hodgson from and in respect of the said sum of eighty pounds for such fixtures as aforesaid, and the said Frederick Hodgson hereby assigns the whole of such fixtures and his interest therein to the said James Hedley, in consideration of such release and indemnity as aforesaid. As witness our hands the day and year first above written.

GEO. HARPER,
Witness to the signatures of
J. Hedley and Fred. Hodgson.

JAMES HEDLEY,
FRED. HODGSON,
27th April, 1874.
[Stamp.]

For the defence it was stated that it was a fact that Mr. Hedley sold Hodgson fixtures in the "Ship," and Mr. Hodgson paid him partly in cash and partly in bills. One bill for £80 was dishonoured, so that in April £80 was actually due from Hodgson to Hedley, and Hedley had a lien upon the fixtures for £80. Mr. Bateson wanted to go into the house, and Hodgson wanted to give up possession. It was then agreed that Mr. Bateson should become the purchaser of the fixtures, and that the liability for the £80 should be transferred from Hodgson to Bateson. Mr. Hedley at that time held Hodgson's dishonoured acceptance, and he was then a creditor and held a lien on the fixtures. It was then agreed that Hedley should give up his bill against Hodgson on having the liability transferred to Bateson. He held the bill on the 27th April, and that document explaining that transaction was prepared, drawn up, signed, and attested on that day, and could not defraud or prejudice Hodgson's estate. In point of fact it released that estate from a liability of £80, and that document was not a benefit to Mr. Hedley. The examination of the bankrupt Hodgson before the county court registrar was put in and read, and the case was then adjourned, and next came up for hearing on the 24th of August. On that occasion John Gibson, "accountant," was the first witness examined for the prosecution. His evidence was to the effect that on the 17th of June he was a clerk with the defendant Bennison, and on that day Bennison came into the office where he was, and told him to prepare an agreement between Hedley and Hodgson, so as to secure the fixtures of the Ship Inn against Hodgson's trustees. He was told to leave the date blank, and the date "27th" April was afterwards sent up to him from Harper on a piece of income-tax paper. He made an entry at the time in a diary he kept, charging the drawing and engrossing of the agreement under the date 17th June. When Hodgson had to be examined before the Registrar respecting his bankruptcy, it was found that the entry in his diary would look awkward if investigated by the Registrar. Bennison tried to get a similar diary, and Hedley endeavoured to persuade Gibson to copy out a fresh diary, putting the charge respecting the agreement under the date 27th of April, offering him as much as £40 to do this, and when he persisted in refusing, threatened to ruin him. John Henry Holmes, a clerk in the employ of Mr. Braithwaite, the prosecutor, was also examined, and his evidence caused considerable sensation, as he admitted having given information to the defendants of matters he had become acquainted with as Mr. Braithwaite's clerk. Mr. John Kemp, of the firm of Mr. John Kemp and Co., of the Mercantile Offices, 46, Cannon-street, London, produced a letter from Mr. Bennison, asking him to procure for him a Renshaw's diary for 1874, a diary similar to the one kept by Gibson. At the request of the counsel for the prosecution, the case was then adjourned to a day to be afterwards fixed upon, and the prisoners were then requested to enter into personal recognisances of £50, and two sureties each of £25.

The adjourned hearing took place on the 30th September, the leading witness being John Gibson, "accountant," whose charming candour upon the subject of his exploits and antecedents generally forms quite a noticeable feature in the case. The story of Mr. Gibson's accomplishments, as elicited by the opposing attorney, is as follows:—

Have you ever gone by the name of Albert Gibson? I have. Have you also gone by the name of Fitzclarence? No. Have you ever been known by the name of John Albert Fitzclarence Gibson? No. What other name have you been known by? Fitzmorris. What is your true name? John Gibson. When did you first assume the name of Albert? I can't tell. When were you first known by the name of Fitzmorris? When I was about 16 years of age. What other towns have you lived in? Glossop, Leeds, York, London, Oldham, Chertsey, Petersfield, St. Helens, and Bath. Where were you first convicted? St. Helens. What were you convicted of there? Forgery. What kind of forgery? Forging a witness's name to an order of sessions. What term of imprisonment were you sentenced to? 16 months. What year was that in? I think about '69.

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Where did you serve the term of imprisonment? At Kirkdale Gaol. Where were you next convicted of forgery? I was convicted for forging a testimonial as to my own character. That is two years ago. Where were you tried? At Worcester. And you were convicted? I pleaded guilty, and was sentenced to twelve months' imprisonment. Where did you serve that term? At Worcester Gaol. On that occasion was your previous conviction for forgery produced in evidence against you? Yes. Are those the only two occasions you have been convicted? Yes. Have you ever been in prison on any other occasion? No. I have been locked up one night at York, when I was about 16 or 17 years of age. It was on a warrant for assault, which was withdrawn the next morning. It was stated the warrant would not have been applied for had it not been for a mistake. Have you been charged before the magistrates in this cause for stealing a book from Mr. Bennison? Oh, yes, of course, that is a necessary result of this case. Were you in the employment of Mr. Brewster of this town once? Yes, when I was 16 or 17 years of age. I am 34 now. Were you dismissed? I was. Were you then charged with stealing the moneys of your employers? No. Was that alleged against you or named? No. Were you in Mr. Brewster's debt when discharged? No. I was discharged for being out of the office playing at billiards incessantly. Were you discharged at Bath? No. I left with the best testimonials. I was not accused of taking my master's money. Witness then proceeded to give evidence as to the circumstances above stated, and other witnesses were called upon to prove the facts relied upon by the prosecution. For the defence it was suggested that the charge had arisen in consequence of ill feeling on the part of Mr. Braithwaite against Bennison personally as a rival accountant, and it was strongly maintained that none of the accused had done a single act that could be construed into conspiracy to defraud, and several witnesses were called on their behalf. The case lasted two days. The defendants were ultimately committed for trial at the next York assizes, bail being accepted for their appearance.

COURT OF BANKRUPTCY.

October 2nd.

(*Before Mr. Registrar* ROCHE, *sitting as Chief Judge.*)

IN RE J. J. HODGE.—Mr. Spyer applied under proceedings for liquidation instituted by Joseph James Hodge, paper merchant, College-hill, Cannon-street, that Mr. Maynard, accountant, Old Broad-street, should be appointed receiver and manager of the estate; liabilities estimated at about £15,000, with assets £4,000. His Honour granted the application.

October 6th.

IN RE EDWARD RIDGWAY, of the Lion Tavern, Metropolitan Cattle Market, Islington, licensed victualler. Unsecured debts, £5,177; debts for which security is held, £1,718; and debts partly secured, £1,500; with assets, £655. A petition for liquidation had in the first instance been filed; but the creditors declined to pass any resolutions thereunder, and an adjudication was made. Mr. E. Moore, public accountant, was appointed trustee, together with a committee of inspection; Messrs. Layton, Son, & Lendon being the solicitors to the proceedings.

October 7th.

IN RE BARON L. DE LIEBENBERG.—The debtor, who is described as of 3, St. James-street, of no occupation, presented a petition for liquidation on the 11th of September last, with liabilities to the amount of £22,966 18s. 8d. The assets showed a large surplus over the liabilities, being estimated at £40,120; they are chiefly derivable from property in Austria. Resolutions had been come to liquidating the estate by arrangement, and appointing Mr. H. Brett trustee, with a committee of inspection. Upon the application of Messrs. Lumley & Lumley, Conduit-street, Bond-street, his Honour directed registration.

October 17.

(*Before Mr. Registrar* BROUGHAM.)

IN RE CHARLES COCHRANE.—This was an application on behalf of the bankrupt to annul an adjudication. He had carried on business at 42, Cable-street, Whitechapel, as a corn and coal merchant. Mr. Doria supported the application; Mr. Powell appeared for the petitioning creditors. His Honour annulled the adjudication, subject to the payment of the costs of the petitioning creditors.

IN RE BARWICK.—This was an application by a debtor, who had filed a liquidation petition and effected a composition with his creditors, to restrain proceedings by Mr. J. Willis, a bootmaker, of Sloane-street, Chelsea. Mr. R. Griffiths supported the application, which was opposed by Mr. H. C. Barker, on behalf of Mr. Willis. It appeared that notice of the meeting of creditors at which the resolution in favour of the composition was passed had been given to Mrs. Willis, the wife of the creditor, who carried on until about nine months since a separate business as a milliner at another house in Sloane-street. Mr. Willis denied having received the notice, but he stated that he gave his solicitor, Mr. Barker, a "proxy" to attend the second or confirmatory meeting, and he believed that Mr. Barker was present thereat. His Honour thought there had been an inadvertence on the part of the debtor, of which the execution creditor could not properly take advantage, and that under the circumstances all parties were bound by the resolution. The injunction would therefore be granted, subject to the payment of £2 2s. costs to the execution creditor.

October 21.

(*Before Mr. Registrar* ROCHE.)

IN RE C. J. WEALE.—Under a petition for liquidation presented by Charles James Weale, described as of 1, Adam-street, Adelphi, wine merchant, trading as Bull & Weale, resolutions were passed to wind up the debtor's affairs by arrangement, not in bankruptcy, Mr. Jas. W. Sully, accountant, 23, Gresham House, Old Broad-street, being appointed trustee, to act with a committee of inspection; and Mr. Hughes (Linklater & Co.) now applied for leave to register the resolutions. It seemed that certain small creditors had not received notice of the meeting, but the validity of the resolutions was not affected by the omission, and his Honour allowed registration. The debtor returned his liabilities at £14,838, with assets £7,404.

October 22.

(*Before Mr. Registrar* BROUGHAM, *sitting as Chief Judge.*)

IN RE ELLIS BROTHERS.—The debtors, Ellis Ellis and Henry Ellis, of 21, Cockspur-street, Pall-mall, general merchants, trading as Ellis Brothers, have presented a petition for liquidation by arrangement or composition; and Mr. A. E. Copp now applied for the appointment of a receiver and manager of the estate. The application was supported by creditors, and his Honour appointed Mr. Sydney Smith, public accountant, receiver.

(*Before Mr. Registrar* ROCHE.)

IN RE H. MYER.—At a first meeting held under the bankruptcy of Henry Myer, described as of 138, Englefield-road, Islington, diamond dealer, a statement of affairs was produced, showing liabilities to the amount of £6,491, and assets £486. Mr. John Slater, public accountant, was appointed trustee, together with a committee of inspection, Mr. Louis Barneto being the solicitor to the proceedings. Mr. G. Lewis also appeared for creditors.

October 26th.

IN RE LEMON HART AND SON.—The debtors, George White and David Hart, were wine and spirit merchants, of George-street, Tower-hill, trading under the style of Lemon Hart & Son. Their liabilities are estimated at about £200,000, and the assets comprise stock and book debts to a large amount, some heavy contracts being also outstanding which it was necessary to complete. Proceedings in bankruptcy and at common law had been commenced, and it was material that the estate should be protected. Accordingly, upon the application of Mr. Hackwood (Linklater & Co.), his Honour appointed Mr. Arthur Cooper, accountant, George-street, Mansion House, receiver and manager of the estate, and granted the usual interim injunction.

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COURT OF BANKRUPTCY, BRISTOL.

October 10th.

(*Before Mr.* R. A. Fisher, *Judge.*)

In re Joseph Bumford, late of the "Jolly Farmers," Great George-street, Bristol.—The debtor, having been committed for trial by the magistrates under a prosecution ordered by the late judge of the court, had raised an objection to his examination and had refused to answer any questions; Mr. Carter, barrister (instructed by Mr. S. B. Ward), therefore desired to bring the matter before the judge, and stated that he had been met by arguments that, as the debtor was being prosecuted under the criminal law and had been committed, he must not be examined because his answers might tend to criminate himself. Mr. Carter consequently applied that the debtor might be committed for contempt, unless he submitted to be examined. Mr. Norris, barrister (instructed by Mr. Williams), said that, as a matter of common justice, the examination should stand over until after the trial of the debtor. His Honour apprehended that the objection was that, because the debtor stood committed, the other side sought evidence by a course of examination in order to support the committal. Mr. Norris said that was so. In reply to an inquiry by his Honour if there was any provision in the Bankruptcy Act that a trustee might from day to day examine the debtor until he had sufficient evidence to satisfy himself, notwithstanding the charge against him, Mr. Norris said that it depended upon the view the court would take of the 96th and 97th secs. of the Act. Mr. Carter drew attention to a case, re Heath, reported in Deacon & Chitty's Reports, and said that in *ex parte* Jones re Jones, which was an appeal from a county court, it was decided that the court had jurisdiction, if a dissentient creditor made out a *prima facie* case of fraud, to order an examination of the debtor as to his affairs. His Honour said, what occurred to him was, whether a bankrupt could be examined when criminal proceedings had not only been instituted, but were pending, and asked if the 19th sec. did not contemplate the continuance of proceedings in that court, without reference to a criminal case being taken. It seemed to him to be a course not in accordance with the principles of the law of the country, and, assuming that he granted Mr. Carter's application, he thought it would be competent for the judge trying the case to say that that which had been extracted from the debtor after the criminal proceedings had been instituted could not be used in evidence against him. Mr. Norris thought it could be used against him by the prosecution producing a witness at the trial who might say that he had heard the prisoner examined and that he had heard him say so and so. His Honour thought he might avoid the difficulty by adjourning the examination, and asked whether he might not say that it was an inopportune time for the application, and adjourn the examination until after the trial. If the application was *bonâ fide* and in respect of the property, it could be made as well after the criminal proceedings as before. If he had the power to adjourn the examination he should be disposed to exercise it. The Registrar of the Court said he had no doubt the judge had the power. His Honour said that if the debtor closed his mouth and declined to answer he must commit, and Mr. Carter could not then get the evidence he wished. Mr. Carter said that the effect of the delay might be very serious, for, supposing that property was collusively withheld from the trustee, there would be ample time for the persons holding it to dispose of it. It was not a mere inference or presumption, because there had been an actual committal for fraud. His Honour said it would seem that he had the power to adjourn, and he wished to prevent an injustice being done, and if he ordered an adjournment it could not be said that an injustice had been done. Mr. Norris said that, as the debtor would be tried at Quarter Sessions in thirteen or fourteen days, an adjournment could not prejudice the estate. His Honour did not like the evidence being given with a view to aiding criminal proceedings. Mr. Carter applied to put questions to the debtor which were innocent and would not tend to criminate him, in respect to a proof for £41. His Honour directed the examination to take place on that question and the debtor was sworn, but in reply to the first question said that, under the advice of his counsel, he declined to answer any questions which might be put to him. His Honour said that the debtor was guilty of contempt of court, and after some considerable discussion as to the debtor's position, his Honour ultimately said, to avoid anything being done in regard to the criminal trial, he would adjourn that part of the examination which affected it. Mr. Carter was then allowed to proceed with his examination of the debtor as to a particular debt, and the examination was afterwards adjourned until the 2nd November.

THE PROVINCES.

LIVERPOOL COUNTY COURT.—October 10th.

(*Before Mr.* Collier, *Judge.*)

In re Arthur Greer.—This was an application involving a question of practice. The debtor was a metal merchant in Liverpool, and the creditors at their first meeting resolved to liquidate by arrangement, and to delegate the grant of the discharge to Mr. Chalmers, the trustee. These resolutions were duly registered, but that with respect to the discharge was held by the Registrar to be *ultra vires*, the Act giving the creditors no power to delegate their right to grant a discharge. A new meeting was accordingly called by the trustee in mode prescribed by Rule 95, viz., by transmitting to each creditor, at the address given in his proof, a notice of the meeting and its object. At that meeting the statutory majority of creditors allowed the discharge, but on the same being presented for the signature of the Registrar, it was refused, on the ground that the meeting had not been advertised, as was required by the practice of the court and the ruling of the Chief Judge. Mr. Goldney, on behalf of the debtor, now asked the court to vary the Registrar's decision, and after a careful analysis of the rules, submitted there was no necessity to have advertised the meeting. The only pretence for insisting upon the meeting being advertised was that afforded by the 21st section, which enacted that all the provisions of the Act with respect to the first meeting shall apply to subsequent meetings; but although the first meeting was advertised, it was not by virtue of a provision of the Act, but only of the rules. There was a dictum of the Chief Judge reported in Hazlitt and Roche's Practice, to the effect that all meetings at which the majority bind the minority, must be advertised, but that had not the force of a rule and was not binding on the court. In fact it was inconsistent with the practice of the court over which the Chief Judge presided, for second meetings in composition cases, also meetings to pass a trustee's remuneration, and many other meetings, where the majority bind the minority, were never advertised. His Honour said, although he was not in favour of a multiplicity of *Gazette* advertisements, and consequent expense to estates, he was indisposed to disturb any settled practice. In the present case he did not think the dictum of the Chief Judge a sufficient authority to bind the court, and, therefore, taking his own view of the construction of the rules, he considered a *Gazette* advertisement unnecessary. The discharge would accordingly be signed.

In re Duckworth and Hindle.—At the county court, on October 16, there was an application in this case to vary the decision of the Registrar refusing registration of certain resolutions of creditors, whereby they agreed to accept a composition of 5s. in the pound, to be secured to the satisfaction of the chairman of the meeting. By the 280th rule it is prescribed that a composition, or any instalment thereof, may be secured in such manner as may be approved by a creditor, or creditors to be named in the resolution. In the present case the chairman was not a creditor, but the proxy of a creditor, and the resolution provided that the proposed composition was to be secured to his satisfaction. The resolution was presented for registration, but objected to by the Registrar on the ground that there was no certificate of the chairman that the payment

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of the composition had been secured to his satisfaction. Mr. Rodway, on behalf of the debtors, appealed from the Registrar's ruling, and the court, after hearing him, reserved its judgment until Tuesday, when it decided, without expressing any opinion as to the validity of the objection raised by the Registrar, that the resolution was in violation of Rule 280, there being no power conferred upon the creditors to delegate the approval of security to a proxy, but only to a creditor. Mr. Rodway said the point raised by the court had taken him by surprise, and he should be glad of the opportunity of looking to the authorities and re-arguing the case. His Honour assented, and accordingly the question was again brought before him. Mr. Rodway submitted that by virtue of section 80 a proxy, for all the purposes of the Act, stood in the same position as the creditor who appointed him, and therefore the chairman in the present case, being proxy for a creditor, was vested with all his powers. He could, and often did, turn the scale in passing resolutions; he could also grant a discharge; and it would be an anomaly if, when admittedly possessing such powers on behalf of his principal, he could not act for him in certifying as to the sufficiency of a proposed security. Further, the question of security was outside the provisions of the Act, and in the rules was merely supplementary. A resolution to accept a composition without security was equally as valid as one where security was named. If the form or mode prescribed for securing the composition did not in the opinion of the court exactly fit the terms of the rules it was but surplusage, and the court had no right of its own motion to prevent the creditors securing themselves in such way as they liked. The policy of the present Act was to confer upon the statutory majority of the creditors power to deal with their debtors' affairs as they thought best, giving them at the same time power to apply to the court to enforce their requirements. There was nothing in the Act or rules to prevent the creditors passing a resolution like the present, and he maintained, according to the decisions he cited, that the resolutions to be *ultra vires* must be something in contravention of the rules, and not supplementary thereto. He further urged that if it amounted to an irregularity, the court, by section 82, had power to rectify the same. His Honour said he was still of opinion that the sufficiency of the security should be certified by a creditor and not by his proxy; but as it had been suggested that that portion of the resolution might be so regarded as not to vitiate the whole, he would consider the matter further. Judgment was accordingly reserved.

BIRKENHEAD.

At the County Court, Birkenhead, motion was made to Mr. Tidswell for an order that a bill of sale executed on the 24th April last by Count D'Aragon, of Clifton-park, Birkenhead, whereby he assigned to Mr. Greenlaw, of Liverpool, auctioneer, all his household furniture, in consideration of a loan of £200, be declared null and void, and that the proceeds of the sale of the furniture comprised in the bill of sale be paid to Mr. Bolland, the trustee of Count D'Aragon's estate. Mr. J. B. Wilson appeared for Mr. Bolland; the debtor was unrepresented. The facts stated shortly were these:—In August, 1873, Count D'Aragon, being in want of money, obtained from Mr. Greenlaw £200 upon the security of a bill of sale of his furniture, valued at £500. That bill of sale was not registered within the twenty-one days prescribed by statute. In January of the present year, Count D'Aragon returned to France, where he still remains. Whilst abroad he remitted several sums of money towards the payment of his debts, Mr. Greenlaw receiving £70, and the original vendor of the furniture to Count D'Aragon receiving in all about £300, in payment of £500, the purchase-money. The latter being unable to enforce payment of the balance, obtained an adjudication of bankruptcy against the Count, the act of bankruptcy being that he had remained out of England with intent to defeat and delay his creditors. A trustee was in due course appointed, and he, on proceeding to realise the estate, found that the furniture had in part been seized and sold by Mr. Greenlaw under a bill of sale dated April 24th of this year, and the residue had been taken by Mr. T. H. Sheen, accountant, under a bill of sale dated 25th April following, given to him as security for repayment of a loan. The trustee impeached the validity of both these bills of sale, but to suit the convenience of Mr. Sheen, motion was now made with respect to Mr. Greenlaw's only. Mr. Wilson contended, first, that the bill of sale dated April 24th, 1874, must have been given for a past consideration, the loan being in August, 1873, and therefore comprising, as the bill of sale did, the whole of the debtor's estate in this country—it was an act of bankruptcy; secondly, it was executed, or purported to be executed, a month after the act of bankruptcy, on which the adjudication was founded, and of which Mr. Greenlaw must be assumed to have had knowledge; and thirdly, the bill of sale must have been falsely dated the 24th of April, at Liverpool, as the bill of sale given to Mr. Sheen, dated the next day, was executed at Cannes (where Count D'Aragon was residing), before the British Consul. Mr. Wilson was about to adduce authorities in support of his contention, when the Court interposed, and stated that it was unnecessary, as the point last taken was sufficient to warrant it in declaring the bill of sale void, and it accordingly made order in the terms of the prayer of the motion.

SHEFFIELD.

There have been numerous failures in this town and district during the past four or five weeks, which have resulted in the necessary meetings of creditors. There has also been at least one important decision given by the judge of the local county court (Mr. Thomas Ellison), the point in question being as to the adjudication of one partner in a concern in which there were three co-partners, the other two having been already dealt with by the court, the one partner having no private estate, and consequently no private liabilities. Details of this case, with his Honour's decision, will be found below. Resuming our report at the point at which last month's list terminated, the first failure is that of Mr. JOHN JOHNSON, plumber and coppersmith, of Pinstone-street, Sheffield, against whom a petition in bankruptcy was filed in the Sheffield County Court by Mr. Benjamin Taylor, builder, Sheffield, the debts being £130. On the application of Mr. E. K. Binns, solicitor, Mr. C. Appleby (Appleby & Lawson) was appointed receiver and manager. It being understood that Mr. Johnson was away from Sheffield, and the necessary notice having been given, an adjudication was made against him by Mr. Registrar Wake on September 28th, the liabilities being stated at £700, and the assets £256. The meeting of creditors was held at the County Court Hall on the 15th of October; Mr. Appleby was appointed trustee, with a committee of inspection.—On September 20th a petition was lodged against WILLIAM TOPLIFFE, publican and farmer, of Bearswood-green, Hatfield, near Doncaster, and the meeting of creditors was held at the offices of Messrs. Bennett & Co., accountants, 50, Norfolk-street, Sheffield, on October 12th. The statements of accounts presented showed the total liabilities to be £1,266 14s. 6d., with assets valued at about £195. Liquidation was adopted, Mr. Edward Bennett being appointed trustee, with Messrs. F. Brewster, N. Buchanan, and Cooper Corbidge as a committee of inspection; Mr. Peagam, solicitor, Doncaster, to register the resolutions.—A first meeting of the creditors in the private estate of Mr. HENRY HAWKSLEY, carrying on business as a hatter, and also a partner in the Whittington Brick, &c., Company, was held on September 21st. Mr. Fretson, solicitor, represented the debtor, and Mr. Limrey (Denton) occupied the chair. A detailed explanation of the peculiar position of the debtor (in consequence of the proceedings in the joint estate) was given by Mr. Fretson, who recommended the adjournment of the meeting until the result of the petition against the firm became known. Mr. Earle, receiver, read a report on the debtor's transactions, and presented a balance-sheet showing that in the private business Mr. Hawksley's liabilities were £2,221 4s. 1d., after deducting £1,057 19s. 10d. for creditors fully secured, the total assets being £1,106 14s. 3d. He also

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gave an estimate of the Brickmaking Company's position, showing its total debts to be £2,020 2s., those figures, however, being the balance after £7,296 17s. had been taken into account for fully secured creditors, who held security valued at £8,830. The assets he estimated at £2,093 3s. After a long discussion it was decided to wind up in liquidation, Mr. W. Fisher Tasker being chosen trustee, with Messrs. Z. Dearden (Denton), Limrey (Denton), Brewster (Sheffield), and N. Buchanan (Sheffield), as a committee; Mr. Fretson to register.—In the liquidation of Mr. GEORGE MOUNTFORD, jun., Eccleshall, Sheffield, Mr. W. Fisher Tasker was appointed trustee.—On September 25th a meeting was held *in re* the estate of Messrs. WILKINSON and LONG, surgeons, of Rotherham and Parkgate, at the offices of Mr. John Unwin Wing, accountant, Sheffield; a dividend of a fraction over 2s. in the pound was declared in the joint estate. Mr. Long had his discharge granted some time previously. In the separate estate of Mr. Wilkinson a dividend of 7s. 3d. in the pound was declared; his release was granted from November 10th, and the trustee will be released on December 31st. Mr. Marsh, solicitor, Rotherham, acted for the creditors in this matter.—A petition in bankruptcy was filed at Sheffield on the 25th September against WM. JARVIS, farmer, of Nine Scores, Finningley, near Doncaster, the liabilities being estimated at £5,000; small assets. Mr. E. Bennett, Sheffield, was appointed receiver. The meeting of creditors was held at Doncaster on October 23rd. In this instance also the debtor had been mixed up in bill transactions with Mr. James, of the Whittington Brick Company.—On September 26th a meeting of the creditors of Mr. ALFRED E. BUZZARD, veterinary surgeon, &c., Clay Cross, was held at the offices of Mr. Gee, solicitor, Chesterfield. The liabilities were stated at £368 14s. 1d., and the assets £33. Mr. N. Jepson was appointed trustee, and a composition of 6s. 6d. in the pound (guaranteed by the debtor's father) was accepted. —At a meeting of Messrs. DAVIE BROTHERS & COMPANY (Limited), Sheffield, on the 30th of September last, it was decided to increase the capital of the company to the extent of £50,000.—On September 23rd a petition in bankruptcy was filed in the Sheffield court against Mr. JOHN WHITTINGTON, oil and grease merchant, Darnall, but on the hearing the petition was thrown out and the proceedings nullified.—On Sept. 23rd petitions were lodged against DAVID TEAR, draper, &c., Sheffield, and WILLIAM McDOWALL, draper, Sheffield, both meetings being held on October 2nd. At McDowall's meeting, held at the offices of Mr. Alfred Taylor, solicitor, Norfolk-row, the liabilities were shown to be £447 17s. 5d., and the assets £225. Mr. J. Weir, Rotherham, trustee, with a committee. At Tear's meeting, held at the offices of Binney & Sons, solicitors, the liabilities were expressed at £880, with assets estimated at £460. Liquidation was adopted, Mr. P. K. Chesney, Bradford, being appointed trustee, and Messrs. Binney to register, subsequent proceedings being transferred to the Bradford court.—About the same date a petition was filed by JOHN HORSFALL, machine maker, Huddersfield, with liabilities of over £1,000.—A meeting of the creditors of DUNCAN McMASTER, draper, Retford, was held on October 6th; liabilities £4,188 4s. 2d., with assets worth £2,263 4s. 3d.; liquidation was determined upon, with Mr. Joshua Crowther, York-street, Manchester, as trustee, without a committee, and Mr. Bescoby, solicitor, Retford, to register. —On the 5th October the affairs of Mr. Henry James, "sometime accountant and financial agent, Sheffield," a partner in the Whittington Brick Manufacturing and Coal Company, near Chesterfield, and a partner in other affairs, came before a meeting at the Sheffield Court. Mr. Bennett, the receiver, read a statement of the private affairs, giving the net liabilities (after deducting £5,925 for fully secured creditors, who held £6,451 worth of securities, and £2,146 for partly secured creditors holding £1,980 worth of securities) at £11,159 8s. 3d. The assets he estimated at £1,119. In the estate of a colliery at Whittington, the balance sheet made the net liabilities £1,639 (after dealing with £4,354 11s. 2d. fully secured debts, held by creditors, with securities worth £5,250) and the assets £1,555 8s. 10d. As a partner in the Whittington Brick Company, the net liabilities were £980 (taking a balance to contra of £449 11s. 8d. as the over security held by fully secured creditors claiming £2,980 10s. 4d.), and assets £149 11s. 8d. Mr. E. Bennett was elected trustee, with a committee of inspection, the proceedings being in bankruptcy, as the debtor had absconded.—A meeting of the creditors of Messrs. GOMERSALL BROS., manufacturers, Dewsbury, was held at Wakefield on October 3rd. The liabilities were about £70,000. A former offer of 7s. 6d. in the pound being now repudiated, it was decided to wind up the estate in bankruptcy. —On October 8th a petition which had been filed praying for the adjudication in bankruptcy of Messrs. HENRY HAWKSLEY, HENRY JAMES, and ARTHUR JOHN FRETWELL, the three partners of the Whittington Brick Company, came up for hearing before Mr. Ellison, judge of the Sheffield County Court. The application was opposed on the part of the trustees in the separate estates of Hawksley and James. Long arguments were given *pro* and *con*, but it will suffice for all practical purposes to place on record a *précis* of his Honour's decision, which was reserved and given on October 15th and 16th. His Honour said the petition prayed for the adjudication of the the three partners named; the acts of bankruptcy alleged against them being that Hawksley had filed a petition for liquidation, that James had absconded, and that Fretwell had filed a declaration of inability to pay his debts. The petition, however, was merely an ordinary one—it alleged no special act of bankruptcy against the three partners, *as such*. He had, therefore, to take into consideration whether he ought to make a joint adjudication on such a petition. So far as Hawksley was concerned, no doubt the filing of his petition was an act of bankruptcy—an act which could not now be disputed; at one time it might have been disputed, but after the decisions which had been given upon the point it was now too late. His Honour cited cases from the equity reports, in which it had been held that a petition for liquidation was not always available, and then reviewed the evidence in the present instance. He said it had been advanced that it would be more convenient that there should be a joint adjudication against the three, and it was also stated that there was some difficulty in proving the joint debts. He saw no difficulty in doing so, seeing that under the 101st section of the Bankruptcy Act he had power to adjudicate against Fretwell, and his estate, if any, would then vest in the trustee of James's estate, which was already in bankruptcy. What he should do would be to adjudicate Fretwell a bankrupt, to dismiss the petition against the other two partners (who were already dealt with by their respective proceedings), and then, if application were made, he might further direct that the amalgamated bankruptcies and proceedings in liquidation be consolidated and carried on jointly. Next day, on the question of costs, his Honour decided that the petitioning creditor was not justified in making the application against James and Hawksley, and condemned him to pay the advocates', &c., fees incurred in resisting the application by the trustees in their estates. This decision is undoubtedly worthy of being made a "note one." Mr. Corbidge was continued in his appointment as receiver and manager of the joint estate until the meeting of creditors therein.—A meeting of the creditors of G. H. BRUNT, provision dealer, Rotherham, held at the same time before the Registrar, resulted in bankruptcy, the liabilities being £150, and assets £50. Mr. Joseph Pearson, Harlshead, was chosen trustee, with a committee of three.— An application was made to the judge asking for the commitment of EDWARD GAMBLE, steel and file merchant, Sheffield, in whose accounts there was an alleged deficiency of £1,130; no cash-book had been kept, and articles had been disposed of since the bankruptcy. It was ultimately decided to adjourn the matter for one month, to enable the debtor to give full explanations.—At the same date and place, a meeting of the creditors of JAMES KEEN, late of Masborough, Stockport, and Denton, and now of Beighton, was held. Liabilities £538 11s., and assets £197 2s. 6d. Mr. John Robertson, Market-street, Manchester, was appointed trustee.—Same day Mr. John Weir, accountant, Rotherham, was appointed receiver in the affairs of JAMES M'DOWALL, draper, Fitzwilliam-street, Sheffield, whose

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liabilities were mentioned at £1,200.—The estate of Cornelius Chambers, an absconding bankrupt, has realised 20s. in the pound, and his examination has necessarily been adjourned *sine die*.—Same date a petition was filed in the affairs of Mr. E. C. Webb, surgeon, Sheffield.—On Oct. 13th the creditors of Mr. George A. Robertson, jeweller and musical instrument dealer, met at Sheffield. Mr. John Edey, the receiver, stated the liabilities at £1,467 11s. 3d., and the assets at £263 11s. 9d. Liquidation was adopted, with Mr. Edey as trustee, with a committee of three, and Mr. F. T. Hawkin, solicitor, to register. —A special meeting of the shareholders of the Sheffield Waterworks Company on August 12th, authorised the directors to borrow £55,333 6s. 8d., the second one-third part of the whole sum of £166,000 authorised to be borrowed by the Company's Act of 1867.—The Sheffield United Gaslight Company pay 10 per cent. as usual for the half-year but take £2,674 from the reserve fund to do so, the half-year's profits having been only £18,266.—On October 14th a petition in liquidation was filed on behalf of Mr. James Chambers, iron merchant, Sheffield, with liabilities amounting to £4,000.—On October 15th the creditors of Mr. George Cooke, grocer and publican, met at Gainsborough. Liabilities £339 6s. 11d., and assets £66 4s. Mr. George Jay, Lincoln, was elected trustee, with a committee.—A meeting of the creditors of Arthur W. Butterworth, grocer, &c., of Sheffield, granted his discharge from December 9th, when the liquidation will be closed.—On October 20th a meeting of the creditors of William Toplis, late victualler, Sheffield, was held and adjourned.—On October 21st the creditors of Mr. John Corson, draper, &c., Sheffield, met at the offices of Binney & Sons, solicitors, Sheffield. The statement showed the liabilities to be £667 9s. 5d., and assets £170 5s. 6d. Liquidation was decided upon, with Mr. P. K. Chesney, Bradford, as trustee, and Messrs. Binney to register.—Same date a meeting of the creditors of Joseph Bird, grocer, &c., Swinton, was held at the offices of Messrs. Webster, solicitors, Sheffield. Liabilities £1,147 18s. 2d., and assets £414 7s. 1d. Liquidation was adopted, with Mr. H. A. Styring, Sheffield, as trustee, and Messrs. Webster to register.—October 22nd had been fixed for the public examination of Mr. John Whall, solicitor, Worksop, but as the bankrupt died a few days previously, the Sheffield County Court judge granted the necessary order to continue the bankruptcy.—A meeting of the creditors of Mr. Alexander Corson, draper, &c., Sheffield, has been held, the liabilities being given at about £600. Mr. Chesney, of Bradford, was appointed trustee, with Mr. Crang, solicitor, to register.—On Friday, October 23rd, petition filed in the Sheffield Bankruptcy Court in the affairs of Messrs. Benjamin Matthewman & Sons, cutlery manufacturers, Milton-street; liabilities estimated at £4,500, with assets of considerable value. —On October 23rd, at a meeting of the creditors of Mr. George Harrison, grocer, Brownhall-street, Sheffield, held at the offices of Mr. J. S. Birks, Sheffield, a dividend of 7s. 6d. in the pound was declared, and the debtor's discharge was granted. —On October 24th a meeting of the creditors of Mr. William Jarvis, farmer, of Mirescones, Finningley, near Doncaster, was held at the offices of Mr. Peagam, solicitor, Doncaster, under the chairmanship of Mr. George Wiles, of Sheffield; Mr. Bennett (Sheffield), the receiver, presented a statement of accounts, showing that the unsecured creditors were £3,764 2s. 9d.; other liabilities, £1,475 17s. 9d.; rent, taxes, &c., £10; total, £5,250 0s. 6d.; assets, tenant right, £350; realised at sale, £1,510, less £1,248 for claims, rent, and charges; total, £612. Liquidation was determined upon, Mr. Bennett being appointed trustee, with a committee of four, Mr. Peagam being entrusted with the usual registration.—On October 26th a meeting of the creditors of James Chambers, iron agent, Parker's-road, Sheffield, was held at the offices of Messrs. Broomhead, Wightman, and Moore, Sheffield, the liabilities being stated at £2,712, and assets at £157. The chief creditors refused to pass any resolution in the matter.—Same day a meeting was held of the creditors of John McDowall, draper, Sheffield. Liquidation by arrangement was adopted, with Mr. Chesney (Bradford) as trustee, and Messrs. Binney & Sons, solicitors, to register.—On October 9th a meeting of the creditors of Job Pease, Denby Dale and Cumberworth Half, manufacturer of fancy skirtings and waistcoatings, was held at the Huddersfield County Court. Liabilities £2,661 5s. 7d., assets worth £946 3s. 5d. Liquidation by arrangement was decided upon, with Mr. Grisdale as trustee, with a committee of three, and Mr. Berry, solicitor, to register.—On October 24th an important motion came before Serjeant Tindal Atkinson, judge of the Huddersfield County Court, *in re* the bankruptcy of John Jagger, on a question of costs. His Honour had, on the application of Mr. Lowe, the trustee, made an order setting aside a deed of conveyance by which the bankrupt had conveyed a large amount of property at Leeds to Mr. Walter Battle, cloth merchant, of that town. Mr. Atkinson, barrister, appeared for the trustee, and applied for costs. On the part of Mr. Battle, Mr. Bond, of Leeds, submitted that the costs should not be given against his client, on the ground that the trustee did not succeed to the full extent of his motion, that was to say, he applied for an order to set aside the deed without attaching the stipulation that he should pay whatever he found to be due to Mr. Battle for money he had paid in mortgages on the property. Mr. Atkinson argued that the proceedings were rendered necessary by Mr. Battle's own conduct, which his Honour's decision had proved to be fraudulent, consequently he was not entitled to any relief, to say nothing of the fact that there had been no offer on his part by which these proceedings might have been rendered unnecessary. His Honour said his decision did not impute any fraud to Mr. Battle, but merely that there had been no adequate consideration, and that Mr. Battle had made a mistake; the fact that the consideration had been inadequate was sufficient, therefore Mr. Battle must pay the costs.—On October 24th a meeting in bankruptcy of the creditors of Messrs. Gomersall Brothers, manufacturers, of Saville-town and Dewsbury, was held at Dewsbury County Court. Proofs for upwards of £50,000 were admitted, but others for debts due on sundry bills of exchange were rejected on the ground that the bills were not produced. Mr. Gordon, of Leeds, accountant, was appointed trustee, with a committee of inspection of five. During the month the following dividends have been declared in the estates respectively enumerated: Joel and Griffiths, 4s. in the pound on £2,000 liabilities; second and final of 1s. 3d. in the pound, George Scorah, timber merchant, &c.; first of 1s. 8d., Charles Adolph Benno Pfeilschmidt, commission agent; first and final of 7s. 3d., Hubert H. B. Wilkinson, Rotherham, surgeon; first and final of 1s. 10d. in the pound, John B. Naylor, cattle salesman; first of 3s. in the pound, John Smith, Swinton Bridge, grocer, &c. Dividends are on the point of being declared in the estates of A. Haswell (draper), Wm. Steele (out of business), George Mountford, jun. (scythe manufacturer), W. Southern, Arthur Rawson (plumber, &c.), Samuel Osborne & Co. (steel manufacturers), and Seth Peace (coal merchant). In the bankruptcy of John Augustus Melton, of Sheffield and Chatham, the trustee was released on September 25th.

BIRMINGHAM.

The following creditors' meetings have been held during October:—William Davis, brassfounders' agent, Birmingham; meeting held on the 23rd Oct., at the offices of Mr. M. A. Fitter, solicitor; liabilities £2,830 8s. 7d., assets, consisting of stock-in-trade, &c., £4,745. It was decided to wind up the estate in liquidation.—John McLintock, Liverpool, jeweller; meeting held at the offices of Mr. C. B. Hodgson, solicitor, Waterloo-street, Birmingham, on the 2nd Oct.; liabilities £4,000 5s. 11d., assets £302. An offer of composition of 5s. in the pound was refused, and it was resolved to remove the proceedings from Liverpool to Birmingham, and to wind up the estate in liquidation, Mr. Spencer Dominy, Waterloo-street, Birmingham, being appointed trustee. At the adjourned meeting on the 23rd Oct., a composition of 6s. in the pound was accepted.—John McClure, tailor and draper; meeting on the 7th Oct., at the offices of Messrs. Rowlands and Bagnall, solicitors, Colmore-row. Mr. Bunkle, accountant, read a state-

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ment of accounts, showing liabilities £1,921 11s. 9d., assets £771 0s. 6d.; the creditors agreed to accept a composition of 10s. in the pound, payable in six, twelve, eighteen, and twenty-four months.—WILLIAM OAKES; meeting at the office of Mr. A. G. Buller, solicitor; liabilities £200 7s. 11d., assets £19; composition of 2s. 6d. in the pound accepted.—JOB COLLINS, painter and paperhanger; meeting at the office of Mr. East, solicitor; liabilities £352; composition of 1s. in the pound accepted.—JOHN KENDRICK EDWARDS, plumber, glazier, and painter; meeting held at the offices of Mr. Fowke, solicitor, Ann-street, Birmingham, on the 8th Oct., Mr. J. R. Chirm in the chair; liabilities £903 1s. 9d., assets £259 13s. 11d. A composition of 3s. in the pound was offered and refused, and through the efforts of Mr. Starkey the amount was increased to 5s., payable in three, six, nine, and twelve months.—WILLIAM FRYER, painter and house decorator; meeting held on the 12th Oct., at the offices of Messrs. Wright and Marshall, solicitors, Town Hall Chambers; liabilities £768 1s., assets £185 6s. 10d.; resolution passed accepting a composition of 4s. in the pound in two instalments.—PITTOM MESSENGER, wheelwright; meeting held at the office of Mr. Lowe, solicitor, Temple-street, on the 12th Oct.; liabilities £520, assets £85; composition of 2s. in the pound accepted.—SHADRACH WILLIAMS, ironfounder; meeting held at the office of Mr. Edwin James, solicitor, Cherry-street, Mr. C. H. Edwards in the chair; liabilities £821 5s., assets £134 15s.; composition of 2s. 6d. in the pound accepted. —F. A. JONES, Stourbridge, cooper; meeting held at the offices of Mr. Green, solicitor, Waterloo-street, Birmingham, on the 24th October. Liabilities £1,340 14s. 10d., assets £484 4s. 10d. It was resolved to wind up the estate in liquidation. Mr. L. J. Sharp was appointed trustee, and Mr. J. M. Green represented the debtor.

BRISTOL.

A meeting of the creditors of ROBERT HOCKING, of Maesteg, Glamorganshire, ironmonger, painter, and glazier, was held at the offices of Messrs. Denning, Smith, & Co., accountants, Bristol, on the 13th Oct.; total liabilities £880 7s. 10d., and assets £563 17s. 7d.; composition of 10s. in the pound accepted; Mr. H. H. Beckingham, solicitor.—On 17th October a meeting was held at the office of Mr. Albert Essery, solicitor, Broad-street, of the creditors of EDWARD SMITH (trading as E. SMITH & Co.), of 40, Bridge-street, Bristol, wholesale stationer and printer; statement of affairs produced, prepared by Mr. Pitt, accountant, and the receiver in the matter, disclosed liabilities £736 0s. 2d., and assets £212 6s. 3d.; no offer being forthcoming liquidation resolved upon, and Mr. William C. Harvey, of the firm of Gamble & Harvey, 1, Gresham-buildings, Basinghall-street, London, was appointed trustee, and the debtor's discharge was refused.—Sept. 29, RICHARD CHANDLER, of Patchway, Almondsbury, Gloucestershire, builder, filed his petition for liquidation in the Bristol County Court, and the first meeting was afterwards held at the offices of Messrs. Hunt, Hodgson, & Bobbett, solicitors, Bristol; there did not seem to be any estate to liquidate, and the creditors separated without passing any resolution.—PAUL THEODORE PETERS and JOHN SAMUEL JEFFERIES (trading as PETERS & JEFFERIES), of 80, Quay, Bristol, india rubber manufacturers, filed their liquidation petition in the County Court, Bristol, on the 30th Sept., and their first meeting was held at the offices of Messrs. Murly & Sons, solicitors, Bristol, on the 16th Oct., when a resolution was passed to liquidate by arrangement, and a trustee appointed.

BRADFORD.

RE WILLIAM WOODHEAD, OF BOWLING.—On Monday, Oct. 19th, a meeting was held at the offices of Messrs. Terry and Robinson, Bradford, of the creditors of William Woodhead, of Park-road Works, Bowling, trading under the firm of William Woodhead & Co. At the last meeting the creditors accepted a composition of 7s. 6d. in the pound, payable by three equal guaranteed instalments of four, eight, and twelve months. The resolution of the previous meeting was confirmed, and Mr. Peter Kerr Chesney, of Bradford, accountant, appointed trustee. The liabilities are £14,660, and the assets £6,780.—A petition for liquidation of his affairs was filed on Monday, October 19th, in the Bradford County Court, through Messrs. Lees, Senior, and Wilson, solicitors, New Ivegate, Bradford, by Mr. JOHN GARBUTT, dyer and finisher, of Garnett-street, Bradford. The estimated liabilities are about £10,000. The estate is likely to realise a good dividend.—On Saturday, October 17th, a meeting of the creditors of W. HARKER, of Wilfred-street, law clerk, was held at the offices of Messrs. Peel & Gaunt, Chapel-lane, Bradford. The liabilities were reported at from £500 to £600, and the assets consist almost entirely of household furniture. The creditors separated without coming to any decision as to the course to be adopted.

RE KERSHAW JOWETT, innkeeper, of Tyersal, near Bradford. —A first general meeting of the creditors was held on October 12, 1874. The statement of affairs produced by the debtor showed liabilities about £650, against assets of about £150, which latter are subject to the claim of a bill of sale to be contested in the county court. Liquidation was resolved upon, Mr. Atkinson, accountant, Bradford, being appointed trustee, with a committee of inspection.

RE JOSEPH LOFT, of Hull, innkeeper.—A meeting of creditors was held on October 5, 1874, at the offices of Mr. Summers, solicitor, Hull. Mr. Atkinson, accountant, of Bradford, was appointed trustee, with a committee of inspection. The debtor's discharge was granted conditionally on his paying into the hands of the trustee 5s. in the pound and all costs within a month.

NEWCASTLE-UPON-TYNE.

The third annual meeting of the shareholders of LANGDALE'S CHEMICAL MANURE COMPANY, Limited, was held on Tuesday, at the offices of the auditor, Mr. Charles Tattersall, 14, Marsden-street, Manchester, and was largely attended. It appeared that Mr. S. Langdale (the managing director) having failed in business, his holding of £30,000 in the shares of the company was subject to forfeiture, and that gentleman consequently tendered his resignation, as did all the directors. The resignation of Mr. Langdale was accepted; but Mr. John Knowles, Mr. Carl Lange, Mr. John Rycroft, and Mr. Septimus Brown, were unanimously re-elected; and the following names were added to the board, viz., Mr. J. Leppoc and Mr. Wright Turner, of Manchester; and Mr. Scott and Mr. Bell, of Newcastle. Mr. Charles Tattersall was re-elected joint auditor along with Messrs. Goddard, of Newcastle, for the ensuing year.—The failure of Messrs. JOHN SOFTLEY & Co., iron ship builders, of North Shields, is likely to involve several establishments in loss, though the indebtedness is understood to be a good deal scattered. It is said their liabilities are about £55,000. The firm is stated to have taken their orders too low, and it is said that the liquidation will be unfavourable to the creditors. During October petitions were filed in the Newcastle County Court by the following:—M. STENHOUSE & Co., merchants and commission agents; SPIER & WOODGATE, chemical manure manufacturers; THOS. W. HUGHES (trading as LOSH, BORRIES, & Co.), merchant and commission agent; sworn under £10,000; HESLOP, WILSON, & BUDDEN, iron and metal brokers; JOHN ELLIOTT, iron rolling mills, Jarrow-on-Tyne; JOHN SOFTLEY & Co., iron ship builders, North Shields; SAMPSON LANGDALE, manure manufacturer, &c.; gross liabilities sworn under £400,000; T. S. BRAMWELL, chemical and iron broker.

NOTTINGHAM.

The first meeting of the creditors of Messrs. THOS. HUTTON FARMER and WILLIAM BROWN, Stoney-street, lace manufacturers, was held on Friday, the 9th Oct., before the Registrar, Mr. Patchitt. The object was the appointment of a trustee, and other business. Mr. Gilbert was attorney for the bankrupts, and Mr. Richards, for the petitioning creditors, had the conduct of the proceedings. Mr. Richards commenced by producing various proofs of debts from the creditors, to which no objection was made. It transpired that their joint estate amounted to £7,808, their joint assets to £3,302 5s. 4d.; liabilities of

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T. Hutton Farmer, separate estate £665 8s., assets £286 13s. 6d.; liabilities of William Brown's separate estate £105 3s., assets £82 18s. 6d. Mr. Charles Rogers, accountant, Willoughby House, was appointed trustee, with committee of inspection.

COVENTRY.

At the Coventry County Court, on the 30th September, a case was heard, involving a charge of fraud against a bankrupt named William Furnivall, residing at Earlsdon, near Coventry, veterinary surgeon, the trustee being Mr. E. T. Peirson, public accountant, Coventry. The main point upon which fraud was alleged was as to the sale, or pretended sale, of bankrupt's furniture to a brother-in-law named Nichols, the bankrupt's story being that Nichols agreed to purchase the furniture, and paid the sum of £117 10s. for it. On the other side there were very damaging affidavits as to the position and means of the man Nichols, and, under the circumstances, the solicitor to the trustee made application to the court to have "the sale or pretended sale" by the bankrupt of his furniture, &c., declared fraudulent and void as against the bankrupt's creditors and the trustee of his estate. Immediately upon the case being called, the solicitor who appeared for Nichols and the bankrupt intimated that he was not disposed to fight the case, and, addressing his clients in open court, said he could see great mischief likely to arise if the matter were pursued. He advised them both, therefore, to abandon the position they had taken up, and allow the furniture to be handed over to the trustee. He warned them that if they did not they might both be prosecuted for conspiracy, and might find themselves lodged in Warwick gaol for a long period. The Judge said no reasonable man could doubt that the transaction was a gross fraud. Even though money did pass, the transaction appeared to be a mere juggle, and as far back as the reign of Queen Elizabeth a statute had been passed rendering void transactions of this sort, where no actual transfer had been made. The whole thing, he added, stinks of fraud, and no amount of ingenuity on the part of their solicitor could have rescued these persons from their position. An order was then made by consent for the delivery of the furniture and other effects in question, to be delivered to the trustee, and Nichols signed in court an undertaking to give up possession forthwith. The costs of the application were also ordered to be paid by him.

HUDDERSFIELD.

A meeting of the creditors of Messrs. Bance & Carter, woollen merchants, of Huddersfield, was held on the 23rd Oct.; the liabilities were stated at £20,130, and assets at £14,598. It was resolved to liquidate by arrangement and not in bankruptcy.

BATH.

At the usual weekly meeting of the Board of Guardians held on the 14th October, Mr. H. Ponter, accountant, was elected Registrar of Births and Deaths for the district of Tiverton, in the place of Mr. McClure, surgeon, of Tiverton, who had lately vacated the same.

EDINBURGH BANKRUPTCY COURT.

At this court on the 7th October, William David Mackay, commission agent, residing at Lochside House, Duddingston, appeared before Sheriff Hallard for examination as a bankrupt. There were present Mr. W. B. Robertson, C.A., trustee; Mr. Robert Menzies, S.S.C., agent in the sequestration, and Mr. Campbell Smith, advocate, mandatory. From the state of affairs put in process, it appeared that his liabilities amounted to £642 8s. 7d., while his assets were estimated at £50 15s., leaving a deficiency of £591 13s. 7d. After examination, in the course of which numerous details were entered into, the statutory oath was administered.

The Bankruptcy of Mr. Robertson, Chamberlain to the Duke of Hamilton.—In the Hamilton Bankruptcy Court, on the 12th October, Sheriff Lees, Airdrie, presiding, Mr. Stewart Souter Robertson, Hutton Bank, Hamilton, was examined in bankruptcy. The sederunt comprised Mr. J. Clark Forrest, banker, Hamilton, trustee; Mr. Alex. Wylie, W.S., with Mr. E. T. Dykes, Hamilton, law agents, for the trustee; Mr. J. T. Bannerman Robertson, advocate, for the bankrupt; Mr. Alex. Fleming, S.S.C., for Messrs. Tods Murray and Jamieson, Edinburgh; W. Archibald, solicitor, and Mr. J. F. Mackenzie for creditors. The bankrupt was examined at length, and during the proceedings a draft statement of his affairs was handed in showing assets £29,439 odd, and liabilities £34,666. Adjourned till November 2nd.

GLASGOW.

The Bankruptcy of Messrs. Macfadyen and Co., Shipbuilders.—On the 20th October the examination of the members of this firm took place in Glasgow before Sheriff Guthrie, and as it was one of the concerns connected with the late failure of Messrs. Watson and Campbell, iron merchants, some interest was taken in the proceedings. The liabilities were stated to amount to £31,496, and the assets to £13,131, showing a deficit made during the 22 months the firm was in business of £18,365, and this deficit was attributed to losses chiefly on the building of 13 steamers of 6,323 tons. Mr. Archibald Macfadyen, in his examination, deposed that the firm of Macfadyen and Co. had commenced business in October, 1872. The total capital of the firm at that time amounted to £1,450. The partners were the bankrupt himself, Mr. M'Culloch, Mr. Polinus, and Mr. Low. Mr. Low had died on the 30th of September, 1873, and the firm paid out to his executors the sum of £948 12s., being his original capital and estimated share of profits. No balance of the books was made at Mr. Low's death, but the share allowed him was estimated by the members of the firm to the best of their ability. The bankrupt had charge of the commercial, Mr. M'Culloch of the iron, Mr. Polinus of the wood, and Mr. Low was draughtsman. At the beginning each partner drew £2 a week, after Mr. Low's death £3, and subsequently £4. The firm first felt itself in difficulties when Watson and Campbell suspended business. At that time the firm had acceptances to the amount of from £18,000 to £20,000. All the vessels had been built under contract. The firm made no balance of their affairs when they commenced finance. The other bankrupts, M'Culloch and Polinus, were afterwards examined, and corroborated the statement made by Macfadyen. The statutory oath was then administered. There were present Mr. James M'Kenzie, writer, Glasgow, agent in the sequestration; Mr. A. S. M'Clelland, accountant, trustee; and Mr. T. C. Young, writer, agent for a creditor.

At the Glasgow Bankruptcy Court, October 16, John Gilmour, baker, Glasgow, was examined before Sheriff Murray by Mr. J. A. Spens. The liabilities were stated at £2,479, and the assets at £570. The statutory oath was administered.

In the Glasgow Bankruptcy Court, October 15, John Walker, grocer, Strone, was examined as to the cause of his insolvency. The bankrupt stated that his liabilities amounted to £453 10s. 7d., and his assets to £94 14s., leaving a deficiency of £350 16s. 6d. The statutory oath was administered.

Thomas Henry Young, lithographer, Glasgow, was examined under bankruptcy on the 13th October, before Sheriff Guthrie, by Mr. J. H. Fergusson, accountant. Liabilities were stated at £1,434, and assets, after deducting preferable claims, £1,241. The oath was administered.

Thomas Harvie, sadler, Airdrie, was examined in the Bankruptcy Court, Glasgow, on the 13th October, before Sheriff Clark, by Mr. Meikleham, accountant. The liabilities were stated at £273, and the assets at £71. The oath was administered.

John Renton, formerly accountant, Glasgow, now quartermaster, Glasgow, was examined in bankruptcy on the 6th October before Sheriff Galbraith, and stated his secured liabilities at £363, and ordinary liabilities at £1,625, while his assets were £764. The examination was adjourned.

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DUBLIN.

In the Local Court of Bankruptcy, on Wednesday, the 24th October, Mr. Barnard Cracroft, stockbroker, Austin-friars, London, sought to have John Westby Smith, stockbroker, of Belfast, adjudicated a bankrupt on failing to pay complainant's claim of £32,495. The case for Mr. Cracroft was that he acted in the purchase of stocks, shares, and securities for Mr. Smith, under a contract that the dealings should be conducted under the rules and regulations of the London Stock Exchange, and that he was to be indemnified from all losses. Mr. Smith pleaded that even if the contract had been made, it was void on account of being made for the purpose of gambling and wagering. The plaintiff, Mr. Cracroft, was (counsel said) a gentleman of education. He graduated in arts at the University of Cambridge, and was called to the English bar. In early life he became acquainted with some of the principal moneyed people in London, including the Rothschild and Goschen families, and other magnates of the financial world. When engaged in producing a history of banking institutions he applied for information to the directors of the Belfast Banking Company, and he was referred to Mr. William Smith, brother of the defendant, then chief accountant in their establishment. At this time the defendant, John Westby Smith, was also an officer of the bank, but soon after left and set up in business as a stock and share broker. In January, 1872, the defendant, his brother William, and Hugh W. Rogers, manager of the Cookstown branch of the bank, conceived the idea of entering largely into transactions upon the London Stock Exchange. In order to carry out this design it became necessary to obtain the services of a member of the London Stock Exchange of character and ability. Accordingly, on the 12th of January, 1872, the defendant, signing himself John W. Smith and Co., No. 2, Rosemary-street, wrote a letter to Mr. Cracroft. Mr. Cracroft being in Italy at the time, this letter was opened by his confidential manager, Mr. Murray Astin, who proceeded to Belfast, and saw Mr. Smith. The latter represented that he had at his back a powerful "syndicate" of wealthy men. He did not mention the names of any of the so-called syndicate, but Mr. Murray Astin returned to London, and commenced business transactions with Mr. Smith. All the documents forwarded from Mr. Cracroft from the commencement to the close of the proceedings bore on the face of them words stating that all transactions were conducted under the rules and regulations of the London Stock Exchange. From February, 1872, to November, 1873, all transactions between the parties appeared to have been closed, and it was in reference to the dealings in the month of December last that the question now at issue arose. During the earlier period Mr. Smith had sustained heavy losses, but he had honourably met his engagements so far. It was because he did not continue to do so that this case was brought forward. His losses had been in all over £80,700, and perhaps the jury would wish to know where the money came from to meet this large amount. He (Serjeant Armstrong) would inform them. All this time Mr. Smith, the chief accountant, and Hugh W. Rogers, the manager of the Cookstown branch, were engaged in robbing the bank, until at length their frauds reached a sum of no less than £142,000. William Smith and Hugh W. Rogers were arrested and committed for trial. They pleaded guilty, and were sentenced to long terms of imprisonment. This brought William Smith's career to a close, and then he wrote to Mr. Cracroft to say—"My syndicate is discovered, and all my money is gone." There was not a word of truth in the original statement to Mr. Astin. The "syndicate" was a myth. There was not a soul in connection with him, and he had no money to meet his liabilities. The magnitude of the transactions might be gathered from the circumstance that from the end of November to the middle of December, when they closed completely, the purchases had amounted to over £1,600,000, and that the loss upon them was £52,870. The defence set up was that the transactions were, with a few exceptions, gambling pure and simple. The case lasted several days and was concluded on Saturday, the 31st October. Having deliberated several hours, and after twice declaring their inability to agree upon one of the counts, the jury found a verdict for the plaintiff on all the issues. The judge, however, stayed the bankruptcy proceedings pending a legal argument before one of the superior courts.

THE "CO-OPERATIVE CREDIT BANK" is the title of a novel and bold attempt to invite public subscriptions on the basis of confidence in a single individual, under the inspection of a board of accountants. It is not within the scope of this journal to advocate the claims of public companies or other form of joint-stock enterprise, but the peculiar principles on which the bank is founded induce us to draw the attention of the profession to the features of the scheme as propounded in the prospectus in another portion of our columns. The propositions of the projector and proprietor may be shortly stated as follows:—1. Financial business is eminently profitable. 2. It is virtually a monopoly, being confined to a few great firms. 3. It requires a large command of capital. 4. Like contracting, and other businesses of a cognate character, it can be more successfully conducted by individual skill than by the cumbrous machinery of a board of directors. 5. The management shall receive no remuneration until the contributors have been paid their interest, and a proportion of profit set aside for reserved fund. 6. The remuneration of the manager being dependent on the remainder, it is his direct interest to manage the business prudently. 7. The board of auditors shall be chosen from amongst the first accountants in the kingdom, and report quarterly to the subscribers the position of the bank. 8. There is no partnership liability, and, on the other hand, no published list of shareholders for "bears" to terrify by mendacious circulars. The obvious objection to the scheme is, that the entire management is committed to a single individual. To this objection the projector replies, "I am perfectly master of the business I offer to undertake. I am not a paid servant, but entitled to a remainder in case of success. Any man will be honest and prudent if you make it worth his while to be so; in this concern the remuneration you offer me in case of success is splendid—*ergo*, I shall manage your affairs honestly and prudently; and if from lack of skill or other cause I fail to conduct your affairs successfully, your auditors will speedily inform you."

REAL PROPERTY STATISTICS.—A recent Parliamentary return shows that as to property tax assessment, from the years 1815 to 1873, inclusive, the gross value of real property, according to Schedule A, in 1814-15, was £53,495,374. The gross rental of lands was, according to Schedule B, £36,260,000. In 1871-2, the amounts under these two were £159,983,932, and £48,914,230, respectively. The gross estimated rental assessed to the poor rates was, in 1855-6, the first year which appears in the return, £86,077,676; in 1872-3 it was £132,453,870. The rateable value assessed to the poor rate in 1840-41 was £62,450,030; in 1872-3 it was £112,317,603. The total sum levied as poor rate in 1814-15 was £7,547,676, and in 1872-3 £11,486,117. The sum expended in the relief of the poor in 1814-15 was £5,418,846, and in 1872-3 £7,692,169, according to this return.

ERIE RAILWAY.—The report of Messrs. Quilter, Ball, & Co., and Turquand, Youngs, & Co., the accountants appointed to investigate the affairs of the Erie Railway Company, states that the earnings were sufficient to justify the payment of the dividends on the Preferred Stock for two years ending 30th September, 1873. But by reason of deficiencies discovered in the accounts of the Gould administration, there was no sufficient balance applicable to the payment of dividends on the common stock.

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EUROPEAN ASSURANCE ARBITRATION.

A sitting in this matter was held on Tuesday, the 20th October, at Westminster-chambers, by Mr. F. S. Reilly, the assessor. From the affidavit of the liquidators of the English Widows' Fund, it appeared that that company was wound up as far back as 1863, and up to the present time no call had been made. Several annuitants having now made claims against the company, it was necessary to make calls, in order to meet the sum of £5,937 18s. 7d., but as only about £200 was anticipated to be received from a certain portion of the contributories, another call of £4 per share was rendered indispensable. Great opposition was made to this. An objection was put in by one contributory on account of eleven years having passed, but without avail. Another contributory's case was permitted to stand over, on account of his connection with the British Nation, the winding-up of which, he stated, had reduced his circumstances to *nil*. A Mrs. Gilbert endeavoured to obtain exemption, on the ground of her having distributed the estate of her late husband, who was the holder of the shares for the call upon which she was now to be made liable, but notwithstanding her statement that she had lost heavily by the Albert and European Companies, the assessor, although condoling with her misfortune, retained her name on the list. Mr. John Young (the liquidator) promised to give her case his best consideration. The late Marquis of Northampton was settled on the list for one share, and the Duke of Cambridge for ten shares. A case was obtained by a gentleman, a general in the army, for the decision of the arbitrator as to the legality of the call.

The settlement of the B list was subsequently taken—a call of £3 on those who had paid £4, and £7 on those who had paid nothing. A solicitor disputed the liability of his client, on the ground of his having transferred his shares before the date of the winding-up order, but, as the Court of Chancery had settled him on, the assessor stated that the arbitrator would be bound by that. Another solicitor contended that the annuitants had freed the English Widows' Fund from all liability by accepting the British Nation in place of the former company, and that the official manager had agreed to settle the matter for a stipulated amount. Mr. Mercer observed that the only way of upsetting the calls would be to upset the claims, and that a summons for that purpose could be taken out, and the solicitor said that he would certainly adopt that course. The 5th instant was named as the day when the case would be brought before the arbitrator.

In Chancery.—The first account of the Paymaster-General under the Court of Chancery Funds Act shows that on the 31st of August, 1873, the securities and money in the Court of Chancery belonging to suitors reached the value of £66,239,818, or rather that nominal value, for the securities are not put at their actual cash value, but are the amount of stock which has been brought into court or purchased. The "cash" is not quite four millions sterling. Of this amount nearly two millions and a half are due from the Consolidated Fund, being the "book debt" due in cash from the Court of Chancery to the suitors. Nearly £600,000 had been placed upon deposit under the 14th section of the Act. The item of "securities" amounts to above sixty-two millions sterling, and is constituted chiefly of Government or Indian Stock, but includes a multitude of other investments, such as railway stock or shares, dock and assurance companies' stock, colonial bonds, Brazilian and various South American bonds, Spanish bonds, St. Pancras Skinner's Estate bonds, &c., all brought into court for safe keeping during some strife or suit. There are also a large number of boxes and miscellaneous effects in the Bank of England, deposited there on behalf of the Court of Chancery—boxes containing securities, jewellery, title-deeds, a will, personal ornaments, plate, a portrait, diamond necklace, coronet, and earrings, and many other articles, each box being marked with the title of the cause or matter in which the contents are in dispute or under discussion. The Controller and Auditor-General has had to report on the accounts, and observes that the limited audit which alone is at present possible does not fulfil the object contemplated by the Treasury in 1871—viz. the establishment of a "complete check on Chancery expenditure."

Fraudulent Bankruptcy.—At the Guildhall, on the 20th of October, Gustavus Marks, described on the charge-sheet as a furrier, of No. 44, De Beauvoir-road, Kingsland, surrendered to his bail to answer several charges under the 11th clause of the Bankruptcy Act. Mr. Besley appeared to prosecute, and Mr. Wontner defended the accused. The evidence, which had extended over several examinations, went to show that the defendant started in business as a merchant in July, 1872, and in February, 1873, became bankrupt, with unsecured liabilities £3,500, and assets virtually *nil*. Mr. E. J. Yaldon, accountant, of 70, Cheapside, was called, and stated that by order of the court he had had placed in his hands the goods, cash, and deficiency accounts of the defendant. He had investigated them, and could say from those accounts that it was untrue for the bankrupt to say that he had bought goods for cash. He had not accounted in his books for any of the advances he had received for the goods he obtained on credit. If he had bought any he had omitted them altogether from his accounts. It was impossible that the goods account could be a true one; there were discrepancies in that account and a uniformity in the amounts which, as an accountant, he could say could not occur in mercantile transactions. Some formal evidence having been given, Mr. Alderman Cotton fully committed defendant for trial, but admitted him to bail, two sureties in £200 each, one in £300, and himself in £700. The trial took place at the Central Criminal Court, and Mr. Justice Lush passed sentence of 18 months' imprisonment, with hard labour.

We learn that the improvements which are being carried out in connection with the Bankruptcy Court and its offices in Portugal-street and Lincoln's Inn-fields will soon be completed. On the completion of the work we understand all the business will be transacted there. This will be a great convenience to professional gentlemen, who have for a long time had their energies severely taxed in carrying on matters at Basinghall-street and Portugal-street simultaneously.

The Secretary of the London Financial Association (Limited), writes:—"In consequence of the sudden and lamented death of the late manager, Mr. B. Dunn, soon after the last half-yearly meeting of shareholders, the Board of Directors have anxiously considered the best course to be adopted for supplying the vacancy so occasioned. I am directed to inform you that the result of these deliberations is that they have appointed Mr. John Ball, of the firm of Quilter, Ball, & Co., provisional manager, to assist the directors in the realisation of the securities of the association."

A petition for winding up the London and Paris Hotel Company (Limited), has been presented to the Court of Chancery.

Mr. Albert Grant was presented on Saturday with a handsome silver centre piece by the Conservatives of Kidderminster, in acknowledgment of his political services to the borough. A presentation was also made to Mrs. Grant.

Lemon Hart & Son.—This case was brought before Mr. Registrar Hazlett to day (November 2), the interim injunction being continued upon the application of Mr. Linklater.

We learn from the *City Press* that Mr. D. R. Harker died at his residence, Osborne-villas, West-green-road, Tottenham, on Tuesday last, in his 70th year. Mr. Harker held the position of toastmaster for 38 years, till he retired a few years ago through ill-health. He was well known in connection with many other offices, and was much respected in the City.

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PARTNERSHIPS AND INVESTMENTS.

PARTNERSHIP WANTED by a Gentleman, with a capital of £1,000 to £2,000, in a sound London business. The advertiser will require to be satisfied as to the results of at least three years' working. Apply, with particulars, to Messrs. John Bath & Co., Public Accountants, 40A, King William-street, London Bridge, E.C.

A COUNTRY SOLICITOR, having a very good connection and a Capital of about £1,500 at command, is desirous of joining a gentleman with an established practice in London. Apply to Messrs. John Bath & Co., Public Accountants, &c., 40A, King William Street, London Bridge, E.C.

A GENTLEMAN, having £1,000 at his disposal, wishes to find employment for the same in some well-established business; small manufactory in town or country preferred. Apply to Messrs. John Bath & Co, Public Accountants, 40A, King William-street, London Bridge, E.C.

PARTNER WANTED with £3,000 in an old-established City Decorators and Contractors for Repairs. The business, which has been established more than a century, has the monopoly of a special agency, and is at present making good profits. The incoming partner to take charge of the financial and counting-house department. The business being thoroughly well established, full accounts will be submitted on application, and arrangements may be made whereby the incomer can test the *bonâ fides* of the concern prior to the whole of his capital being introduced. Apply to Messrs. John Bath & Co., 40A, King William-street, London Bridge, E.C.

A SOLICITOR with from £3,000 to £5,000 may enter into partnership with an established London firm. Apply to Messrs. John Bath & Co., Public Accountants, &c., 40A, King William Street, London Bridge, E.C.

WOOLLEN TRADE.—A Gentleman who has been in business several years (Special Branch), and is wishful to extend same, is open to treat for admission of a Partner who can introduce a capital of from £2,500 to £3,000. Sleeping or otherwise. For particulars apply to Alexander Atkinson, Public Accountant, 15, Kirkgate, Bradford.

A PUBLIC ACCOUNTANT (M. S. A. ENG.), residing in a county town in the West of England, is willing to enter into arrangements with a Gentleman to join him as WORKING PARTNER. Highest references given and required. Address "Alpha," Editor of ACCOUNTANT, 59, Basinghall-street, E.C.

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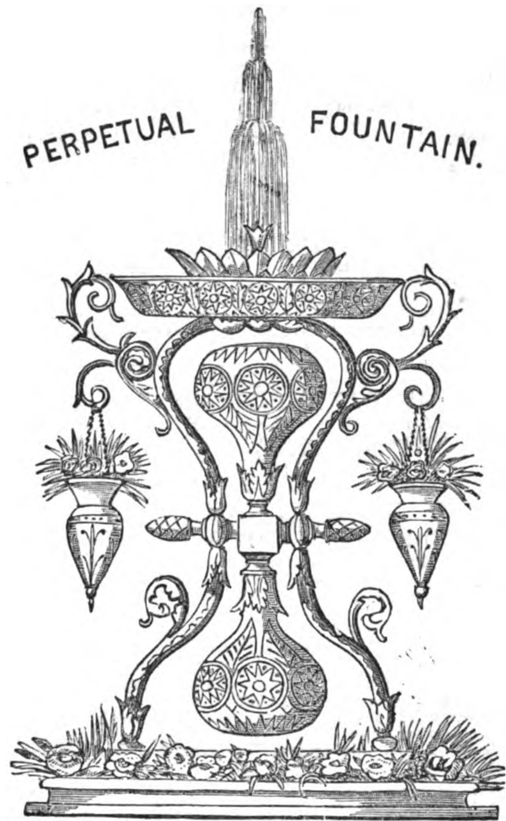

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In comparison with a Private Bank, it possesses equal secrecy as regards individuals; and it has also the same advantage of individual management. But, whereas, in a private bank the co-operative element is essentially absent, in this project it forms a prominent feature. No private banker publishes a balance-sheet; he relies on his own credit and reputation, and trades for himself alone. The Co-operative Credit Bank, on the other hand, divides a large share of its profits with its constituents monthly, and renders to them a certified balance-sheet quarterly.

Lastly, to compare it with a Finance Company. Societies of this nature were introduced into England in the year 1864-5, projected on the basis of the French *Credit Mobilier*, *Credit Foncier*, &c. They were eagerly taken up by the public, but they did not succeed, and for the following reasons:—Firstly, they were burdened with enormous sums of promotion money and preliminary expenses, and extravagant salaries to chairmen, deputy-chairmen, directors, and official staff. Secondly, they were, almost without exception, projected to benefit some particular individual, or firm, and to carry out some particular scheme; and that failing they had neither money nor credit to embark in any other business. Thirdly, they were projected with the idea that their acceptances would be universally discountable; whereas, the market being flooded with their paper, no banker would look at them; and this arose, not only from the large quantity afloat, or attempted to be floated, but also from the general distrust in the responsibility of the shareholders, who, it was known, were in many cases men of straw, who had subscribed for the shares on the small preliminary deposit and allotment call, expecting to sell them again at premiums. Although, therefore, a large margin of capital nominally appeared behind the paid-up capital, it was notorious that further calls would not be readily met; and subsequent events justified this opinion. Fourthly, the directors of these companies were harassed by the double fear of movements on the Stock Exchange, tending to depreciate their shares and credit at the same time, and of making calls which would be distasteful to their shareholders and with difficulty collected. The Co-operative Credit

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Bank avoids all these rocks. It is burdened with neither preliminary expenses, promotion money, nor extravagant salaries, nor commission to chairmen, deputy-chairmen, directors, or expensive officials; *the first charge on the profits of this Co-operative Bank, after working expenses, being the payment of the Bonus to Subscribers*; the second charge being applied to the formation of a Reserve Insurance Fund, as hereinafter mentioned, and the proprietor deriving his remuneration from the remainder alone. It is his direct personal interest, therefore, to make the largest profits and the smallest losses. The constituents of the Co-operative Credit Bank are cautioned to subscribe for no more of the capital than they can really afford. Their responsibility is individually tested: the solidity of the Bank's credit can therefore never be brought in question. It has no shares to be gambled with on the Stock Exchange; no fluctuations on the quoted list can disturb its credit or the peace of mind of its constituents. It is not projected to serve any individual purpose or particular scheme. It will operate for its own benefit, whenever and wherever it finds profitable opportunity. It affords to all classes a channel of investment, and it cannot be too clearly stated that the proprietor is directly responsible to his constituents for the due application of the funds and guarantees entrusted to his charge, and is checked in the possibility of malversation by the independent quarterly audit and certified balance-sheet.

The subscribed fund will commence with £500,000, to be increased as occasion offers in amounts as above.

A fixed proportion of the profits, viz., £1 per £100 per month, will be *paid* IN CASH to each subscriber.

Any person desirous of becoming a Subscriber must sign the letter of proposal to such amount as he or she wishes to subscribe, and forward the same to the proprietor, together with two references as to his or her responsibility. If accepted after inquiry, his or her name will be registered for the amount, and a bill at three months' date for the amount of the subscription will be forwarded for his or her acceptance. This bill will be discounted with one or other of the bankers or discount houses with whom this Co-operative Credit Bank is connected, and the proceeds used in the operations of the Bank. It will be renewed from time to time as it falls due, so long as the proposal remains in force. If, however, the Subscriber prefers to pay up in CASH the amount of the proposal, instead of giving an acceptance, he or she can do so, and interest will be allowed thereon at the rate of SIX PER CENT. PER ANNUM, IN ADDITION TO THE ORDINARY FIXED RATE OF £1 PER CENT. PER MONTH, MAKING IN ALL 18 PER CENT. PER ANNUM. In such case a special deposit receipt will be given for the amounts paid up in cash. The proposal must be made in the first instance for six months certain, but at expiration of that period can be withdrawn at 60 days' notice, when both the proposal and acceptance, if any, will be returned cancelled to the Subscriber. The proprietor similarly reserves to himself the right of terminating the engagement by notice of 60 days after expiration of the first six months.

All subscriptions not exceeding £50 must be paid up in CASH, and in order to afford the INDUSTRIAL CLASSES an opportunity of participating in the project, such applications will have priority in acceptation. Such Subscribers are required to sign the subjoined form, and to forward the same, together with a copy of the Prospectus attached, and the amount of their subscription, to the Bankers. On acceptation of the subscription, a special deposit receipt for the amount subscribed will be given. All such subscriptions are available for the same periods, and are subject to the same terms of notice of withdrawal, on either side, as the proposals aforesaid, and will receive interest at the rate of 6 per cent. per annum, in addition to the ordinary fixed rate of £1 per cent. per month, making in all 18 per cent. per annum.

The proprietor undertakes to set aside 30 per cent. of the remaining net profits to form a Reserved Insurance Fund, so long as any proposal remains in force. This, it is calculated, will accumulate at the annual rate of five shillings for every pound of capital subscribed, and will be invested in the names of trustees elected annually by the Subscribers.

The business of the Bank will embrace operations in stocks and shares, home and foreign funds, public loans, concessions, contracts, the promotion of public companies, discount of bills, advances on deposit of deeds and other valuable securities, mortgage loans, and every description of sound financial business.

For the convenience of subscribers, drawing accounts will be opened with them on the usual terms of London bankers.

The Bank is under the sole proprietorship and management of Mr. R. B. OAKELEY, who has had many years' experience in financial circles.

All the books, vouchers, and accounts will be independently audited on behalf of the Subscribers by two well-known firms of Accountants, and a Balance-sheet published quarterly and forwarded by them to each Subscriber. The quarterly Balance-sheet will also be published in the leading papers, so that each Subscriber will be accurately informed of the progress and position of the undertaking.

THE ADVANTAGES OF THE CO-OPERATIVE CREDIT BANK ARE:—

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2nd.—Managerial remuneration dependent on profits after payment of constituents' proportion and provision for reserve fund.

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8th.—A monthly distribution of the same.

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11th.—*Quarterly* published Balance-sheet issued and certified by auditors.

(Signed) RICHARD BANNER OAKELEY.

Dated 21st October, 1874.

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SIR,

I hereby propose to subscribe the amount of £ for capital in THE CO-OPERATIVE CREDIT BANK, and undertake to give you my acceptance or acceptances at three months' date, renewable for like periods until further notice, for that amount, in terms of the Prospectus on the other side.

Signed ....
Dated ....
Address ....
Profession ....

1st Reference

2nd Reference

To R. B. OAKELEY, Esq.,
Co-operative Credit Bank,
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N.B.—As the operations of this Bank are based on first-class credit, proposing Subscribers are cautioned to subscribe for no larger sum than they are fully responsible for.

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East India Chambers,
23, Leadenhall Street, London.

SIR,

I herewith send you a cheque for £ , which I wish you to receive and employ for the purposes of the Co-operative Credit Bank, in terms of your Prospectus, dated 21st October, 1874, a copy of which I have attached to this letter.

Signed ....
Dated ....
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(2.) Or shall have been a clerk to a public accountant on the 11th day of January, 1872, and shall have been in actual practice on his own account, or in partnership, as a public accountant for three years consecutively after that date, and prior to the 1st day of January, 1878.

(3.) Or shall have served under articles for a period of three years to a public accountant in actual practice.

(4.) Or shall have been employed as accountant to a corporation or public body for three years, or as a clerk to a public accountant, or firm of accountants, for a period of seven years at the least, but the employment need not have been for more than two years continuously with one and the same person or firm.

(5.) Or shall have taken a degree at one or other of the Universities of Oxford, Cambridge, Durham, London, or Dublin, and shall have served under articles for a period of two years to a public accountant or firm of accountants.

(6.) But no candidate shall be eligible for admission as an associate after the 1st day of January, 1878, until he shall have passed an examination as to his proficiency to the satisfaction of the Examiners of the Society.

(7.) Or shall conform to such conditions as the Council shall in any particular case require to be observed, but such admission shall only be made upon the written recommendation of at least three-fourths of the Council present at a Meeting specially called for the purpose.

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SUSSEX, near HASTINGS.—A Freehold Residential and Sporting Estate of 250 acres; with possession.

HANTS, BISHOPSTOKE.—A Freehold Residence, lawn, grounds, and river frontage; good fishing.

Particulars and full information on application at Messrs. Marsh, Yetts, and Milner's, City Land and Reversion Offices, 54, Cannon-street, London, E.C. Established 1843.

MORTGAGES promptly NEGOTIATED upon Landed Estates, City Properties, and upon sound securities of all kinds. Messrs. MARSH, YETTS, & MILNER have at the present time access to large sums of Money ready to be immediately advanced upon approved securities.—Apply at the City Land and Reversion Offices (Established 1843), 54, Cannon-street.

By order of Mortgagee.—Surbiton.—Excellent Business Premises close to Railway Station, and with siding thereto.

MESSRS. HARVEY and DAVIDS will SELL BY AUCTION, at the Southampton Hotel, Surbiton, on TUESDAY, December 15th, 1874, at Seven o'clock precisely, valuable LEASEHOLD PROPERTY, situate in Victoria-road, Surbiton, comprising commanding double-fronted Shop, with Dwelling-house above, also Stabling, Coach-house, &c., in rear. Lease eighty-seven years; Ground rent £7 10s. Particulars of T. Donnithorne, Esq., Solicitor, 30, Gracechurch-street, E.C., and of the Auctioneer, 126, Bishopsgate-street, Cornhill.

Farm and Building Land.

MESSRS. HARVEY and DAVIDS beg to announce that the following PROPERTIES may now be TREATED FOR by Private Contract:—

CLAPTON.—Freehold Building Land in London-road, having a frontage of 81ft., and a depth of 184ft.

SUFFOLK, eight miles from Beccles.—Freehold Farm of 45 acres, with buildings; let at £120; upset price, £2,200.

BATH.—Compact Freehold Estate of 22 acres, with excellent residence; there is also a Slate Quarry on the property. Upset price, only £5,000.

HAMMERSMITH.—By order of the Trustees.—Five Freehold Residences, let on lease, producing £280 per annum.

Particulars obtainable at the Auction, Survey, and Land Agency Offices, 126, Bishopsgate-street, Cornhill.

CAPITAL LEASEHOLD INVESTMENT (95 B). To be SOLD, SIX WELL BUILT HOUSES at King's Cross, all let to first-class tenants, and producing £172 per annum. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.)

SOUTHAMPTON (94 B).—To be SOLD, a first-class FAMILY RESIDENCE, containing nine bed and three reception rooms, stabling and coach-house, large flower and kitchen garden, meadow, &c., in all about 5 acres. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.)

ON THE BANK OF THE THAMES (86B).—A comfortable FREEHOLD RESIDENCE to be LET or SOLD, pleasantly situated in its own grounds of 5¼ acres, and containing eight bed-rooms, bath-room, three reception-rooms, with stabling and coach-house. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.)

BRIXTON ROAD (83 B).—Desirable investment in shop property. To be SOLD, FOUR CAPITAL SHOPS (all let), and producing a net income of £127 per annum. Price £1,100. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.)

FOREST HILL (81 B).—To be SOLD, a well-built DETACHED FREEHOLD RESIDENCE, containing five bed-rooms, bath-room, three reception-rooms, &c.; good garden. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.)

FREEHOLD GROUND RENT of £15 per annum to be SOLD, well secured on property at FINCHLEY. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.).—(75 B.)

MORTGAGES.—SECURITIES REQUIRED for several FUNDS amounting together to £130,000. Interest from 4 per cent. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.)

TO LAND OWNERS.—WANTED to PURCHASE a FREEHOLD ESTATE of from 1,000 to 3,000 acres. Would be preferred if coal abounded. Messrs. HARVEY & DAVIDS, 126, Bishopsgate Street (Cornhill, E.C.)

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The Accountant.

IMPORTANT NOTICE TO SUBSCRIBERS.

Notwithstanding the increase in the size of the paper (from 16 to 24 pages), the Editor has been obliged to omit a large quantity of matter, including original articles, and reports from London and the provinces. This lack of space, when considered in connection with the very flattering amount of encouragement and support which THE ACCOUNTANT has received, has induced the Proprietor to decide upon a further alteration, with the view to enhancing the value and usefulness of the paper. This object, it is considered, would not be attained by making the present monthly paper still larger, but rather by publishing more frequently, and the Proprietor has therefore resolved to issue THE ACCOUNTANT weekly, the alteration to commence with the new year.

A paper issued every Saturday will possess a degree of importance and value which could not possibly be attained by a monthly organ, however efficiently conducted. Opportunities will thus be afforded for bringing important topics at once under the notice of the profession; the Editor will be able to comment upon matters as they arise from week to week, to "shoot folly as it flies," and to bring any abuses or malpractices directly within the ken of the profession generally; whilst the reports from the metropolis and the provinces being presented weekly, will thus possess more of interest and of practical utility to accountants than when issued at intervals of a month. The Proprietor hopes that this will prove to be an important step towards one of the main objects for which the paper was started, viz., the advancement of the interests of the profession of accountants throughout the United Kingdom.

The weekly paper (No. 1 of which will be issued January 2nd, 1875), will consist of 16 pages, each number being sold at 6d. The price per annum will be 28s. (including postage), the following being the reductions for payment in advance:—Annual subscription, 24s. (post free); half-yearly subscription, 13s. (post free). Cheques and post-office orders to be made payable to Mr. ALFRED W. GEE.

In regard to the original subscribers, the Proprietor wishes it to be thoroughly understood that in making this change he has no desire to disturb the first arrangement entered into with them. The whole of the original subscribers (including those who have subscribed up to the present time, all having, with very few exceptions, received copies from the commencement), will therefore be supplied with the weekly issue regularly without any extra payment for the remainder of the term of their original subscriptions, viz., until the commencement of October 1875. The Proprietor ventures to hope that his efforts in in this direction will meet with the appreciation and satisfaction of the subscribers, and be deemed deserving of increased suppport on their part, particularly in regard to advertisements—a valuable aid to a newspaper, which accountants specially can readily render in the ordinary course of business. It may be added that the publication of the paper weekly will constitute THE ACCOUNTANT a "newspaper" within the meaning of the Bankruptcy Act, and the members of the profession will thus have the opportunity of contributing towards the success of their own organ by the insertion of statutory notices required to be advertised under this and other Acts of Parliament.

Subscriptions, applications for advertisement space, and letters relating to the general business of the paper, should be forwarded to Mr. ALFRED W. GEE, 62, Gracechurch-street, E.C., Literary communications should be addressed to the Editor of THE ACCOUNTANT at the same address.

As indicated above, the next number will be published on Saturday, January 2nd, 1875, and after that date the paper will be issued weekly.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by this Paper as an advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, THE ACCOUNTANT may fairly hope for a large measure of success in a wide field hitherto unoccupied by any professional organ. THE ACCOUNTANT will thus secure to Advertisers an excellent circulation of an exclusive character; and it will be particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c.

N.B.—During the past few weeks the Proprietor has received communications from several Advertisers as to the excellent results which have attended their Advertisements in this paper, thereby affording very gratifying proof of the value of THE ACCOUNTANT as a medium for advertising Vacant Partnerships, Estates, &c.

The Accountant.

DECEMBER, 1874.

In another column will be found a letter from an auctioneer to which we willingly give insertion, one

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of the objects of THE ACCOUNTANT being to ventilate any questions at all affecting the interests of accountants or the business in which they are engaged. If auctioneers really have a grievance against accountants, it is as well that the latter should be made aware of the fact, and that the claims to a monopoly, such as that set forth in our correspondent's letter, should be thoroughly sifted. It appears to us, however, that "Auctioneer" starts from altogether wrong premises in his sweeping raid against accountants, who, by the way, will be interested to learn that in the eyes of this gentleman of the rostrum and hammer, "they have really no recognised professional position." Our correspondent does not complain that he has caught an accountant (either *soi disant* or properly so described) *in flagrante delicto* dilating upon the beauties of this estate or the excellent position of that mansion, preparatory to announcing it as "going" or "gone" at such a price; on the contrary the gravamen of his complaint is that "in almost every daily paper, and in nearly every advertising organ, are to be seen announcements of this, that, or the other partnership, business, &c., being for disposal, full particulars to be obtained of so and so, accountants." Our correspondent's charge being thus narrowed to one respecting private arrangements as to partnerships, &c., we ask in reply, by what right, specific or implied, auctioneers claim a monopoly of this particular business. The avocation of an auctioneer, rightly so called, is, as we take it, to manage an auction, in other words, a public sale, in which the property is disposed of to the highest bidder. Would it be desirable or even practicable to trumpet forth to the world the advantages of a partnership in this or that profession or trade, or to detail in glowing terms the special channels and monopolies of a particular business with the view to its disposal? Nobody questions the ability of auctioneers generally to negotiate matters of this kind, but it must be done privately; and that being so, the vendor, or the person desiring to enter into partnership relations, naturally turns to the accountant who has had the management of his financial affairs, or to the solicitor who has had charge of his estate, as the person most fitted to do the work. For it should be remembered that for every six accountants whose names appear in these advertisements, there are half-a-dozen solicitors mentioned in a similar capacity. If there is any "trenching" upon another's rights, solicitors are guilty in an equal degree with accountants. There is the semblance of a grievance in "Auctioneer's" case, but it is only a phantom wrong; and we decline to believe that the general body of auctioneers would be found to endorse the claim to such a monopoly as that implied in our correspondent's letter.

In another part of our columns we publish a letter signed "Unfortunate Creditors," and which appeared in the *Times* of the 20th November, with the remarks of our contemporary on the subject. The very grave charges against accountants there advanced (although to some extent qualified in the last paragraph of the letter) cannot be passed over without notice. It is, at least, satisfactory to note that our contemporary advocates the same measures as, we think, the entire body of accountants, whose practice takes them into the bankruptcy court, would support, and we agree that "legal supervision" and "fixed charges" would go far to remedy the evils which doubtless exist. It is, however, in a *combination*, only, of the entire body of accountants, to which we must look for assistance and reform in the direction of restraining or legally prohibiting practitioners of a doubtful character from transacting their business in a manner not only unprofessional, but seriously affecting the credit and status of the body to which they nominally belong. The personal attendance of creditors at meetings, as suggested, would be accompanied by great inconvenience to themselves, and the proposition appears to be somewhat impracticable. The remedy for the evils detailed certainly rests to a considerable extent with the creditors themselves. Let them use some little discrimination before accepting the services of an accountant, in the same manner as they would in employing any other man of business, and they will probably find some of the difficulties with which, according to the lament in the *Times*, they are at present afflicted vanish at once into thin air.

In a case we report from the Sheffield district, it appears that after an appointment duly and properly made by the registrar, the creditors have stepped in and negatived the matter by giving the receivership to a nominee of their own. This is, unfortunately, not without precedent, similar cases having arisen in the London Bankruptcy Court. Frequent complaints are made of the great expenses attending the liquidation of estates, and loud dissatisfaction is often

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expressed at the absurdly small dividends those estates produce. It would seem, however, by this and similar instances, that "Unfortunate Creditors," upon whom so much sympathy is occasionally lavished, are sometimes not disinclined for a little litigation. But if under such circumstances only meagre results are obtained, it is hardly just, though very much the fashion now-a-days, to turn round and lay the blame wholesale upon the shoulders of the professional man, who has probably been doing his best to carry things on smoothly and with the minimum of expense.

A legal contemporary has discovered the appended advertisement, which it quotes with the following comment:—"Here is another attempt to deceive the public. We will supply all information to any society which can see its way to a prosecution."

"'LEGAL ASSISTANCE.—Messrs. ———, Legal Agents and Accountants, are prepared to carry out and conduct liquidations and arrangements with creditors upon reasonable terms, without publicity, bankruptcy, or suspension of business. Also all actions and executions, whether in the Superior or County Courts, immediately stayed by injunction. Chancery, divorce, probate suits, wills proved, and common law actions conducted with dispatch, and County Courts attended. Wills, leases, assignments, and agreements prepared. Money advanced on mortgage, reversions, bills of sale, &c., and debts collected at 5 per cent. interest.—Apply to (name of firm and address).'"

Our contemporary has our entire sympathy in its efforts to expose cases of this kind. Probably, if the facts could be investigated, the advertisers would be found to possess as little right to be considered accountants, as ability to give "legal assistance." Assuming, however, that they have some claim to the title "accountants," we are sure that all respectable members of the body will be with us in repudiating such mongrelism.

LIFE ASSURANCE COMPANIES' ACCOUNTS.

Sir,—I cannot permit "J. E. D.'s" remarks concerning the article on "Life Assurance Companies' Accounts," which appeared in your first number, to pass without offering an explanatory reply. It appears your evidently able correspondent (who addresses you from Edinburgh) is dissatisfied with the quantity of "sweeping assertions" and the paucity of "grave qualifications" contained in the second paragraph of the article in question. Perhaps if a more general and impartial view of what was written had been taken, no necessity for the use of such terms as *sweeping* and *grave* would have occurred to your correspondent. The acknowledgment of the excellent position of certain offices, both English and Scotch, would be a matter of superfluity, as those offices are, and have been for years, capable of ignoring all criticism, owing to the praiseworthy manner in which they are being, and have been, managed; but when we come to accounts, matters assume an entirely different aspect. The expressions employed regarding the systems of keeping life offices' accounts might have been "qualified" in a certain way by singling out those companies which have never had to make any alterations in their systems in order to obtain speedily, easily, and accurately, the necessary details for filling up the forms of account required by the Board of Trade; but my contention is, that those forms of account should be a part of the accounts kept. As regards the Scotch societies to which "J. E. D." refers in his censorious remarks, they number about twenty, eight of which were founded before 1830, and seven before 1840, the remainder having been ushered into existence since that date, 1870, I think, being the last year in which any, and then but two, made their appearance. It would be injudicious for one moment to question the abilities of the gentlemen whose names and offices your correspondent details, but I find English offices to be equally blessed with able and competent managers. What is so astonishing and perplexing is, that the societies founded previous to 1830 and 1840 had so organised their accounts that no alteration was necessary when the 1870 Act came into operation!

The Writer of the Article.

THE INSTITUTE OF ACCOUNTANTS AND ACTUARIES IN GLASGOW.

The Institute of Accountants and Actuaries in Glasgow was incorporated by royal charter, bearing date 15th March, 1855, and registered and sealed on the 16th May in the same year. The prayer of the petitioners, as recited in the charter, was:—"That the profession of an accountant has long existed in Scotland as a distinct profession of great respectability; that originally the number of those practising it were few, but that, for many years back, the number has been rapidly increasing, and the profession in Glasgow now embraces a numerous as well as highly respectable body of persons; that the business of an accountant requires, for the proper prosecution of it, considerable and varied attainments; that it is not confined to the department of the actuary, which forms indeed only a branch of it, but that, while it comprehends all matters connected with arithmetical calculation, or involving investigation into figures, it also ranges over a much wider

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field, in which a considerable acquaintance with the genera principles of law, and a knowledge in particular of the law of Scotland, is quite indispensable: That accountants are frequently employed by courts of law, both the Sheriff Courts, and the Court of Session, which is the Supreme Civil Tribunal in Scotland, to aid those courts in their investigations of matters of accounting, which involve, to a greater or less extent, points of law of more or less difficulty: That they act under such remits, very much as the Masters in Chancery are understood to act in England, and that they are also most commonly selected to be trustees on sequestrated estates, and to act as trustees under private deeds of trust on large landed estates; and that, in these capacities, they have often to consider and determine in the first instance important questions of ranking and of competition between creditors, and many other important questions of law relating to property: That it is obvious that to the due performance of a profession such as this, a liberal education is essential, and that the object in view in the formation of the Institute of Accountants of Glasgow, of which the petitioners are the members, was to maintain the efficiency as well as the respectability of the professional body in Glasgow to which they belong: That it appears to the petitioners that this object will be further greatly assisted by the formation of the petitioners into a body corporate and politic, having a common seal, with power to make regulations and bye-laws respecting the qualification and admission of members, and other usual powers," &c.

The objects of the Institute, as described in the book of rules, are "to elevate the attainments and status of the accountants and actuaries of Glasgow, to promote their efficiency and usefulness, and to give concentrated expression to their opinions upon all questions and laws bearing upon, or incident to, the business of their profession."

By the form of application for admission the applicant is made to declare that he is "not engaged in the business of a merchant, manufacturer, or land agent," and in order to ensure consideration by the council, the application must be accompanied by a written recommendation from three members of the Institute not being members of the council.

Applicants for admission must have served for four years at least as clerk or apprentice with a member of the Institute, or of some other institute or society of accountants or actuaries in Scotland, or have been in partnership, for four years at least, with a member of the Institute, or of some other institute or society of accountants or actuaries in Scotland.

The candidates are required to undergo an examination by the committee of examination, consisting of any two or more members of the council, with the addition of any other party or parties who may be specially appointed by them for that purpose, in their knowledge of the principles of arithmetic and algebra, bankrupt law, book-keeping, and accounts, and the practical working of bankruptcies, trust estates, and judicial and extra-judicial factorships.

If the applicant succeeds in satisfying the examiners, the council will, in the ordinary course, recommend him for admission at the next quarterly general meeting of the Institute. The sum to be paid on admission as a member of the Institute is 50 guineas, the yearly contribution being one guinea. By the rules of the Institute forfeiture of membership ensues upon any member engaging in the business of a manufacturer, merchant, or land agent, &c. The number of original members in October, 1853, was 9; the names of 49 members appear upon the charter granted in 1855; according to the list published in 1870 there were then 64 members; and the roll for 1874 contains 69 members. It may be added that the Institute is possessed of premises acqured about two years ago, and including a handsomely-furnished hall, containing a library, and in which the meetings of the Institute are held.

ACCOUNTANTS' DIARY AND DIRECTORY.—We have received advance sheets of the "Accountant's Diary and Directory," compiled by Mr. Alfred C. Harper, which will be ready for issue to the subscribers by about the second week in December. This is, we believe, the first publication of the kind brought out for the use of accountants, and Mr. Harper certainly deserves to be complimented both upon his enterprise in undertaking the task, and upon the admirable manner in which the work has been carried out. In addition to a good-sized and convenient professional diary, accountants have here a mass of varied information well arranged for reference, and likely to prove of great service in the course of every-day business. A statement of some of the contents will suffice to show the general character and extent of the diary and directory. Mr. Harper gives a list of the offices and officers of the London Bankruptcy Court; a list of the county courts having bankruptcy jurisdiction, and those excluded from such jurisdiction; table of fees in bankruptcy; instructions as to *Gazette* notices; forms required under the Companies' Acts, 1862 and 1867; and specimen tables of joint stock companies' books; statements of affairs in bankruptcy, and principal forms required, &c. In the directory portion we have the titles and names of officers of all the accountants' societies in England and Scotland; an alphabetical list of accountants in London; a list of accountants in the provinces and in Scotland, arranged alphabetically; and also in towns. There is also an interesting treatise on the Scotch Bankruptcy system. Mr. Harper has evidently worked with industry and energy, and we have little doubt that the Diary and Directory will be found upon the tables of the majority of accountants before the commencement of 1875.

At a meeting, November 13th, of the creditors of Messrs. Lemon Hart & Son, whose suspension was announced on the 26th ult., a statement of affairs was submitted by Messrs. Cooper Brothers, & Co., the accountants, showing a total indebtedness expected to be proved against the estate amounting to £83,069 17s. 3d., against assets of £28,608 19s., being equal to 6s. 10d. in the pound. No acceptable proposition was made to the meeting, and it was decided to wind up the estate in bankruptcy.

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CHARTERED ACCOUNTANTS IN SCOTLAND.

A copy of a lecture on "The Origin and Present Organisation of the Profession of Chartered Accountants in Scotland," by Jas. M'Clelland, late President of the Institute of Accountants and Actuaries of Glasgow, has recently been forwarded to us for perusal. The lecture was written and delivered by Mr. M'Clelland more than five years ago, and as a consequence some of the writer's comments, and the comparisons drawn between English and Scotch accountants, are scarcely applicable to the altered circumstances of the present day; nevertheless, the lecturer's remarks are well worth quoting, as illustrating the nature of the training and the duties performed by Scotch accountants. And indeed England may well take a wrinkle from Scotland in regard to the *curriculum* considered necessary before the chrysalis student is allowed to appear as the full-blown accountant. Having introduced his subject with a review of some of the great financial schemes originated by Scotchmen, instancing the Mississippi bubble, and of some great commercial failures, Mr. M'Clelland says—

Besides the employment which accountants have always found under insolvency and bankruptcy, many of them, from time to time, have been engaged under the courts in remits relative to intricate accounts; in appointments as judicial factors for landed proprietors and deceased partners, and in numerous family trusts, needing men trained to keep accounts and analyse the wishes and directions of testators under family trusts. The profession in Scotland, unlike the same class in England, thus became similar to what was termed under the old administration of the Court of Chancery, Masters in Chancery—a class of men who were appendages of the court, and to whom every matter of accounting in litigation, where the necessity arose, was remitted for report. In this way the Scotch system came materially to differ from that in England. Under the one system, the accountants leant on their education, qualification, and merits. Where these were deemed sufficient, the courts remitted cases to them on any question requiring investigation in figures, and their application to the cases pending; whereas the practice in England, not only in Chancery, but also in Bankruptcy, was to lean on the officers of court, and on paid officials named and appointed by the courts or by the Government of the day. In this way the merit of Scotch professional accountants was unknown in England, and is even at the present day only beginning to be understood. And the practice above alluded to in England could not make it otherwise. While the Scotch system reared up a class of trained men, independent of patronage, to labour and practise the same vocation as in England, the English system has failed till lately to bring to the front men thoroughly trained as accountants. Hence the import of the word in the two countries has quite different significations. About this period (1853) a movement was made to form the body of accountants practising in Glasgow into an Institute of Accountants and Actuaries. The proposal was willingly taken up and adopted. It not only seemed to find favour with mercantile and professional bodies, but after being fairly constituted, and in operation as an Institute, it found the marked approval of the then Lord Advocate for Scotland, James Moncrieff, Esq.; and so satisfied was this gentleman of the importance of the movement, that he suggested to the Government of the day to recommend to the Queen to issue a charter in our favour, constituting us a corporate body; and it is under the auspices of this Institute we are now met. It may be proper at this stage to notice also the further recognition of the profession by the Act of 31 and 32 Victoria, cap. 100. The 81st and six subsequent sections of that Act recognise, under remits from the court, the legality of the employment of such accountants out of court as may by the judges be thought fit to undertake the duty committed to them. This is very important to the whole profession, marking the period wherein the legislature has come formally to admit the status of such a body as chartered accountants. Mr. Moncrieff now began to apply his mind strenuously to the question of reform in bankruptcy, and a bill under his auspices was introduced in 1855, and received marked attention from all public bodies throughout the kingdom. This bill took the simplest form, dealing only with the administration of the debts and assets of a bankrupt, and leaving the prosecution and punishment of those malversations, so prevalent among certain classes of traders on the eve of insolvency, to be dealt with by the criminal law of the land. This measure passed into an Act in the session of 1856, and has since been found to work beneficially, expeditiously, and economically for the public. It gives the creditors thorough control and possession of the bankrupt's property throughout the three kingdoms. It allows them to appoint a trustee to manage and wind up the whole affairs, and protects the creditors by stringent provisions in the management. A reform suggested by our Institute, and among various other suggestions adopted by the Lord Advocate, was the appointment of an accountant in bankruptcy, whose sole duty was, at stated times, to call for, record, and examine the accounts of the trustee, as these had been submitted to and approved of by the commissioners; and with power, should such call not be made, to require from the trustee reasons for the omission. Should these prove unsatisfactory, he is required to appear before the court that the case may be dealt with as seems fit. In this way the trustee is bound to get an audit made three times in the year of his intromissions, and copies of the accounts certified by the commissioners are transmitted to the accountant in bankruptcy. This appointment under the Act has been found to be of the greatest consequence; and the present accomplished and talented accountant in bankruptcy does his duty in a manner highly satisfactory to all members of our profession. We have now to direct your attention to the qualities necessary to make an accountant. You will have gathered from what we have already said, that such a party cannot be constituted by simply appending the word to his name. This is often done, however, and the public thus suffer through simple ignorance, both of the man and of his calling. Let us begin with a youth fresh from the public schools and from college, entering the counting-house of parties in the usual employment of chartered accountants. The youth, after writing out his own indenture, which is usually for a term of four years, enters upon the routine of all well-conducted offices. He soon finds that the education he has obtained at school only gives him, in a more or less efficient form, according to the attention he may have paid to his studies, the tools whereby he can be trained to the details of his profession. He soon masters many of these; and at about the end of the second year of his work, he sees the necessity of becoming more intimately acquainted with the higher branches of arithmetic and algebra, with a more definite knowledge of the art of bookkeeping, and learning for himself to note entries for books kept by double entry. His mind is led again to the knowledge of commercial, bankrupt, and civil law; and in order that he may be grounded in these branches of his profession, he finds it will be necessary for him to go back to school, and attend the prelections of the professors of commercial and civil law; and in giving his mind to this branch of knowledge, again, that it will need at least two sessions at college properly to follow out the study of these subjects. While at these classes, his companions in study will doubtless be found to be the Institutes of the Law of Scotland by Erskine, as edited by Lord Ivory, and the Commentaries of George Joseph Bell on the Bankrupt Law, as edited by Patrick Shaw. We should also call to his notice a standard English authority, entitled Archbold's Law of Bankruptcy. He will then find it necessary to turn to another branch of study, of great importance in the extended trade and commerce universal throughout the king-

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dom. He will find that with the imports and exports of the country reaching nearly five hundred millions sterling, few insolvencies or bankruptcies now take place without the parties having more or less extended transactions with foreign countries. This will lead him to acquire some knowledge of the various qualities of goods, manufactures, and productions sent out of this country, and of the productions of foreign countries acquired in exchange for these; and to understand the operation of such transactions, he will find it necessary to study and make himself master of the various exchanges with foreign countries, to enable him to turn them into sterling values. To ascertain, for example, the sterling value of a tael in China, and of a Chinese, North American, South American, and Spanish dollar. To learn the value of the rupee in India—of the franc in France—of the lire in Italy—of the gulden in Austria and some portions of Germany—of the thaler in Prussia—of the rouble in Russia—and of the process necessary to understand the worth of coins in the Roman States. This seems a formidable catalogue, but a little study and a little practice will soon enable the student to comprehend this important branch of knowledge. And for this purpose we cannot recommend to you a better book on Foreign Exchanges than the Modern Cambist, by William Tate, published in London by Effingham Wilson. We have now to turn your attention to another branch of our profession, a class of employment in which many qualified men obtain a large amount of work—in remits from the court—in adjustment of partnership accounts—in judicial factories for deceased, insane, or incapable parties—and in family trusts under wills of deceased parties. The student will therefore require his attention directed to the practice of these heads, and to the work necessary to make clear, distinct, and accurate statements and reports on trusts, and to see, where these are wanted, that proper books are kept for the various parties interested. A branch of the profession, which has hitherto had but a limited scope in Glasgow, compared with its development and practice in Edinburgh, we should like to see cultivated among the members of our Institute. The branch to which we allude is the important one of Life Insurance, and of the preparation necessary in the higher branches of arithmetic and algebra, to make the student an expert in the necessary calculations and problems required in this very large business. There are a vast variety of books on Life Insurance which the student will no doubt have at his command in the Library of the Institute. De Moivre and Price are among the authors who in their day held the most advanced views, and their books are well worthy of attention; but the works now most consulted are those of De Morgan, Baily, Davies, Jones, Peter Gray, &c., &c. The article on "Insurance" in the twelfth volume of the last edition of the *Encyclopædia Britannica* gives a learned and comprehensive view of the whole subject. And now to conclude, my young friends you see from the foregoing details which we have given, that there is thus placed before you a useful and honourable calling—one which places you in the position of inquiring into and administering sometimes to the fortunes, and at other times to the necessities of your fellowmen, and thus becoming, with your training and your applied knowledge, a helper to both. Let us entreat you, therefore, to persevere in the walk of life you have chosen, with the single aim of thoroughly and conscientiously doing your duty to every one by whom you may be entrusted with employment. You may thus become to one class of society as beneficial as the medical profession is to all classes. They nobly pursue their calling in administering to the sick, and in restoring to health those afflicted with disease. You are, on the other hand, and in another sphere, independent of other portions of your profession, often found to be devoting your talents to the relief of families in misfortune, and are sometimes called upon to be the advisers and comforters of the widow and the fatherless; and thus in attending on your daily avocations, you are performing one of the first practical duties of the religion common to us all.

Correspondence.

A COMPLICATED ESTATE.

TO THE EDITOR OF THE ACCOUNTANT,

DEAR SIR,—The following case may interest some of your readers:—

Some twenty-five years ago, A., B., and C. commenced business in copartnership in Switzerland, each partner introducing capital. The business premises were taken in the name of A., but the partnership was (and is) well and publicly known to exist, and indicated by the headings to letters, invoices, and bills of exchange. A. married; his wife, under her wedding contract, paid her dowry into the general business. B. also married, and his wife brought money into the business, under her ante-nuptial settlement. C. remained unmarried. Both wives, pursuant to the laws and customs of France and Switzerland, control their separate estates. Under English law the claims of the wives are certainly not preferential. Under Swiss law the claims of the wives are preferential to the extent of fifty per cent., the remainder ranking for dividend with the general body of creditors. Under French law the claims of the wives are preferable to the full extent. Branches were subsequently established in England and France, A. conducting (in the name of the firm) the Swiss section, B. (in the name of the firm) the English section, and C. (in the name of the firm) the French section. Upon balancing accounts between the respective branches, the Swiss appeared to be largely indebted to the English, and the English to the French branch. Under English law a partnership undoubtedly exists, and the three branches are but portions of one whole. Foreign and English creditors (with the exception of those who are preferential or secured), ranking alike. Neither partner claims to have a separate estate other than his capital in the business. The Swiss law requires that a partnership should be officially announced in a specified manner—by an oversight this had not been done.

Pecuniary difficulties having arisen in Switzerland, A. in order to protect all parties, sought to file a petition on behalf of the firm; but the Swiss creditors (many of whom *held his drafts on the firm*) intervened and insisted that he must file the petition in his own name, and that the Swiss estate was only available for them, and not for the general body of creditors. A.'s petition having been so filed some of the Swiss creditors, on acceptances, commenced to attack the English *firm*, thus seeking to participate twice in respect of the same claim. A petition for liquidation was thereupon filed in England in the name of the firm. The Swiss creditors, by appropriating (through their trustee) that section of the estate, clearly constituted themselves secured creditors. Inasmuch as they could not foresee the dividend result, they could not safely estimate the value of such security, without which (if challenged by English creditors) they would be unable to vote or participate here. Admitting the correctness of the Swiss argument, that no partnership existed there, it is evident that the capital standing to the credit of B. and C., as also the balance due by the Swiss to the English house, would become admissible claims (thus practically doubling the liabilities of that section independently of the wives' claims to preference).

Owing to the above complications, and the difference in the various codes, it was evident that if one house was liquidated the same result must follow with the other two, as no composition could have been carried for one section alone. Three trustees, each holding the views laid down by his own laws, would therefore have had to be appointed,

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entailing three distinct sets of costs, and endless litigation would undoubtedly have ensued.

All these facts having been brought under the notice of the English creditors, they recommended the Swiss creditors to adopt the English view, viz., to treat the three estates as one, and accept one general arrangement. After much trouble and negotiation, the Swiss creditors were induced to see matters in the same light; and the liquidating *firm* having made a proposal to pay in full, with interest, all these complicated points of law were fortunately avoided. If litigation has arisen in any similar case, it would be interesting to know what decisions were obtained.—Yours truly,

H. B. (LONDON).

ACCOUNTANTS AND AUCTIONEERS.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—A great deal has been written, and a good deal more has been said, concerning the relative positions of accountants and solicitors. Pending the solution of the many points upon which those two classes of (to the community) invaluable business men are at variance, I crave permission to say a few words in the interest of the auctioneers.

As matters stand, it is admitted by the accountants themselves that they have really no recognised professional position, and this becomes indisputable from the fact that they are at present, to some extent, agitating to obtain an alteration for the better of the place they occupy in the commercial world—namely, to become professional men. As an auctioneer, I cannot say that either I or my brethren aspire to a similar change; but whether some do or not, there exists no doubt but what we are, at any rate, more legally entitled to call ourselves auctioneers than the accountant is to style himself accountant, and this I will show. After having been articled, at a premium of from one to five hundred guineas (in some cases more) to a firm of auctioneers, for the purpose of learning the peculiarities and duties connected with his very versatile business, the auctioneer has to pay annually a fee of £10 to the Treasury in order to enable him to follow his adopted calling. What, I ask, has the accountant to contribute to the revenue in order that he may carry on his business? Nothing. I have no wish to cry down accountants, many of whom I am intimate with, and nearly all of whom I respect as good and shrewd business men, but, "given: a brass plate and a connection; result: an accountant," is a saying I have heard, which is not in some cases far from the truth.

Now, I have to point out a great grievance of which auctioneers have to complain. In almost every daily paper, and in nearly every advertising organ, are to be seen announcements of this, that, and the other partnership, business, &c., being for disposal, "full particulars to be obtained of So-and-so, accountants." I would gladly learn what accountants can possibly have to do with the disposal of property of the above-mentioned description? Surely should not transactions of the nature referred to be negotiated through an auctioneer? or is it to be accepted that the accountant claims to be equally entitled to the nickname, "happy medium," as the auctioneer? I submit auctioneering is *not* accounting any more than drawing a will or a marriage settlement is bookkeeping.

In conclusion, I take the liberty of suggesting that it would be as well for accountants, in making any efforts to gain the position they are apparently endeavouring to reach, to betake themselves more exclusively to their own affairs, and not to interfere with the legally authorised business of others, upon which, it cannot be denied, they now-a-days closely and improperly trench.—Yours obediently,

AUCTIONEER.

PROCEDURE UNDER THE BANKRUPTCY ACT.

TO THE EDITOR OF THE ACCOUNTANT.

DEAR SIR,—Among the many anomalies which the present Bankruptcy Act has given rise to, is the one of the procedure under that Act being practically left to the rules and orders of the registrars. This was fairly illustrated in a recent case of ours under the 28th section. The resolutions for a composition were duly passed at a meeting called for that purpose, everything was found in order by the clerk (it was in the London Court), and an appointment obtained before the registrar. On attending this, however, with the solicitor who had been concerned in the matter throughout, we were asked, to our astonishment, whether notices had been sent to those creditors who had not signed the resolution. Our answer being made in the negative, we were informed that the appointment must be adjourned for that purpose, upon which we immediately applied that the resolutions be confirmed at once, taking as the grounds of our application: (1) That the sending of these notices was merely a practice of the court, and as such could be put aside by the registrar. (2) That the notices of the meeting which had been sent to each creditor, and advertised in the *Gazette*, stated full particulars of the composition. (3) That the composition was a fair one, as shown by the statement of affairs and the reports of the trustee and the committee of inspection. (4) That a large body of the creditors had signed the resolution, and that the meeting had been unanimous in accepting the composition. Our arguments were, however, of no avail, and the appointment was consequently adjourned—the clerk this time being good enough to inform us that, beside the notice itself, a copy of the resolutions would in addition have to be sent to each creditor. On conforming with these rules and attending the adjourned appointment, the resolutions were duly confirmed without opposition.

We find, on reference, that the first regulation referred to above—that of sending notices to all those creditors who had not signed the resolution—is inserted in the second edition of Roche and Hazlitt's Bankruptcy Act, as a practice of the court (in a note to the 28th section), but no mention is made of a copy of the resolutions having to be sent with such notice.

We do not wish to say anything as to the reasonableness of these or any such regulations, but would merely observe, that in our opinion, notice should be given of them either by posting them up in a conspicuous place in the Registration Office, by advertising them in the *London Gazette*, or by some other efficient means, which would not only benefit professionals, but would also draw public attention to them.—Yours truly,

J. B. & Co.

"TOUTING."

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I wish, through the columns of THE ACCOUNTANT, to draw the attention of the profession to the very objectionable system of canvassing for proofs and proxies, which is I am afraid, being extensively adopted in matters of liquidation and bankruptcy, to secure the appointments of receiver and trustee. This system must, I am sure, be repugnant to the feelings of self-respect of all right-

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minded and respectable men, and cannot, I feel convinced, be countenanced by the better portion of the profession. To bankers, merchants, and the trading community generally, the being continually pestered by these solicitations must be a complete nuisance. Surely men of this class are competent to judge and decide for themselves who are suitable and likely persons to be entrusted with the protection of their interests, without unscrupulous parties endeavouring to forestall them in their choice. In a great measure the putting down of this touting rests with the legal profession. If, when consulted by a client as to his affairs, they were to confer with one or more of the principal creditors as to the appointment of a receiver, satisfaction would be given to the general body that a fit person had been selected, and the feeling often entertained that the receiver is merely the nominee of the debtor, and seeking only his interest, would be done away with, and confidence established that the interest of the creditors would be safe. This mode of nomination would, I believe, be generally acceptable to all respectable professional trustees, and be upheld by them. As matters now stand, it appears to be a race with some parties as to who can get first information of either a bankruptcy petition or a petition for liquidation; to get a nomination for the receivership from some creditor for an insignificant amount; then to run round and endeavour to secure the proxies of other small creditors, and afterwards rely upon the feeling of others who, to some extent, think it invidious (however dissatisfied they may be with the selection) to supersede a person who has already pushed himself into the business—and the general chapter of accidents, to secure the trusteeship.

C. J. B.

"UNFORTUNATE CREDITORS" UPON "TOUTING."

The following appeared in the columns of the *Times* of the 20th of November:—

"The evil set forth in the following letter is a real one, but it is difficult to see any remedy for it so long as the parties interested are allowed such freedom from legal supervision. The facilities afforded by the Act of 1869 for "liquidation by arrangement" have not done the good intended, but they decidedly have often left both debtor and creditor helpless in the hands of third parties, whose interest it is to make the most out of both. Accountants ought to be tied down to fixed charges, and should never be allowed to act as irresponsible trustees."

"London, Nov. 17.

"SIR,—The time that has intervened since the coming into operation of the Bankruptcy Act of 1869 has witnessed the gradual development of what may now be considered to have climaxed in a system of touting by accountants, or persons styling themselves as such.

"As the evil is one which admits of easy remedy, we venture to ask your powerful aid in the matter, being ourselves, at present, creditors on five estates.

"The course to be complained of is as follows:—No sooner does a debtor suspend payment than an active canvass of the creditors is commenced, each being asked to concur with others whom the accountant alleges he represents, in some course of action he indicates, invariably having for its ultimate object his own appointment as trustee. To attain this, all manner of expedients are resorted to; charges of misconduct are made against the debtor, in many cases without the shadow of foundation, and the claims of other *bona fide* creditors, who it is supposed will act upon their own judgment, disputed, no expedient being omitted to obtain a proxy.

"The support of some few unsuspecting or inexperienced creditors having thus been secured, the accountant attends the statutory meeting, armed with his proofs and proxies. Anything more deplorable than the mode in which the proceedings are conducted at some of these meetings it is impossible to conceive. Proofs are challenged and objected to, the debtor is sometimes again and again examined, and every reasonable suggestion, as to the mode in which the estate shall be realised in the interest of all concerned, thwarted. Eventually the creditors, utterly weary of useless discussion, arrive at some hasty decision, the opposition being frequently bought off.

"It is surprising that this state of affairs, the preying upon the carcass of a bankrupt, has not earlier received consideration, together with certain other points in our Bankruptcy Laws that are generally admitted to need amendment.

"The remedy, as has been stated, is simple: in a great measure it is in the hands of the creditors themselves, if they will only withhold their support from stray accountants, and attend these meetings personally. Undoubtedly many are unable to do so, and, unwilling to devote time to the recovery of something out of a loss already incurred, are glad to be relieved of trouble without additional expense.

"Moreover, the mode in which they are first approached throws creditors very frequently off their guard when representations such as the following are made:—'I represent Messrs. A and B, or the ——— Bank, and other principal creditors of Messrs. C and D, and am instructed to look into their affairs, and in this my friends desire you to co-operate,' &c. Such is the formula sometimes adopted, in some cases with, and in others without the authority of those professed to be represented.

"It should be distinctly understood that these observations in no way refer to the many eminent firms of accountants who are known to discountenance the practice complained of, if possible even to a greater extent than the many who, with us, must subscribe themselves

"UNFORTUNATE CREDITORS."

THE BRITISH IMPERIAL ASSURANCE CORPORATION AND THE CO-OPERATIVE CREDIT BANK.

In our November number we drew attention to the scheme of financial association, advertised in our columns under the title of the Co-operative Credit Bank, the pith of which is individual management, under the inspection of a board of accountants, in contradistinction to the multitudinous control of a board of directors. There can be no doubt that if the public could be satisfied with such a scheme of management as is advocated by Mr. Oakley, the principle would be extended to a great variety of businesses. It is in the experience of every accountant to have clients who are perfect masters of their respective businesses, but who are obliged to allow opportunities to slip through their hands for want of sufficient capital, and who would be only too glad to share their profits with one or more capitalists under the inspection of a respectable firm of accountants. This question of public confidence is answered by an announcement, made in another portion of our present issue, to the effect that the British Imperial Assurance Corporation, Limited, one of the most flourishing life offices in the kingdom, has intrusted the agency for issuing 90,000 shares of unallotted capital to the Co-operative Credit Bank. It is only necessary to glance down the list of names of those connected with the British Imperial to appreciate the importance of the operation with which Mr. Oakley has inaugurated the public career of his remarkable enterprise.

DECISIONS IN BANKRUPTCY.

BILLS OF EXCHANGE.—A bank carrying on business in Bombay sold to a Bombay firm acceptances of the bank for £25,000, payable three and four months after sight, in consideration of £5,000 cash and bills for £20,000 drawn by the Bombay firm on a London firm, and payable six months after sight. All the bills were accepted. The Bombay firm indorsed the acceptances for £25,000 to the London firm. The bank being unable to pay the three months' bills when they became due, gave the London firm security for £10,000, the amount thereof. Soon afterwards the bank was ordered to be wound up, and the Bombay and London firms both became bankrupt. The trustees of the London firm sent in a claim in the winding-up of the bank for £5,000, treating the acceptances of the London firm as capable of being set off against those of the bank, and they subsequently realised their security. They now sought to amend their claim (having ascertained that the bank had discounted all the acceptances of the London firm, and was not entitled to a set-off in respect of them) and to prove in the winding up of the bank for £19,000, the amount of the bank's acceptances, which were in the hands of the London firm at the date of the winding-up order. It was held (affirming the

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decision of Vice-Chancellor Hall), that as the London firm were indorsees for value, they were entitled to prove for the £19,000; that this proof must not be treated as a new proof, but as an amendment of the claim for £5,000, and that therefore the amount realised upon their security should not be deducted from the £19,000.

JURISDICTION OF THE COURT.—Where creditors have by the requisite statutory majority resolved, under the 110th section of the Bankruptcy Act, 1861, to suspend proceedings in bankruptcy, and to have the estate wound up by trustees, the Court of Bankruptcy has still power, under the 136th section of the Act, to determine any questions that may arise in the winding up of the estate by the trustees, and will therefore restrain a Chancery suit for the administration of the estate.

SERVICE OF SUMMONS UNDER BANKRUPTCY ACT, 1869.

Before the CHIEF JUDGE IN BANKRUPTCY.
November 9th.

EXPARTE BOLLAND, RE HOLDEN.—This was an appeal from the Liverpool County Court, and the case was brought to the Court of Appeal, avowedly at the expense of the solicitor, in order to decide the question whether the privilege of serving summonses under section 96 of the Bankruptcy Act, 1869, belonged exclusively to the high bailiff to the court, or whether they might be served by the solicitor to the trustee. In this case service by the solicitor had been refused by the registrar; and on the matter being brought before the judge at the County Court, he had held that he had no option to allow service to be effected by anyone except the high bailiff. From this decision the solicitor to the trustee appealed. Mr. Channel (Mr. Herschell with him), for the appellant, contended that, in accordance with rule 58, service might be effected otherwise than by the high bailiff, when "directed or permitted by these rules;" and that it was so directed or permitted, was evident from rule 167, under which subpœna, might be served by the person at whose instance they were issued, or by his attorney; it being clear that subpœnas and summonses were practically the same, by their being sometimes used indifferently, as in form 75. He also urged, that, as a matter of convenience, it was much better they should be served by the solicitors. Mr. De Gex and Mr. Beaumont, for the respondents were not called upon. The Chief Judge held that it was a matter in the discretion of the County Court judge as to which course was most for the benefit of the public. The County Court judge had, by refusing to allow service to anyone but the high bailiff, practically exercised his discretion, and he could find no fault with the decision arrived at. The appeal was therefore dismissed.

IMPORTANT BANKRUPTCY CASE.

Before the CHIEF JUDGE.—Monday, 9th November.

EXPARTE GARDENER AND ANOTHER—IN RE JOHN CLARK.—This was an appeal from the Bath County Court against an order made by the Judge, on the 6th August last, directing the receiver, John Coombes, of Devizes, auctioneer, and the debtor, John Clark, and all other persons acting under either of them, and any trustee who might be appointed, to withdraw from, and they were each of them thereby restrained from interfering with the possession of the effects in and about the Black Swan Inn, Devizes, &c. Against this order the trustees, George Frederick Gardener and William Day, appealed, and they were represented by Mr. Cookson and Messrs. Ruddle and Thomas Skeate Ruddle; the respondents were represented by Mr. De Gex, Q.C. The learned counsel for the appellants stated that the contest was between Messrs. Gardener and Day, who were appointed trustees, under the liquidation of John Clark, at a meeting of creditors held at Bath on the 8th day of August last, and the mortgagees, under the bill of sale, who had, pursuant to the order of the Bath County Court, realised and sold the whole of the debtor's effects, and claimed a right to retain the proceeds as against the trustees. The allegation was that, pursuant to a secret arrangement, whereby the debtor agreed with Mr. Hooper, the agent of the bill of sale creditors, that in the event of the debtor getting into difficulties, and a seizure of his effects being made under an anticipated execution, at the suit of some Bristol wine merchants, he should communicate with Hooper, who would then take possession; and accordingly a request was made by the debtor to Hooper, by means of a telegram, to put the bill of sale into effect, and in consequence of such telegram, Hooper did, on the 4th day of July, place a man in possession under the bill of sale, but Clark was allowed to continue in apparent possession of the effects and to carry on the business without any interference, and so continued until he filed his petition on the 11th day of July, and under which John Coombes was appointed receiver. On the 6th August the order appealed from was made on the application of the bill of sale creditors. Subsequently the proceedings were, by resolution of creditors, removed to Bristol. In support of his contention that the goods were in the order and disposition of the debtor, within the meaning of the Bankruptcy Act, at the time of the committal of an act of bankruptcy by him, the learned counsel quoted, exparte Jay re Blenkhorn, a case recently decided by the Lords Justices, and upon the authority of that case, and looking at the suspicious circumstances connected with the case and disclosed by the affidavits filed by the respondents in the matter, he applied to have the order of the 6th August discharged.

Mr. De Gex having been heard.

His lordship said he was clearly of opinion that the goods were in the possession of the debtor at the time of the liquidation, and therefore passed to the trustees on their appointment. The order made in favour of the mortgagees would be discharged. No order would be made as to costs, but the deposit made by the appellants would be returned.

SOCIETY OF ACCOUNTANTS IN ENGLAND.—The monthly meeting of the council of this society was held on Wednesday last, at the offices, Cowper's-court, Cornhill, Mr. John Bath, vice-president, in the chair. The following gentlemen were admitted as associates of the society: Elias Needham, 121, Norfolk-street, Sheffield; William Augustus Quant, 16, Acresfield, Bolton; Harry P. Gould, Guildhall-chambers, Norwich, and Robert A. Pratt, Spalding: three other applications for admission were also considered. The secretary (Mr. Alfred C. Harper), was instructed to procure information as to the charges made by accountants, with the view to drawing up a definite scale of accountant's charges.

Among contemporary class publications we notice with pleasure THE ACCOUNTANT, described as "a medium of communication between accountants in all parts of the United Kingdom." At present the term "accountant" is used as vaguely as "agent;" and we may meet at every street corner men who describe themselves as accountants, for the negative reason that they are nothing else. The gulf is wide indeed between these nondescripts who haunt the precincts of county courts, and turn up at small debt-collecting offices, and the educated, carefully-trained gentlemen who are really professional accountants, to whose ability and honour confidential transactions are confided. The publication under notice will help to mark the distinction, and its well-written articles may be consulted with advantage by every man of business.—*Warehousemen and Drapers' Trade Journal.*

Mr. Edward T. Barrett, accountant and auditor, of 8, Finsbury Circus, London, E.C., has taken into partnership Mr. Henry H. Patey, a gentleman well known in City legal circles.

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COURT OF BANKRUPTCY.

November 3rd.

(*Before Mr. Registrar* KEENE.)

IN RE SIDNEY AND WIGGINS.—In this matter it appeared that the debtors filed a petition for liquidation in 1873, and under that the creditors agreed to accept a composition of 2s. 6d. in the pound, to be secured by certain promissory notes. This arrangement they failed to carry out completely, having paid some creditors 1s. 6d., and others nothing. A year passed, and the debtors incurred fresh losses and liabilities, and were unable to pay the composition, and being pressed by creditors they filed a second petition, under which a statutory majority of the creditors agreed to accept 6d. in the pound. The resolution came before Mr. Registrar Roche, who adjourned the case for a fortnight to enable the debtors to consider their position. It now came on before Mr. Registrar Keene. The objections were stated in the notice of motion to be that the filing of the second petition was irregular and contrary to law, and not authorised or warranted by the Bankruptcy Act, 1869, the previous petition and the resolution for a composition being still in force, and the creditors thereunder being still entitled to receive the amount of the composition; and further, that previously to the filing of the second petition application was made to the debtor's agent, and to the debtors themselves, for payment of the dividends under the first resolution, and payment had been refused; and that it would be inequitable to register the said resolution, on the ground that all those creditors who had already received a dividend of 1s. 6d. in the pound would, if such resolution were registered, receive 2s. in the pound on their respective debts, whilst those creditors who had not been paid the dividend of 1s. 6d. would, if such resolution were passed, receive 6d. in the pound only. Mr. F. O. Crump having been heard for the debtors, the registrar, without calling upon the representatives of the opposing creditors, said that his opinion was that the resolution was inequitable, and that the second petition was illegal. In the first place, it was inequitable because all the creditors were entitled to come in and get what they could under the first composition; secondly, the proceeding was illegal: there cannot be a second petition including debts which have been the subject of a first petition. The creditors had a right to say they would not take the 6d., and that they preferred that the debtors should go into bankruptcy. The creditors had a perfect right to object, and he refused to register.

November 6th.

IN RE FRUHLING AND CONRATH.—In this case a second petition for liquidation had been filed in consequence of difficulties having arisen in carrying out the terms of certain composition resolutions, which had been passed under a previous petition. The debtors were commission merchants of Brabant-court, Philpot-lane. Their liabilities were estimated at £60,000, but it was believed that certain bills would run off, and the amount be ultimately considerably reduced. The assets comprised furniture, and book debts to a large amount, and as remittances were daily coming to hand, it was asked that a receiver should be appointed. The application was supported by creditors for £3,500. His Honour, however, thought that in a case where the liabilities were so heavy, the concurrence of a larger body of creditors should be obtained, and the application stood over with that object.

November 13th.

IN RE ALEXANDER M'EWEN.—HEAVY FAILURE IN THE CITY.—Mr. Munns applied to the court for the appointment of a receiver, and an interim injunction, staying proceedings by creditors in the case of Alexander M'Ewen, of George-yard, Lombard-street, financial agent, who has filed a petition for the liquidation of his affairs by arrangement of composition. The liabilities were about £400,000, security being held to the extent of £300,000; and the assets comprised book debts to the amount of £40,000, which were continually coming in. The appointment of Mr. S. L. Price, public accountant, was proposed. His Honour appointed Mr. Price receiver, and granted an interim injunction.

November 17.

IN RE J. G. TAYLOR.—The debtor, who was a stockbroker carrying on business in the City, recently failed for a considerable amount, and Mr. H. Harcourt (Harcourt and M'Arthur) now applied for registration of certain resolutions passed at a meeting of creditors in favour of liquidation by arrangement. Registration was opposed by certain creditors, who objected to the proof of the official liquidator of the Silver Star Mining Company for a sum of £10,000, partly for calls already made and partly in respect of liabilities for future calls. Mr. Harcourt called attention to the 75th section of the Companies' Act of 1872, by which liabilities for future calls constituted a specialty debt which might be estimated. The calls already made amounted to £5,000, and the calls to be made were esti mated at the same amount. His Honour refused to allow the proof for more than the amount of the calls actually made, and this being insufficient to carry the resolutions the same were not registered.

November 19.

(*Before Mr. Registrar* BROUGHAM, *as Chief Judge.*)

IN RE OPPENHEIM AND SCHRŒDER.—The debtors, who were merchants trading in Mark-lane, failed in June, and it was resolved that their estate should be liquidated by arrangement, not in bankruptcy. The liabilities were returned at £140,971, and assets £37,615. In the course of the proceedings certain proofs tendered against the estate have been rejected by the trustee, and the case now came before the court on the hearing of appeals from such rejection. The proof appointed for consideration was presented by the Credit Lyonnais, Lombard-street, for £1,938, which had been rejected on the ground that due notice of the dishonour of the bill of exchange for the amount drawn by the debtors had not been given by the Credit Lyonnais. It appeared that the bill had been drawn in England and made payable in France, and the question mainly for consideration was whether notice of the dishonour should have been given according to the English or the French law. The authorities on the question were in conflict, but his Honour thought, having regard to the case of "Hirschfeld v. Smith," that the question respecting the sufficiency of the notice must be construed in reference to the circumstances of the particular case. In the present case the notice had been given according to the French law, and although the question was a doubtful one, the court would hold, under all the circumstances, that the notice was reasonable. The proof would, therefore, be admitted, and the creditors might take their costs out of the estate. Mr. Lord was counsel for the Credit Lyonnais; Mr. Lanyon, as in the previous claim, for the trustee.

COURT OF CHANCERY.—November 14th.

(*Before the* LORDS JUSTICES.)

EXPARTE SIR W. FOSTER, IN RE POOLEY.—This was an appeal by Sir William Foster against an order made on the 24th July last, by Mr. Reginald Pepys, acting as chief judge in bankruptcy, whereby he annulled an adjudication of bankruptcy made against Mr. Alexander Gopsell Pooley, on the 14th March last, on the petition of Sir W. Foster. His petition was filed on the 14th January. On the 27th February Pooley filed a liquidation petition. On the 14th March the adjudication was made, and all proceedings under it were, with the consent of Sir W. Foster, ordered to be stayed till after the 16th March, on which day the first meeting of the creditors under the liquidation petition was to be held. At that meeting the creditors resolved to accept a composition of 19s. 11d. in the pound, payable in three instalments of 10s., 5s., 4s. 11d., at twelve, eight, and twenty-four months. This resolution was confirmed at the second meeting, and was registered on the 8th May. The proceedings under the adjudication had meanwhile been on several occasions stayed again, and on the 20th May a final order to stay them was made. On the 24th July the registrar made the order annulling the adjudication. Sir W. Foster appealed. Mr. De Gex, Q.C., the Hon. A. Thesiger, Q.C., and Mr. Bagley were for the appellant; Mr. Roxburgh,

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Q.C., and Mr. Finlay Knight were for Mr. Pooley. Their lordships were of opinion that the order under appeal was justified under sec. 80 (sub-sec. 10) of the Bankruptcy Act of 1869, and the 266th of the Bankruptcy Rules of 1870, and they affirmed the decision of the registrar, dismissing the appeal with costs.

In re John W. Fox, 62, Seymour-street, Euston-road, Tobacconist.—A meeting of creditors in this case was held at the offices of Messrs. Willoughby & Cox (solicitors to the proceedings), 13, Clifford's-inn, on Thursday, the 19th November. The statement of affairs showed liabilities £575 14s. 7d., assets £299 7s. 6d. No offer being made by the debtor, the creditors resolved to liquidate, and Mr. W. L. C. Browne, public accountant (C. Browne, Stanley, & Co.), 25, Old Jewry, E.C., was appointed trustee, with Mr. Coultman (Tyler & Coultman), 2 and 3, West Smithfield, and Mr. Richard Lloyd (Richard Lloyd & Sons), Holborn-bars, as a committee of inspection.

BRIGHTON COUNTY COURT.—Monday, November 9th.
Before Mr. W. Furner, *Judge*.

In re Bostel.—A motion was made by Mr. William Botting, builder, Ship-street, Brighton, and a creditor of Daniel Thomas Bostel, sanitary engineer, Duke-street, Brighton, who had filed proceedings under sections 125 and 126 of the Bankruptcy Act, 1869, by his solicitor, Mr. Lamb, for the court to determine whether Mr. Frederick George Clark, being appointed a trustee for receipt and distribution only of the composition in the proceedings referred to, under rule 279 of the Bankruptcy Rules, 1870, had any power to decide for what amount Mr. Botting could claim for the purpose of participating in the composition resolved by the creditors to be accepted in discharge of their several claims; and if Mr. Clark had any power to reject the proof tendered by Mr. Botting in support of his claim. Mr. Warner Sleigh, instructed by Mr. A. F. Gell, of the firm of Messrs. Black, Freeman, & Gell, appeared for the trustee. Briefly, the question raised was whether, under the rule mentioned, the trustee was empowered to reject any debt. Mr. Sleigh pointed out that from rules 252 to 315 was a set of rules for certain purposes, and all the purposes analogous. The heading of the 252nd was, "Proceedings for liquidation by arrangement or composition with creditors;" that was, that the *modus operandi* of liquidation or composition was the same in either case, whichever was taken, so far as these rules went. The concluding clause of rule 279 was, "and they may name some person as trustee for receipt and distribution of the composition"—not as agent, not as bankrupt, not simply as receiver, but as trustee. And a trustee had responsibilities to bear, and duties to perform, not merely as trustee for property, not merely as a receiver, but as a trustee to see that the property was properly managed. The rule 313 stated the mode of proceedings under liquidation or composition; wherever the trustee rejected the claim or proof of any creditor, he should give notice to the creditor. Mr. Lamb asserted that notice was not given until a month after the proceedings were closed, and contended that it ought to have been given before they were properly filed. Mr. Sleigh remarked that at the meeting itself notice was given that a majority was against Mr. Botting, and that the claim would not be allowed; and maintained that the delay was not fatal, and that the question to be decided was, had the trustee the same duties to perform under composition as under liquidation? Mr. Lamb replied in the negative, holding that, as far as composition was concerned, the trustee was merely a recipient of a certain sum of money for distribution only. Whether the debt was £1,000 or £500 was to him a matter of no consequence; but where a man was trustee under liquidation—where there was a general distribution of property among the creditors—then the trustee had a perfect right to come forward and say that he objected to a claim. His Honour held that it was incumbent upon the creditor to come before the court and establish his claim, and decided that the trustee had the same power to reject a claim under composition as under liquidation. Costs were allowed to the trustee.

HALIFAX COUNTY COURT.—November 17th.
(*Before Serjeant* Tindal Atkinson).

Important Application in Bankruptcy, re Whitworth.—In this matter the application was dated the 8th of August, this year, and was made by Mr. George Mumford, solicitor, Bradford, on behalf of Messrs. Gibbes & Co., of Charlestown, America, and in connection with the liquidation of the affairs of Messrs. R. Whitworth & Co., Lee Bridge, Halifax, and Boy Mill, Luddenden Foot. The application was to his Honour to order and determine the ownership of seventy-eight bales of cotton, which at the time of the application were in the possession of the Lancashire and Yorkshire Railway Company, having been received by them from the "Republic" and "Celtic," at Liverpool, conveyed by them to their station at Luddenden Foot. It was further stated in the application that the cotton was sent from Messrs. Gibbes and Co. to Messrs. Whitworth on their order; but before it was delivered to that firm the petition for liquidation was filed. Mr. Geo. Jordan, barrister, of Manchester, appeared for the trustee in the liquidation, instructed by Messrs. Rawson, George, & Wade, of Bradford, and Mr. Shaw, barrister, of Leeds, was instructed by Mr. Mumford, on behalf of Messrs. Gibbes & Co. Numerous affidavits were filed in the matter, from which it appeared that Messrs. Whitworth had been in the habit of buying large quantities of cotton for the purposes of trade from Messrs. Gibbes & Co., and a short time before the institution of proceedings for liquidation by Messrs. Whitworth, Messrs. Gibbes shipped seventy-eight bales of cotton from New York to Messrs. Whitworth, Luddenden Foot. The bill of lading consigned the goods to Liverpool, where they were received by Mr. Windle, manager of the Lancashire and Yorkshire Railway Company, who paid the shipping freights, &c., on behalf of Messrs. Whitworth, whose order he awaited for the cotton to be forwarded to their works at Luddenden Foot. Upon their order he sent the goods to Luddenden Foot, where they remained on the Whitworth siding—a siding made not at the expense of Messrs. Whitworth, but for the mutual convenience of both that firm and the railway company. Whilst the goods were upon this siding, the petition in liquidation was filed, and the cotton claimed by the trustees as a part of the estate, and Messrs. Gibbes inserted in the list of creditors as creditors for the amount which the cotton in question was worth. The point at issue seemed to be as to whether the cotton had been taken into possession by Messrs. Whitworth before their proceedings in liquidation were taken, or whether it was still in transit (under which circumstances its delivery to an insolvent firm could be arrested), whilst remaining on the siding at Luddenden Foot. His Honour reserved his decision until the next court.

LIVERPOOL COUNTY COURT.—November 14th.
(*Before Mr.* Collier, *Judge.*)

An Unclosed Bankruptcy.—In re Cohen v. Holden.—This was a case of considerable importance, and, somewhat singularly, is the first which has raised the question of the status of a bankrupt whose bankruptcy is unclosed, and his right to property which he may acquire during the continuance of the bankruptcy. Under former bankruptcy statutes it was considered that all property acquired by a discharged bankrupt he was entitled to retain, but it appears such is not the case now, and that, although he may be discharged, his property is liable to be seized by his trustee until the close of the bankruptcy. The present bankrupt was Mr. John Peakman, of Liverpool, metal merchant. His bankruptcy took place two or three years ago, and although there are no assets, the trustee, Mr. Bolland, had not closed the bankruptcy. The question was raised by an interpleader issue, and came before the court on the 4th November. His Honour now said: This was an inter-

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pleader issue to determine the right to certain furniture taken in execution for a debt. Holden, the execution creditor, levied an execution on the household goods of the execution debtor, at his house at Blundellsands. The execution debtor was a bankrupt. The furniture in question had been purchased by him, according to his evidence, during the continuance of his bankruptcy, with money acquired in trade. Before he removed to the residence at which the execution was levied, he had given a bill of sale of it to Cohen, the claimant. The validity of this bill of sale was not disputed. According to the form in which interpleader issues are tried in the County Court, the claimant is the plaintiff, and the execution creditor the defendant. The claimant has, therefore, to establish his title, and this I think the defendant can defeat by showing that the title is in some one else; for this the cases of Green v. Rogers (2 Car. and K. 148) and Gadsden v. Barrow (23 L. J. 134, Ex.) are sufficient authorities. The title defendant set up was that of the trustee under the bankruptcy of the execution debtor, and it remains to consider whether his title was a good one. By sect. 15, sub-sect. 3, of the Bankruptcy Act, 1869, the property of the bankrupt divisible among his creditors (in the Act referred to as "the property of the bankrupt") comprises all such property as may belong to or be vested in the bankrupt at the commencement of the bankruptcy, or may be acquired by or devolve on him during its continuance. By sect. 17, when a trustee has been appointed, the property of the bankrupt forthwith passes to and vests in the trustee. By sect. 19, if the bankrupt shall fail to deliver up possession to the trustee of any part of his property which is divisible among his creditors, and which may for the time being be in his possession or under his control, he is guilty of contempt of court. A bankrupt may be allowed to carry on business, and no doubt in many cases it is for the interest of the creditors that he should do so. If he may carry on business, he may contract and buy and sell and possess goods; but I think the policy and intention of the present bankrupt law is that until the close of the bankruptcy all his dealings should be carried on for the benefit of his creditors. It appears to me that any property he acquires forthwith passes under the Act to the trustee, and that the bankrupt can only deal with it on the sufferance of his creditors. It can hardly be said that a bankrupt's purchase of furniture for his own use is for the benefit of his creditors; and in this case, as the trustee had no notice of his possession, it cannot be inferred that he possessed it by the sufferance of the trustee or the creditors. In my opinion the furniture passed, as soon as purchased, to the trustee, and the bankrupt had no permission, expressed or implied, to part with it. There was no laches by the trustee in asserting his right, for he had no notice of the purchase, and therefore the bankrupt had no power to transfer it, and the claim of Cohen must fail. My judgment will therefore be for the execution creditor, with costs.

BANKRUPTS CHARGED WITH FALSIFYING BOOKS.—At Wolverhampton, on Friday, the 30th November, James, Thomas, and Edwin Smith, ironmasters, Bilston, were charged with that they, being persons whose affairs were under liquidation, had falsified their books with intent to conceal the state of their affairs and defeat the law. There was a considerable number of charges against the defendants, the theory for the prosecution being that in order to account for the large deficiencies they had made false entries in their books. Defendants had failed for over £15,000, with £2,000 assets, calculated at £80 per week during the whole time they had been in business. The case was adjourned, and was concluded on Saturday, when the defendants, who reserved their defence, were committed for trial, bail being allowed in two £200 sureties each.

At a meeting of the Finance Committee of the Urban Sanitary Authority, held at the Town-hall, Preston, on Thursday, the 19th November, Mr. Joseph Smirk, borough accountant, tendered his resignation of the office, which was accepted.

COURT OF BANKRUPTCY, BRISTOL.

November 7th.

(*Before Mr.* R. A. FISHER, *Judge.*)

IN RE COATES, SHARP, AND GRANGER, LATE OF BRISTOL, DRAPERS.—Mr. Swann, of the firm of Fussell, Prichard, and Swann, said he appeared in this matter on behalf of the trustees, who were resident in Manchester, and who had taken a position in opposition to the registrar of that court. The debtors had carried on business in Bristol, and the estate was of considerable magnitude, and in consequence of several Manchester houses being the principal creditors, they had appointed trustees in that city, but allowed the proceedings to remain in the Bristol Court, instead of removing them to Manchester. At a meeting of creditors, duly convened, amongst others a resolution was passed that the trustees' accounts should be audited by two of the largest creditors nominated by the meeting. The resolutions were presented to the registrar of that court for registration, but he declined to do so, on the ground that the trustees' accounts had not been filed. Mr. Swann contended that as all the requirements of the Act had been complied with, the registering of the resolutions was purely ministerial, and further, that as the accounts had not been submitted to the meeting at which the resolutions had been passed, the registrar had no right to require that they should be filed. The registrar (Mr. Harley) said that the resolutions were incomplete without the accounts, and that the resolutions sought to be registered released the trustee. The judge remarked that the accounts were part and parcel of the resolutions, and the latter were not in their absence complete, and, in his opinion, they ought to be filed. If that was not done, and the file of proceedings should some years afterwards be overhauled, the absence therefrom of the accounts might create considerable difficulty. His Honour upheld the opinion of the registrar, and ordered that the trustees' accounts, showing special payments and disbursements, be filed within fourteen days, and upon that being done the resolutions would be registered. Mr. Swann intimated that he should appeal to the Chief Judge in Bankruptcy.

CURIOUS POINT.—IN RE PATTERSON, RICE, & Co., CONFECTIONERS.—Mr. Beckingham appeared in this case on behalf of the trustee of the separate estate of Thomas Clark Rice, who carried on business in conjunction with Mr. Patterson, his partner, as confectioners near Bristol. Mr. John Parsons, of Bristol, accountant, was the trustee of the joint estate, and was then present. The separate estate of Mr. Rice had been closed by the creditors, and the trustee discharged, under the impression that there were no assets beyond £15 or £20 disclosed by the debtor in his statement. Some months afterwards it was discovered that there was a valuable equity of redemption in a house which the debtor had mortgaged, and the debtor's explanation why this was omitted from his statement convinced him that the debtor had acted *bona fide*, and that the omission was not fraudulent, but that he really believed that the house was not worth more than the amount advanced on mortgage, and that he did not think it worth while to include it in his statement. The trustee had, however, sold the house, and after paying the mortgage and the expense of realisation, there was a surplus of £136 in hand. Mr. Beckingham submitted that notwithstanding that the liquidation had been closed, and the trustee released, the money should still be divided amongst them, as being an asset of the separate estate, and not an asset of the joint estate. His Honour took time to consider his judgment until the 3rd December next.

FRAUDULENT BANKRUPTCY.—At the Bristol Quarter Sessions, Joseph Bumford, on bail, 39, licensed victualler, tiler, and plasterer, was indicted for that he "being a person whose affairs were in liquidation by arrangement, in pursuance of the Bankruptcy Act, 1869, did not fully and truly discover to the trustee administering for the benefit of his creditors all his real and personal estate, with intent to defraud." This is the case in which an application by way of motion was made to the judge of the Bristol County Court, on the 10th ult., for an order

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for the committal of the debtor to gaol for contempt of court, and was fully reported in our last issue. Evidence having been given as to the charge, the Recorder summed up, and the jury, after some deliberation, through their foreman announced that they could not agree—that ten of them were satisfied that the prisoner was guilty. The Recorder directed them to retire and further consider their verdict, and they ultimately found a verdict of guilty. The Recorder sentenced the prisoner to twelve months' imprison-ment with hard labour, and refused to pass a lenient sentence, although the prosecution recommended him to mercy.

THE PROVINCES.

SHEFFIELD.

On October 28th a petition was filed in the Sheffield Bankruptcy Court in the estate of Mary Hirst, widow, Alma-road, Rotherham. At the meeting of creditors held Nov. 17th at the offices of Mr. Hoyle, solicitor, Rotherham, the statement of accounts presented showed the liabilities to be £1,106 9s., and the assets £306 17s. 10d. Mr. Bellamy, accountant, Rotherham, was appointed trustee, with a committee.—Same date an application was made for the adjudication of Messrs. J. & M. Woollen, bone and scale cutters, Daisy-walk. Mr. Brailsford, solicitor, who appeared for the petitioning creditor, said notice had not been given of any intention to dispute the adjudication, and it being shown that the act of bankruptcy was fortified by affidavit, his Honour granted the application. The liabilities in this case are about £1,200.—On October 30th a meeting of the creditors of Henry Warrington, butchers' steel maker, was held; the liabilities £800, assets £276 18s. Liquidation was adopted, with Mr. James Andrews, jun., as trustee.—On November 2nd a petition was filed in the Sheffield Bankruptcy Court, in the affairs of Mr. John Walker, draper, Castle-street, Sheffield. Liabilities stated at over £4,000.—A day or two afterwards a petition was filed in the same court in the affairs of Mr. John James Bagshawe, trading as J. J. Bagshawe & Co., Thames Steel Works, Arundel-street, Sheffield, with liabilities estimated at over £8,000.—On November 5th a meeting of the creditors of James Downey, Sen., tailor and draper, of Chesterfield, was held at Sheffield, the liabilities £948 11s. 10d., and assets £522 2s. 9d. Liquidation was adopted, with Mr. Blackburn, of Leeds, as trustee.—Same day a meeting of the creditors of Mr. John Gow, draper, &c., Sheffield, was held, and Mr. P. K. Chesney, Bradford, was appointed trustee.—A meeting was held, also on November 5th, at the Sheffield County Court, of the creditors in the separate estate of Mr. Arthur John Fretwell, one of the partners in the Whittington Brick Manufacturing and Colliery Company. The statement of accounts presented by Mr. Cooper Corbidge, jun., for the receiver, showed the liabilities to be £1,794 3s. 11d., with assets estimated at £900. Mr. Corbidge was appointed trustee, with a committee of inspection.—Same date a meeting of the creditors of Robert Coates, innkeeper, Doncaster, was held in that town, and Mr. Bennett, Sheffield, was chosen as trustee in liquidation.—On November 5th an application was made to Mr. Ellison, Judge of the Sheffield Court, for an adjournment *sine die* to be made in the examination of Edward Gamble, steel and file manufacturer, Sheffield. The application involved points of importance. Mr. Clegg (for Mr. Pearson, the trustee) applied that the passing of the bankrupt's last examination be postponed *sine die*. The ground for this was, that the day before the adjudication was made the bankrupt said he had in hand £84 17s. 5d., but he had never handed that sum over to the trustee. They might, as his Honour said, prosecute him. Again, in his examination before the Registrar, he had said he had a phæton, and without knowing whether it was "in his order and disposition," he had sold it, *after the adjudication*, for £23. That sum, also, he had never handed to the trustee. A diamond ring, and other property, also some gold studs, had been sold, but not accounted for. He had put down £30 a month for travelling expenses, but could not say how he arrived at that sum, further than that he fixed it at that amount in order to make his accounts balance! Notwithstanding this he had never obtained a single order after April 7th. Taking all these circumstances into consideration, he submitted that the bankrupt had not made a full disclosure of his estate, and that the law had not, therefore, been properly carried out. His Honour said that he quite agreed with them so far, but he did not see the use of adjourning *sine die*. The bankrupt could not obtain his discharge unless he obtained 10s. in the £; there was no probability shown that he was able to do this, and, therefore, he was practically in their hands. Mr. Clegg rejoined that if a man could manage to pass his examination, he could always go into business again in somebody else's name. The trustee and committee thought that this bankrupt ought not to get off so easily, having acted as he had done. Judging from his own balance-sheet, he commenced business with a deficiency of £200, and although only in business thirteen months, had ended with a deficiency of £1,100. His Honour remarked that he didn't do so very badly. Many people had done much worse than that. Mr. Clegg answered that the bankrupt had spent £900 of the creditor's money within twelve months, and he therefore contended he ought not to be allowed to pass his examination. Mr. Binney (for the bankrupt) admitted that his conduct could not be altogether defended. He had been exceedingly injudicious. The deficiency at the outset was really cash advanced by his brother long before the business was commenced. The man had been unsuccessful, but there had been no fraudulent intention, consequently he held that he ought to pass his last examination. As to the sale of the phaeton he (Mr. Binney) was prepared to hand over the amount for which it had been sold. The adjournment of the examination *sine die* would do no good. His Honour was of opinion that if the trustee pressed for the order he should be bound to make it. Mr. Clegg intimated that he must adhere to his application, whereupon his Honour remarked that although the bankrupt had gone through the form of giving a deficiency account, and had answered the questions put to him, the court could not deem his answers satisfactory. Upon that point the court was bound to consider the view taken of the matter by the trustee, because he (the trustee) was appointed by the creditors to investigate the bankrupt's accounts. When the trustee came before the court and said that the bankrupt's answers were not satisfactory, that he had money at the time of the bankruptcy which was not accounted for then, although the judge's view might be that to adjourn the examination was utterly useless to the creditors, and would inflict no injury whatever on the bankrupt himself, still he was bound to make an order that the examination be adjourned *sine die*. This decision is of considerable value to trustees generally.—On November 9th a meeting of the creditors of John Joseph Mason, hotel keeper and music hall proprietor, was held at Chesterfield, the liabilities £820, and assets £144. Liquidation being resolved upon, Mr. Jephson, Chesterfield, was appointed trustee without a committee.—On November 12th, at the Sheffield Court, an unusual application was made for the ousting of a receiver who had been appointed by the court at a previous sitting. The facts were, that a petition having been filed by S. G. Holland, builder and contractor, Mr. Appleby, accountant, was appointed receiver by the court. A meeting of the creditors was afterwards held, and a majority of them decided to appoint Mr. Andrews as receiver. It was therefore asked that Mr. Andrews might be substituted for Mr. Appleby. Mr. Barker, barrister, on behalf of Mr. Appleby, opposed the application on two distinct grounds. First, that the creditors could only appoint a receiver where no one had been appointed by the court, that being the language of the first part of rule No. 262. He further held that the nomination paper was not duly signed by the majority of the creditors, inasmuch as one signature was by a director on behalf of a limited liability company, and another was signed per procuration of a third party. He was informed that the practice of the court was only to appoint the nominee of the creditors in cases where the receiver

appointed by the court was proven to be incompetent or guilty of misconduct. There was no such imputation in this case. His Honour said there was certainly some difficulty in construing rule 262, but in construing it they must bear in mind that the ruling principle in liquidation was to leave everything to the creditors. [He consequently held, according to the practice of the court, that if the creditors appointed a receiver where one had been previously appointed by the court, the court was compelled to accept the creditors' nominee in place of its own. He should, therefore, accede to the application, allowing costs out of the estate.—At the Sheffield County Court, on Nov. 19th, a meeting of the creditors of J. and M. WOOLLEN was held, and Mr. Edward Pearson was appointed trustee, the liabilities being £1,150.—On November 20th meetings of the creditors in the joint estate of MATTHEWMAN & SONS, Sheffield, and the separate estates was held. In the former the liabilities were £2,694 11s 11d., with assets valued at £1,543. Liquidation in this case was adopted, with Mr. Francis Day, Accountant, as trustee.

BRISTOL.

IN RE DAVID GRIFFITHS, of Llanelly, Currier. — First meeting of creditors held at the offices of Messrs. Barnard, Thomas, Tribe, & Co., of Albion Chambers, Bristol, accountants. Statement of affairs showed liabilities £5,702 15s. 5d., and assets £4,312 2s. 11d. Liquidation resolved upon. Mr. Francis Elliott Swann, of Bristol, public accountant, appointed trustee; Messrs. Fussell, Prichard, & Swann, of Bristol, solicitors.

Second general meeting of the creditors of ROBERT HOCKING, of Maesteg, Glamorganshire, ironmonger, painter, and glazier, was held at Messrs. Denning, Smith, & Co.'s., accountants, Bristol, on the 23rd October, when resolutions to accept 10s. in the pound, secured, were confirmed. Mr. H. H. Beckingham, solicitor.

RICHARD LEWIS SMITH, of Trnypandy, Brecknockshire, Tailor.—A meeting of creditors was held, under petition for liquidation filed in the County Court of Glamorganshire, holden at Merthyr Tydfil, at the offices of Mr. J. Collins, No. 39, Broad-street, Bristol. Statement of the debtor's affairs produced, disclosing liabilities £1,117 10s. 6d.; assets £504 6s. 2d. Resolution to liquidate passed, and Mr. J. Collins appointed trustee. A meeting in the same matter has, however, been held on the 17th November at the same place, under the 28th section of the Bankruptcy Act, 1869, and a composition of 12s. 6d. in the pound, payable at three, six, nine, twelve, and fifteen months (first instalment unsecured, the remainder secured), has been accepted by the creditors. Messrs. Simons and Plews, of Merthyr Tydfil, solicitors for the debtor, and Messrs. Salmon & Henderson, of Bristol, solicitors for the creditors.

On the 26th October a meeting was held at the office of Mr. H. H. Beckingham, solicitor, Bristol, of the creditors of JOHN FREDERICK PHILLIPS, of 74, Oxford-street, Swansea, grocer and provision dealer, when the debtor's discharge was granted, and the liquidation closed, a first dividend of 4s. in the pound, and a second and final dividend of 3s. in the pound having been previously declared and paid. Mr. James Collins, of 39, Broad-street, Bristol, trustee.

IN RE ALFRED ERNEST BABER, of White Hart-yard, Bristol.—Petition filed in Bristol County Court for liquidation. First meeting held at Mr. J. S. Pitt's office, Albion Chambers, Bristol, accountant, on Saturday, 31st October, Mr. William Thomas in the chair, Composition of 6s. in the pound, payable in six weeks, accepted. Mr. J. S. Pitts appointed trustee; Mr. Albert Essery, of Broad-street, Bristol, solicitor.

RE THOMAS FOXALL, of 56, Gadly's-road, Aberdare, Glamorgan, Draper.—The first meeting of creditors, under petition filed in the Aberdare County Court, was held at the offices of Messrs. W. H. Williams & Co., of the Exchange, Bristol, public accountants, on Wednesday the 4th November, Mr. J. H. South, of the firm of W. H. Williams & Co., had been appointed receiver on the nomination of creditors, in substitution for the one appointed at the instance of the debtor, and the meeting had been removed to Bristol by order of the court from the offices of Messrs Linton & Williams, solicitors, 4, Cauda-street, Aberdare. Statement of the debtors' affairs produced, showing liabilities £929 11s. 5d.; assets £278 14s. 10d. No offer being forthcoming from the debtor, resolution passed to liquidate by arrangement, and Mr. J. H. South appointed trustee. Debtors' solicitors, Messrs. Denton & Williams, Aberdare.

IN RE W. A. DENT, of Ebbw Vale, Monmouthshire, ironmonger.—First meeting of creditors held at the offices of Messrs. Barnard, Thomas, Tribe, & Co, Albion Chambers, Bristol, accountants, on Saturday the 7th of November, when a statement of the debtor's affairs was produced, showing liabilities to creditors unsecured, £701 6s. 4d., and assets £151 16s. 1d. A composition of 8s. 6d. in the pound, payable at four, eight, and twelve months, and secured by J. G. Dent, of Aberyschan accepted. Mr. H. H. Beckingham, of Bristol, solicitor.

IN RE D. T. JAMES, Grocer, Trecynon, Aberdare, Glamorganshire.—First meeting of creditors held at the offices of Messrs. Alexander Brothers, of 76, St. Mary-street, Cardiff, on Saturday, the 7th November. Mr. G. Harris, of the firm of Messrs. Harris, Brothers, & Co., in the chair. Statement laid before the meeting disclosing liabilities £756 1s. 7d., assets £326 4s. 7d. Offer of 7s. 6d. in the pound composition made by the debtor, and increased to 8s. in the pound; the principal creditors refused to take less than 10s. in the pound. It was ultimately resolved to wind the estate up in liquidation, and Mr. James Collins, of 39, Broad-street, Bristol, was appointed trustee. Mr. Thos. Phillips, of Aberdare, debtor's solicitor.

IN RE JAMES COOK, of 45, West-street, Bristol, Baker.—Petition for liquidation of affairs filed by debtor in the Bristol County Court, and first meeting of creditors held at the offices of Messrs. Salmon & Henderson, Broad-street, Bristol, solicitors, on Friday, the 13th November. Liabilities £258 14s. 8d., and assets £168 16s. 1d. Resolution passed to liquidate by arrangement, and Mr. James Collins appointed trustee.

IN RE HENRY RANGER PARTON, of Cardiff, Grocer.—First meeting under petition for liquidation, filed in the Cardiff County Court, held at the offices of Messrs. Barnard, Thomas, Tribe, & Co., of Albion Chambers, Bristol, accountants, on Monday, the 16th November. According to the debtor's statement of affairs his liabilities appeared to be £1,101 9s. 10d., and assets £716 18s. 11d. It was resolved to liquidate by arrangement. Mr. W. C. Clarke, of Cardiff, accountant, and Mr. James Collins, of Bristol, joint trustees. Messrs. Griffith and Corbett, of Cardiff, solicitors.

IN RE THOMAS DYER, of Redcliff-street and Old Market-street, Bristol, Grocer.—Petition for liquidation filed in the Bristol County Court, and first meeting thereunder held at the offices of Messrs. William Tricks, Son, & Co., of City Chambers, Nicholas-street, Bristol, accountants, on Monday, the 9th November. Statement of affairs, as prepared by Mr. James Collins, of the Merchants' Association, Bristol, produced, showing liabilities £4,034 0s. 10d., and assets £2,081 18s. 4d. Resolution passed to accept a composition of 9s. in the pound, and Mr. James Collins, of No. 39, Broad-street, Bristol, was appointed trustee to distribute the composition. Mr. Charles Taddy, of Bristol, solicitor.

On Friday, the 20th November, a meeting of the creditors of THOMAS BRINTON LONNEN, of Avon-street Temple, Bristol, victualler and coal merchant, was held at the offices of Messrs. Hancock, Triggs, & Co., of the Guildhall, Bristol, accountants, Mr. H. W. Povey, chairman. A composition of 2s. 6d. in the pound, payable at the office of debtor's solicitors, Messrs. Benson and Thomas, No. 39, Broad-street, Bristol, was accepted.

MANCHESTER.

A meeting of the creditors of WILLIAM ASHFORD, of 25, Cross-street, Manchester, building merchant, was held on the

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13th November, at the offices of Messrs. Rideal and Shaw, solicitors. The statement of affairs was read by the receiver, Mr. Beswick, of Manchester and Leeds, accountant, showing total debts £4,233 4s. 7d., and total assets £1,701 16s. 11d. Liquidation was resolved upon, and Mr. Beswick and Mr. Harding, accountants, Manchester, were appointed trustees. The debtor's discharge was unanimously refused. The registration of the resolutions was entrusted to Mr. A. M. Blair, solicitor, St. James's-square, Manchester.—A petition for liquidation has been made in the Manchester County Court, by Mr. DAVID CURR, of Chapel-square, Birchin-lane, Manchester, and of Bury, jute spinner and manufacturer, trading under the style of "D. Curr, Langford, & Co.," and lately carrying on business at New Mills as a paper stainer and manufacturer, under the style of "A. F. Langford, & Co.," surviving partner of Aaron Ferns Langford, deceased, lately carrying on the said business together at Chapel-square, Birchin-lane, Manchester, Bury, and New Mills, respectively aforesaid, under the said styles respectively; liabilities, £27,300.—A meeting of the creditors of Mr. SAMUEL ANDERTON, of this city, lead and glass merchant, was held on the 20th November, at the offices of Messrs. Sutton & Elliott, solicitors, when the statement of affairs submitted by Mr. C. B. Harding (of Sutton & Harding), the receiver, showed liabilities £5,206 12s. 8d., and assets £1,426 4s. 6d. It was unanimously resolved to wind up the estate in liquidation, Mr. Harding being appointed trustee, with power to sell the estate, for a sum equal to 10s. in the pound, the debtor to have his discharge.—Petitions for liquidation have been filed in the Manchester County Court by the following persons: JOSEPH M'KINNELL the younger, of Holt Town Mills, Ancoats, Manchester, paper stainer (trading under the style of Edmund Grime and Co.); liabilities £4,800.—MAURICE NEURNAN, 45, Argyle-chambers, Hanging-ditch, Manchester, publisher, printseller, and importer of foreign fancy goods, also carrying on business at the same place, in partnership with Abraham Neurnan (under the style or firm of M. & A. Neurnan), as jewellers; liabilities £4,100.—NATHANIEL CLAYTON UNDERWOOD, and JOHN JONES (trading as Underwood & Jones), of West Gorton, near Manchester, machinists; liabilities £2,000.—W. BRYCE FLOWER, 15, Greenwood-street, Manchester, paper merchant and commission agent, and also carrying on business at the same place, in partnership with William Stevenson, as a packer; liabilities £4,500.—THOMAS SUTCLIFFE, 8, Market-place, Manchester, and 57, Wilmslow-road, Risholme, near Manchester, bookseller and stationer; liabilities £1,200.

BIRMINGHAM.

CHARLES JAMES ARBLASTER, chemist and druggist; meeting on the 11th November; liabilities £3,228 11s. 6d., assest £723 0s. 4d.; liquidation resolved upon; Messrs. Starkey and Luke J. Sharp trustees.—THOMAS MILNER, ironmaster, Great Lister-street; meeting held on the 13th; liabilities £3,731 4s. 5d., assets 3,270 12s. 6d; to be wound up by liquidation; Mr. Luke J. Sharp appointed trustee.—JOHN COOPER, boot and shoe maker; meeting held on the 24th ult. at the offices of Mr. Duke, solicitor; liabilities £967 11s., assets £67 7s. 6d. Resolved to wind up in liquidation.—WILLIAM LEWIS, jeweller, Birmingham; meeting was held at the offices of Messrs. L. J. & E. Sharp, accountants; liabilities £636 13s. 2d., assets £205 10s. 7d. An offer of 3s. 6d. in the pound, payable in a month, was made and accepted.—MATTHEW PAYNE HILL, furniture dealer; meeting held at the offices of Mr. Blewitt, solicitor, Waterloo-street; resolved to liquidate the estate.—ROBERT COTTIS, commission agent, Small-heath; meeting held on the 10th ult. at the office of Mr. Collis, solicitor, Bennett's-hill; composition of 2s. 6d. in the pound.—JOHN CLEMENTS, fruiterer, Balsall-heath; meeting held at the office of Messrs. Maher & Poncia, solicitors, on the 11th Nov.; composition of 1s. in the pound accepted.—EDWARD DAVIS, tailor and draper; meeting held on the 20th ult. Mr. C. R. Kennedy represented the debtor. The statement showed liabilities £340; assets, consisting of stock-in-trade and book debts, to about £540. Mr. Kennedy offered, on behalf of the creditors, 20s. in the pound secured, payable in three, six, and nine months. After a long discussion this was rejected, and it was resolved to wind up the estate in liquidation, Mr. L. J. Sharp being appointed trustee.—GEORGE JOSEPH HANDS, leather seller; meeting held at the offices of Mr. C. B. Hodgson, Waterloo-street; liabilities £726 2s. 1d., assets £115 6s. 7d.; resolved to wind up the estate in liquidation.—HENRY HOBDAY, grocer, Birmingham; meeting held at the offices of Mr. W. H. Powell, solicitor; liabilities £400, assets estimated at £59; resolved to wind up in liquidation, and that the debtor was not to receive his discharge until he had paid his creditors 10s. in the pound. Mr. Sharp was appointed trustee, and Mr. Powell solicitor.

LEEDS.

On November 9th a petition for liquidation was filed in the Leeds County Court by Mr. DANIEL JACKSON, cloth manufacturer, Aire-street, Leeds, with liabilities estimated at about £8,000, but with considerable assets.—A meeting was held on the same date of the creditors of B. BENJAMIN, woollen merchant, of Leeds and London, whose liabilities were estimated to be £18,000, or thereabouts, and the assets about £700. The creditors were stated to number 198, and it was stated that the bankrupt had absconded, prior to which (within about six weeks) he had bought £8,000 worth of goods without having paid for them. Liquidation was resolved upon, with Mr. Routh, accountant, Leeds, as trustee.—Mr. JOHN SUTCLIFFE, cotton dealer, West-end Mills, Bradford, with £3,500 liabilities, and good assets.—A meeting of the creditors of W. H. MARTEN, woolstapler, Bradford, trading as W. H. Marten & Son, was held, the liabilities being £14,384, and assets about £809. It was decided to make the debtor a bankrupt.—At the examination of BENJAMIN WARD, wool merchant, the liabilities were stated at £39,190, with assets worth £1,100. The debtor admitted he had been dealing in accommodation bills for two years with various persons, amongst others with his own bookkeeper, to the tune of £4,050. This examination was adjourned.—At the same court, same day, the affairs of ROBERT WEBSTER, manufacturer, of Leeds and Pudsey, were investigated. He had been mixed up with bill transactions with Ward, the debtor in the last-named case. His liabilities he estimated at £7,800, of which £6,468 would rank against the estate, with assets which had realised £1,115. The further examination was adjourned.

SINGULAR PARTNERSHIP.—On Wednesday, the 11th November, at the Leeds Bankruptcy Court, the case of JOSEPH WALSH, tanner and currier, of Otley, came up. The total liabilities are £27,468, whilst the assets only amount to about £2,357. Walsh on a former occasion stated that he had been requested by Mr. Henry Henchman, late manager of the Midland Banking Company (Limited) in Leeds, to "launch out" and attend his business, saying that if he did so he (Mr. Henchman) would increase his overdraught at the bank to the tune of several thousands. Walsh did so, and then Henchman wished to limit the overdraught or else to be taken in as a partner with Walsh. After some consideration Walsh agreed to accept Henchman as his partner, the bank manager promising to put £500 into the concern, and according to Walsh's statement, to receive £500 per year for the loan of it. The transactions between them lasted about two years, but by that time Walsh had got tired of the bargain, and gave Henchman eight six-months' bills for £300 each to get him out of the concern. One of these bills had been met, and Mr. Henchman was now attempting to prove the others against the estate. Mr. Henchman, who is not now a bank manager, was to-day examined at considerable length by Mr. Simpson, solicitor, as to his dealings with the bankrupt. He admitted that the turn-over had largely increased after he had accommodated Walsh. He declined to say whether or not he told his directors he was a partner. At the instance of the directors he attempted to induce Walsh to reduce his

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account. He had received bills from Walsh to the extent of £2,400 to dissolve the connection. Only one had been met. The examination was adjourned.

In the Court of Bankruptcy, November 6th, the liabilities of Mr. BENJAMIN WARD, a foreign wool merchant, were stated at about £40,000, including £31,320 on accommodation bills, while the assets represented only £1,100.

DEWSBURY.

IN RE BENJ. BENJAMIN, of London.—On Thursday, the 19th November, at the Dewsbury County Court, before Mr. Serjeant H. Tindal Atkinson, judge, Mr. G. A. Rooks, solicitor, London, appeared on behalf of the trustee in the liquidation of Benj. Benjamin, clothier, of London, to make several applications. Mr. Rooks said he appeared on behalf of Mr. John Routh, trustee in the liquidation of the affairs of Benj. Benjamin, to make several applications. The first was for an order of the court empowering him to examine witnesses, and also authorising him to examine those witnesses in a London court, inasmuch as the said witnesses resided in, or near to London. They were persons to whom the debtor had sold property within two months before he filed his petition. The debtor had conducted the business of a clothier in London; had purchased his cloth in the West Riding of Yorkshire; then manufactured such cloth into wearing apparel, which he sent into the provinces. Strange to say, in the month of July, and in fact, up to the month of October, the debtor greatly increased his purchases. They amounted in August to £2,100; September, £3,300; and October, £1,061. On the 9th October the debtor filed his petition; and at a meeting of creditors, a statement was made which showed that debts, amounting to £17,278 had been contracted. The creditors, up to the present time, had made every possible inquiry, and they discovered that in July last the debtor opened a place of business in Leeds. Goods were purchased, sent to Leeds, then to London to the debtor, and subsequently to various packers, and those packers were amongst the persons against whom subpœnas had been issued. After the 9th of October, and so late as the 22nd October, the debtor had dealings with a number of persons, amongst whom was a person named Richardson. Some of the goods sold to Richardson had found their way to Birmingham, and afterwards to the warehouse occupied by Messrs. Taylor, of Southwark. Messrs. Taylor had been summoned to show cause why they did not give up the property. He (the speaker) also desired to apply for an injunction, restraining any person from removing the goods from Messrs Taylor's premises; also for a warrant enabling them to search the goods; and he might say that the court had power to grant that application under 76th and 99th sections of the Act. He also made an application for the postal direction of letters. Richardson was apprehended last Tuesday, in Birmingham, and when conveyed to a police-station in London, a ticket was found upon him which had enabled the trustee to trace whereabouts of the goods. His Honour suggested that the examination ought to be taken in London. All the other applications were granted, with the exception of the one relating to the search warrant, his Honour holding that the goods were not concealed.

HUDDERSFIELD.

At the County Court, on the 11th Nov., an application was made on behalf of Mr. Savile Crowther, late waste dealer, Huddersfield, asking the court to make absolute an interim injunction, granted in June, restraining Mr. Henry Hirst, jun., and Mr. Henry Wild, accountant, creditors of the estate by virtue of being executors under the will of the late Mr. S. K. Hirst, and also the Sheriff of Lancashire and his officers at Liverpool, from proceeding further with an execution under a writ of *fi. fa.*, and also, so far as Messrs. Wild & Hirst were concerned, from proceeding with an action upon an open account against the debtor. The motion further asked the court to confirm resolutions passed by the creditors, by which they agreed to accept a composition of 7s. 6d. in the pound. The application was opposed, and an adjournment was asked for, on the ground that there had not been time to answer the affidavits filed in support of the motion, in consequence of the illness of an attorney, and also on the ground that the resolutions were obtained by fraud. After each side of the case had been stated at length, the registrar said he could not try the question of fraud, and it was no answer to that motion. He would, however, grant an adjournment if it was desired. It was decided to abandon the request for an adjournment, but to come before the court subsequently with a substantive motion. The registrar thereupon granted the motion.

PLYMOUTH.

SALES BY INSOLVENTS.—The case of E. W. Pinches, a bankrupt, came before Sir James Bacon, the chief judge in bankruptcy, on Tuesday, Nov. 10th. It was an appeal on behalf of Mr. E. Wilkes, accountant, of Plymouth, the trustee of the bankrupt, who formerly occupied the Bedford Wine and Spirit Vaults, Plymouth, against an order pronounced by the judge of the Stonehouse County Court on the 12th of August last, whereby he refused the application of the trustee, that Mr. Edward George Lewer, brewer, of Plymouth, should pay to him as trustee the sum of £67 6s. 4d., and likewise ordered the trustee to pay Mr. Lewer's costs from the time of filing certain affidavits used in support of such application. Mr. Robertson Griffiths (instructed by Mr. Abraham Rhodes, solicitor, of London, agent for Mr. J. E. Curteis, solicitor, of Stonehouse), appeared for the appellant, and Mr. F. Knight (instructed by Messrs. Guscotte, of London, solicitors' agents for Mr. Sparkes, solicitor, of Crediton) for the respondent, Mr. Lewer. From the affidavits filed it would seem that at a time when bankrupt was perfectly insolvent the respondent, on behalf of himself and Mr. Badcock, of Crediton, purchased the bankrupt's business, and claimed to deduct the debts due from Pinches to himself and Badcock. The County Court judge decided that he was entitled to do this, but the trustee being dissatisfied with this decision appealed. Mr. Griffiths contended that the sale by Pinches to Lewer was for a past debt, and without adequate consideration, inasmuch as the £28 paid was not sufficient, and that not only was Lewer's a bygone debt, but Badcock's was one also. Mr. Griffiths quoted an analagous case of Newton, assignee of Steelfox v. Chandler, in which Lord Ellenborough decided in favour of the assignee. Mr. Knight argued that the judge of the County Court was right in making the order. His Honour held that whatever verbal agreement might have been come to on the 17th Dec. about deducting the amount of the debts from the purchase money, not one word to that effect was inserted in the agreement signed on the 19th of that month, and could not therefore be entertained. Anything more of a fraudulent preference to Lewer and Badcock he could not conceive. Lewer could not say he was ignorant of his (Pinches) condition, for he was told that the bailiffs were in Pinches' house, and knew of his poverty by advancing him £10. Badcock likewise showed by his acts that he was aware of Pinches' condition. He had not, therefore, the slightest hesitation in saying that the knowledge of Pinches' position had been brought home to Lewer before the contract had been completed, and as nothing could be clearer in his mind than that Lewer was bound by the express terms of the contract, it was unnecessary to refer to any cases. The trustee being bound to ask Lewer to pay the balance of the purchase money, his application to the judge of the County Court was a proper one, and therefore his order was that the order in the court below be discharged, Mr. Lewer to pay to the trustee the £67 6s. 4d. and the costs in the court below.

WOLVERHAMPTON.

A meeting of the creditors of WILLIAM ALFRED CLARKSON, of Hednesford, in the county of Stafford, cabinet maker and general dealer, was held on Saturday, at the offices of Mr. Charles Barrow, solicitor, 48, Queen-street, Wolverhampton;

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Mr. T. Broadhouse, of Wednesbury, in the chair. Mr. Barrow appeared for the debtor, and Mr. C. L. Starkey, of Birmingham, accountant, represented creditors. Liabilities, unsecured, £479 19s. 2d.; assets, consisting of book debts, &c., £84 5s. 7d. It was resolved that the estate should be wound up by liquidation, that Mr. Starkey be appointed trustee, the debtor receiving an immediate order of discharge.—A second meeting of the creditors of Mr. JOHN MORRIS JONES, of North-street, Wolverhampton, grocer and provision dealer, was held, also on Saturday, at the offices of Mr. Charles Barrow, Queen-street, in this town. Mr. Barrow appeared on behalf of the debtor, and Mr. Stratton and Mr. Starkey, of Birmingham, accountants, represented creditors. The statement showed liabilities unsecured £816 9s. 4d., assets £340 14s. 7d. Resolved to liquidate the estate by arrangement, Mr. Starkey being appointed trustee, and Messrs. Skidmore, Ingram, Roberts, Hibbert, and Warren, being appointed a committee of inspection.

BIRKENHEAD.

At the County Court, on November 17, before Mr. Gilmour, deputy judge, Mr. Downham, instructed by Mr. Thompson, trustee of George Briscoe, saddler, of New Haymarket-square, whose affairs are in liquidation under the Bankruptcy Act of 1869, applied for an order against Susan Livingstone, of 5, Hampton-street, Birkenhead, for the delivery of household furniture once belonging to the debtor, and in her possession, which formed part of his estate. She did not appear. The debtor, on being sworn, said Mrs. Livingstone had taken part of the goods in question from his premises before he filed his petition, and part afterwards, and that they belonged to his trustee. Order accordingly.

During the month petitions have been filed by FREDERICK WILLIAM THEOBALDS, victualler and farmer; liabilities £1,200, assets estimated at £280; in liquidation.—JOHN LANCASTER HOPKINS, grocer, and wine and spirit merchant; liabilities £1,200, assets estimated at £400; adjourned.

WEDNESBURY.

STEPHEN JUKES, grocer, Darlaston. A meeting of creditors in this matter was held at the offices of Mr. Sheldon, solicitor, Wednesbury, on the 20th Nov. Liabilities £1,791 15s. 8d., assets £433 14s. 10d. A composition of 7s. 6d. in the pound, secured, was accepted, and Mr. C. T. Starkey (Harrison & Starkey) was appointed trustee to distribute the bills.

BRADFORD.

At a meeting of the creditors of Mr. W. H. Maiten, woolstapler, Bradford, held on the 9th Nov., the liabilities were stated at £14,384, and the assets at £809 11s. 1d.

RE WILLIAM POSKITT, of Pontefract-common, Brewer.—Meeting held on the 10th of November; liabilities about £2,000, assets about £750; liquidation resolved upon; Mr. Atkinson, of Bradford, accountant, and Mr. Londen, of Pontefract, joint trustees.

BLACKBURN.

A meeting of the creditors of Mr. Alexander Marnie, provision merchant, of Blackburn, was held on Wednesday, the 18th Nov., at the office of Messrs. Addleshaw & Warburton, solicitors, Manchester. The statement of accounts showed the debtor's liabilities to be £1,647, and assets £827. The debtor's offer of a composition of 6s. 8d. in the pound was accepted.

YEOVIL.

Before J. BATTEN, *the Registrar.*

IN RE ALFRED PATCH, Brewer, Martock, Somerset.—A meeting was held for the bankrupt's last examination. Mr. Watts appeared for the petitioning creditor; Mr. Thomas Westlake, of Singleton, and Mr. M. Millan, of South Petherton, for bankrupt; and Mr. Marsh for the trustee, Mr. Smith, of Bristol. The trustee had rejected the petitioning creditor's proof for £1,750, on the ground that only £1,450 was due. After some discussion the registrar allowed the claim. Mr. Watts opposed the bankrupt being allowed to pass his last examination on the ground that the accounts were not satisfactory. It was ultimately arranged that the books of the bankrupt should be deposited in the court, and that if the petitioning creditor thought it necessary, an accountant might be employed to examine them. Upon this the bankrupt was allowed to pass his last examination.

A meeting of creditors of JAMES RICHARDS, greengrocer, of Clifton, Bristol, was held at the office of Mr. H. M. Clark, of High-street, Bristol, accountant, on Saturday, 7th November. Mr. Frederick George Gardener, chairman. Liabilities £320; assets £8. Liquidation resolved upon. Mr. H. M. Clark, trustee.

MIDDLESBOROUGH.

A meeting of creditors of Mr. JAMES HEDLEY, auctioneer and valuer, of Middlesbrough, was held on the 19th November, at Wharton's Hotel, Leeds, to consider the proposal he had to make to them. At the first meeting of creditors, held a short time ago, it was resolved to liquidate the estate by arrangement, and Mr. J. S. Barnfather, accountant, of Leeds, was appointed the professional trustee, with a committee of inspection. It was now stated that the debtor was prepared to offer 10s. in the pound, and this composition was yesterday accepted by the creditors. Mr. Hedley's liabilities were stated at £2,190, and his assets at £803.

GLASGOW.

BANKRUPTCY COURT—A TRUSTEE CENSURED.—On the 19th November, before Sheriff Dickson, Mr. Peddie, trustee in the sequestration of James Anderson, commercial traveller, was examined as to his non-appearance at a previous diet, and stated that a petition having been presented to the Court of Session, praying that the sequestration might be annulled, he had understood that his duties were at an end. By the Sheriff's order he then made out a written explanation, which he handed in. Mr. W. B. Faulds, writer, who appeared for a creditor, contended that the reasons given by the trustee were wholly inadequate, and that he could not resign his duties whenever he pleased. After hearing the trustee, the Sheriff pronounced the following interlocutor:—"Having considered the trustee's explanation, finds that the same is unsatisfactory, inasmuch as the sequestration was subsisting at the time when the trustee failed to appear: Finds that the trustee has neglected his duty in failing to attend personally or by agent on the day appointed, and censures him accordingly, and ordains him to proceed with the discharge of his duty as trustee, and more especially to take all proper steps to have the state of the bankrupt's affairs prepared and lodged in process, and to have the bankrupt brought up before the Sheriff for examination."

LEITH.

EXTENSIVE FAILURE.—Messrs. H. P. Hansen & Co., shipbrokers and coal exporters, have had to call a meeting of their creditors. Their liabilities are variously stated at between £10,000 and £20,000, but as heavy consignments are afloat, it is difficult to come to an approximation of the real amount. The failure has arisen from contracts having been entered into with coalmasters at a period when prices were extremely high, and for some time past the foreign market has fallen very considerably. A general decrease in freights has also helped to the present unfortunate result. Another house not engaged in the coal trade, but having extensive dealings with Messrs. H. P. Hansen & Co., has also succumbed, and it is rumoured that two more firms are unable to meet their liabilities.

A meeting of the creditors of Messrs. H. P. Hansen & Co. was held on the 19th November. A statement of affairs was shown which made the liabilities £37,000. The assets are calculated to pay a dividend of 1s. 3d. per £.

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Vice Chancellor Hall has appointed Mr. Charles Lee Nichols, of the firm of Chatteris, Nichols, & Chatteris, official liquidator of the London and County Tramways Company (Limited).

The Northampton Chamber of Commerce has issued a circular suggesting an amendment of the bankruptcy law by which it should be requisite to secure the consent of not less than half the number of his creditors, and three-fourths of the value of their claims, before an insolvent is allowed to have his discharge.

JUDICIAL SERVICES.—In the last financial year the pensions for judicial services in Great Britain amounted to £58,681 3s. 3d., and in Ireland to £17,258 18s. 8d.

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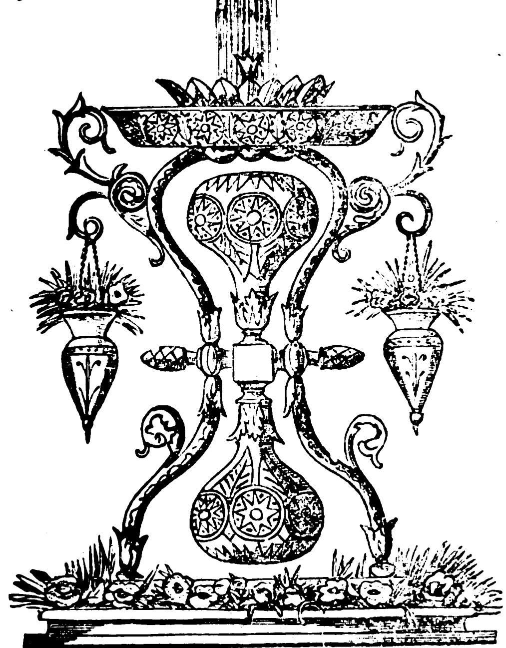

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Issue of remaining portion of the Capital of the BRITISH IMPERIAL INSURANCE CORPORATION, LIMITED.

The final allotments of shares in the corporation when made, are issued as share warrants to bearer, and are therefore freely negotiable as a Bank of England note, and devoid of all risk to the purchaser.

The half-yearly interest and bonuses are payable to bearer, and these facts are recorded by endorsement on the warrants, so that no irregularity can arise,

These warrants are always available as a security for monetary purposes, and can be so employed without exposure of any kind; this fact confers a sterling value on shares represented by warrants to bearer, which ordinary registered non-negotiable shares can never attain.

The shares are entitled to 5 per cent. interest, and further participate in 20 per cent. of the profits. The financial position attained by the BRITISH IMPERIAL INSURANCE CORPORATION is, that the subscribed capital, guarantee fund and amount invested in English Government Securities, exceeds ONE HUNDRED AND THIRTY THOUSAND POUNDS.

The corporation has already issued nearly 3,000 life policies, insuring THREE QUARTERS OF A MILLION STERLING, and has received more than £60,000 in premiums.

The capital as at present issued is held by more than 800 shareholders; the entire constituency, policy and shareholders, exceeds 4,000 persons, thereby influencing a large connection, and one which is capable of enormous development.

The features of the BRITISH IMPERIAL INSURANCE CORPORATION, Limited, have been thus summed up in *The Times*, January 1st, 1869.

From "The Times," London.

It is now pretty generally known that the surrender value of an ordinary life policy is for years worth next to nothing, and that even when the policy has acquired some value the surrender price is totally disproportionate to the premiums that have been paid. It is true that the gains on insurances from lapsed policies swell the profits of an office and that on the mutual principle *those lives that are enabled to hold on* participate in the surplus derived from such source of revenue; but the dread of the risk of forfeiture of the sum insured, and of the loss of the value of the policy, have hitherto proved great obstacles to the extension of life insurance, for if the insured at any time should fail to pay the annual premium when due, the policy would be forfeited, and any fraction which might be allowed for it would be accorded as a pure act of grace, and be uncertain in its amount. By a new system devised by Dr. Farr, and adopted by an insurance company at Manchester and London, an insurant can, at any time after having paid his first premium, even when the policy is only one year old, draw out, either as a loan or as the surrender value of his policy, rather less than one-half of the whole amount of the premiums that have been paid As each policy has a current realisable value, it becomes a security as readily negotiable as a bank-note, and can at any time be converted into cash. The only form of investment allowed by the Company is Government security. Eighty per cent. of the premiums is invested in the Funds, at compound interest, to provide for the policies; the remaining twenty per cent. being set apart for expenses. The insurance premiums being thus invested in the Government Funds, the risk necessarily attendant upon doubtful security is avoided. Even to persons of settled and certain means the loss of all control over their contributions, and the compulsion to go on paying the premiums punctually, down to death, under pain of forfeiture, are objectionable, *but to the million whose incomes are uncertain. and which might perish on an interruption of health, a decline of business, or the approach of old age, the system of insurance in general use, presents great hardships.* Another new feature connected with the "BRITISH IMPERIAL CORPORATION" consists in the endorsement of the surrender value on the back of every policy issued, for the first and every subsequent year it may be in force. Some of the improvements which are offered to the public by Dr. Farr's new system may be shown as follows:—A man, twenty-seven years of age, insures for £300, to be paid at his death, for which he pays £7 1s. 3d. per annum. Immediately £5 13s. is invested in Government securities, and of this sum £3 is withdrawable or on demand, either for temporary or permanent use, on deposit of the policy. Suppose at the age of 37, when his policy has been ten years in existence, he is taken by reverses of any kind, and requires temporary assistance, he can demand the banking account invested in Government securities, amounting to £34 1s., and thus obtain the aid he requires without prejudice to his insurance. Under these arrangements every insurant participates equally in the same solid advantages; there are no benefits to one at the expense of the other, therefore the principle of equity has full play. Another illustration of the advantages of the new system may be shown thus:—A person accustomed to travel, aged 44 next birthday, effects a Government security life policy of £2,500 on his own life. After a period of three years circumstances require him to reside abroad. The usual renewal notice is forwarded, but it fails to reach the insurant: the premium is not paid, and therefore, in ordinary cases, the policy would be valueless. This can never happen under the new system. The insurant dies at the end of the next seven years. His executors, on searching among the papers of the deceased, find the policy and three receipts for premiums paid. On examination of the policy they discover that it possesses an indisputable value, and that, in accordance with the banking account endorsed upon the policy opposite to the third year, they can demand the immediate payment of £138 15s., being the value of the policy after three premiums have been paid. Under Dr. Farr's system, a policy valuation table is published by which each insurant can ascertain for himself the correct realisable valuable of his policy for every premium paid. Under the title of "Self Insurance," the new system has been advantageously combined with cases where policies are made payable at a certain specified age, during the life of the insurant; in case of death before the age specified, the insurance being paid in full. In case of endowments on the lives of children with Government security, nearly the whole of the premiums paid are returned in case of death before the age at which the endowment is made payable. Contrasting this plan of life insurance with that heretofore in operation, it will be found that insurants enjoy *privileges of a most valuable character; and the public will do well to look into the principles of the new system now in operation, which offers perfect security and also protects their rights and interests.*

It is obvious that as this equitable system of Insurance becomes generally understood by the public that the law of natural selection wil operate, and that it will receive a very large measure of support. The profits of a Life Insurance Company increases in enormous ratio as the business increases. It may be assumed, therefore, as a fact, that as the business acquires larger dimensions the present moderate payment of 5 per cent. will form the least portion of the profits of the shareholders.

The premiums are the source from which the admitted large profits of the shareholders in such establishments are derived, the ratio of profits being, as a rule, governed by the extent of the business—that is to say, by the number and amount of the policies issued.

As observed in a circular recently issued, it is the surplus premium income that has caused the £10 shares in the "Law Life" to be worth £104; the "Rock" shares, with 10s paid, to be worth £8 15s.; the "Crown" shares, with £5 paid, to be worth £32 10s.; the "Star," with £1 5s. paid, to be worth £13; the "Life Association of Scotland" shares, with £1 per share paid, to be worth £25 10s.; and those of the "Standard," with £1 paid, to be worth £73, and has caused the value of the shares of many other companies to run up to hundreds per cent. above the sums originally paid upon them.

These great advances in sterling value are due to the profits or bonuses divided among the shareholders, with dividends of twenty, thirty, forty, and in some cases even more than forty per cent. Prices naturally rose in corresponding ratio.

Some life offices have increased their paid-up capital many times over, and continue to pay liberal and rising dividends upon the vastly augmented amounts. Thus both the income and the solid capital of the shareholders have been multiplied.

The BRITISH IMPERIAL has now passed the period of early development, and has entered into the position of an established life office, when the approach of very high profits may be predicated with a certainty greater than of most other sound commercial enterprises.

The extension of capital, by the issue now offered for subscription, will enable the corporation to make advances in association with life policies on a larger scale. This is one of the most lucrative features of life insurance, and uniformly proves most successful in attracting business.

FACTS WORTHY THE ATTENTION OF INVESTORS.

1. Life offices, when properly constituted and well managed, are the safest and most lucrative joint stock companies ever devised. *The experience of over a century and a half demonstrates this.*

2. The security, the solidity, the continuously rising nature of these profits are characteristics to be kept in mind. There is admitted truth in Professor DE MORGAN'S remark, "*That nothing in the commercial world approaches even distantly to the security of a well-established life office.*" They are steadier in their action at all times, whether during monetary panics, epidemics, or other visitations, than any other description of joint stock company or mercantile undertaking, public or private, because their transactions extend over long periods of years, and their liabilities under policies cannot fall in at greater rate than is known and amply provided for.

3. There is a greater field for the development of life insurance in this country than for almost any other branch of monetary business. There are millions of persons who could, and would, effect life policies, provided the doubts and uncertainties attendant on ordinary life insurance were removed.

4. The BRITISH IMPERIAL effectually removes all objections, and has already obtained a large amount of public attention and support.

5. In proportion to the amount of life and self insurance business transacted, so may shareholders look for profits, because there is no speculation involved in transacting a sound and well-established life business.

6. The new life business presented at each successive weekly board meeting is of a most encouraging and satisfactory character, and is largely in excess of the business obtained by many of the most respectable and best known old life offices.

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The following Table will show at a glance

THE VALUE OF LIFE INSURANCE SHARES

To those Proprietors who originally purchased

THE STOCK OF THE FOLLOWING COMPANIES.

Extracted from the "Economist's" Investor's Monthly Manual.

NAME OF COMPANY.	Year Founded.	PARTICULARS AS TO CAPITAL.					Present Market Value of each Share.	INCREASE IN VALUE.
		Subscribed Capital.	Amount originally paid up.	Number of Shares.	Amount of each Share.	Amount paid up on each Share originally.		
		£	£		£	£	£	
City of Glasgow	1838	600,000	60,000	24,000	25	2 10 0	4 7 6	75 per cent.
Edinburgh Life	1833	501,000	75,000	5,000	100	15 0 0	35 0 0	133 "
English and Scottish	1839	1,000,000	40,000	20,000	50	2 0 0	5 10 0	175 "
Equity and Law	1844	1,000,000	50,000	10,000	100	5 0 0	10 0 0	100 "
Law Life	1823	1,000,000	100,000	10,000	100	10 0 0	95 0 0	850 "
Life Association of Scotland	1838	400,000	10,000	10,000	40	1 0 0	25 10 0	2,450 "
Provident Life	1806	250,000	25,000	2,500	100	10 0 0	35 0 0	250 "
Rock Life	1806	1,000,000	100,000	200,000	5	0 10 0	8 5 0	1,550 "
Standard Life	1825	500,000	10,000	10,000	50	1 0 0	75 0 0	7,400 "
Universal Life	1834	500,000	50,000	5,000	100	10 0 0	33 0 0	230 "

The Law Life, with a paid-up Capital originally of £100,000, commands on the Stock Exchange £950,000.
The Life Association, Scotland " " 10,000, " " 255,000.
The Rock " " 100,000, " " 1,650,000.
The Standard " " 10,000, " " 740,000.

The Introducers have great satisfaction in calling attention to the notable names connected with the BRITISH IMPERIAL INSURANCE CORPORATION, eminent in science, finance, and commercial status, and cordially recommend the undertaking to the investing Public, as one of the most *bona fide*, substantial, and promising investments that has been offered to Public consideration for many years.

FORM OF APPLICATION FOR SHARES.

To be forwarded to Mr. RICHARD BANNER OAKLEY, Manager of the

CO-OPERATIVE CREDIT BANK, MANSION HOUSE CHAMBERS, 12, QUEEN VICTORIA STREET, LONDON, E.C.

To the Directors of the BRITISH IMPERIAL INSURANCE CORPORATION, LIMITED.

GENTLEMEN,—Having paid to the CO-OPERATIVE CREDIT BANK, Mansion House Chambers, 12, Queen Victoria Street, E.C., the sum £.................being a deposit of 10s. per Share on....................Shares, I request that you will allot to me....................Shares of £1 each in the BRITISH IMPERIAL INSURANCE CORPORATION, LIMITED, and I agree to accept such Allotment, or the Allotment of any less number than I hereby apply for, and to pay the Call of 5s. per allotment and the balance on the 1st day of February.

Signed ....
Dated ....
Residence ....
Profession..

The Allotment of Shares will be made *pro rata* on the applications, and if a less number than that written for be allotted, the surplus monies will be applied to payment of the Call on Allotment.
Post Office Orders to be made payable at Lombard-street, to R. B. OAKLEY, and Cheques to the same, crossed, CONSOLIDATED BANK, Limited.

SHARES.

IMPERIAL HOTEL COMPANY, BLACKPOOL (LIMITED).
Capital, £40,000; in 8,000 Shares of £5 each.

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Capital, £60,000; in 12,000 Shares of £5 each.

QUEEN'S THEATRE, MANCHESTER (Limited).
Capital, £40,000; in 8,000 Shares of £5 each.

UNITED KINGDOM LAND AND BUILDING ASSOCIATION (LIMITED).
Capital, £100,000; in 10,000 Shares of £10 each.

Applications for Shares in the above Companies may be made to ASPDEN and MARSHALL, Accountants 38, Barton Arcade, Manchester.

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To promote the acquisition of those branches of knowledge which are essential to the practice of an Accountant; to decide upon questions of professional usage or courtesy; and generally to advance the position and interests of Members of the profession.

CONSTITUTION.

The Society shall consist of three classes of Members, namely, Fellows, Associates, and Honorary Members, with a class of Students attached.

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Every application for admission as an Associate of this Society must be made to the Council, and must be accompanied by a written recommendation from at least two Associates.

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(3.) Or shall have served under articles for a period of three years to a public accountant in actual practice.

(4.) Or shall have been employed as accountant to a corporation or public body for three years, or as a clerk to a public accountant, or firm of accountants, for a period of seven years at the least, but the employment need not have been for more than two years continuously with one and the same person or firm.

(5.) Or shall have taken a degree at one or other of the Universities of Oxford, Cambridge, Durham, London, or Dublin, and shall have served under articles for a period of two years to a public accountant or firm of accountants.

(6.) But no candidate shall be eligible for admission as an associate after the 1st day of January, 1878, until he shall have passed an examination as to his proficiency to the satisfaction of the Examiners of the Society.

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Further information can be obtained, and copies of the Rules can be had, upon application to the Secretary.

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The Accountant

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N.B.—Subscriptions and advertisements will now be received at the Branch-office of the ACCOUNTANT, 127, Strand.

The Accountant.

JANUARY 2, 1875.

It is in no captious spirit of mere complaint, but with the feeling that there is an error which requires redress that we have again to call attention to the unrecognized status of the profession of accountants, and the manner in which they are ignored by the chiefs of the legal profession. And a remarkable instance of this is to be found in an occurrence to which attention is called in another part of our columns. During the past session the Lord Chancellor appointed a committee "to consider whether, having regard to the experience now obtained of the working of the Bankruptcy Act, 1869, any, and what, changes, either through the medium of legislation or orders, might be advantageously made in the details of the present system." The members of this committee are Mr. Rupert Kettle, the well-known County Court Judge, Mr. Registrar Brougham, Mr. Mansfield Parkyns, the Comptroller in Bankruptcy, and one of the official assignees of the Court, Mr. Henry Nicol, the Superintendent of County Courts, and Mr. William Hackwood, one of the best-known of bankruptcy solicitors. This list, it will be seen, does not contain the name of a single accountant, nor indeed, with the exception of Mr. Hackwood, the name of any person practically conversant with the working of the Acts. The Lord Chancellor's attention was directed to this omission by memorials from several of the Societies of Accountants, but the gist of the answer received, in at least one case, is a mere acknowledgment of the memorial, and an intimation that the committee appointed in August "have been now engaged for more than a month in prosecuting enquiries which, it may be presumed, are now approaching their conclusion."

This reply can scarcely be regarded as being altogether satisfactory. If a committee of men, all of whom are busily engaged during the day, and one of whom resides some distance from London, have been holding their sittings during the space of one month only, they must either have not made any great advance in their deliberations or must have met merely to come to

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a pre-determined conclusion. In the former case there can be no possible objection to adding one or two experienced, practical men to the committee, a step which is by no means without precedent. The latter hypothesis, notwithstanding the sinister rumours of a proposed return to a system by which all the bankruptcy business would, practically, be concentrated in the hands of a few officials and their immediate friends, we prefer summarily to discard.

The practice of the Bankruptcy Court ought, indeed, to be as far as possible analogous to the practice of the Court of Chancery in "winding-up cases;" the object being the same, namely to administer the estate in due course, and to realise the assets for the benefit of creditors. Let us suppose that the Lord Chancellor was to appoint a committee to inquire into the working of the "Companies Act." Surely in selecting the members he would include besides one or more judges, and the chief clerks of his court, and solicitors, some of the eminent men whose names are painfully familiar to speculative shareholders as official liquidators, and their assistance would be of the highest possible importance in framing the recommendations of the committee. The principle holds good in the smaller matter as well as in the greater. The trustee in whom, in all cases of liquidation and composition as well as of bankruptcy, the property of the debtor immediately vests is appointed by the creditors, and is bound to act entirely for their protection, being subject to a great many liabilities, and dependent for his remuneration on the will of the majority of the creditors. Now, it seems obvious that an experienced trustee, one who has been concerned in winding-up many bankruptcies, is the person whose opinion ought to be sought first of all, as to the practical working of the Act. Mr. Mansfield Parkyns' experience as an official assignee, and Mr. Hackwood's skill as a legal practitioner, would be well supplemented by the appointment of a skilled accountant, a fair representative of the class of men from whom trustees are mainly drawn. It is not too late even now to repair the error that has been committed. Let Lord Cairns add the name of some well-known accountant, whose experience as a trustee has been extensive and varied, and he will not merely be doing justice to an influential and honourable profession, but he will make his committeee truly representative of the classes most deeply concerned in carrying the Act into practical operation.

The case of the bankruptcy of Mr. John Whall, a solicitor of Worksop, which has been previously referred to in our columns, raised, as will be seen by our report, a question of the extent of the jurisdiction of the Court of Bankruptcy. Stripped of legal technicalities the point is simply this. The Court has power to decide any questions relating to or in any way arising out of the bankruptcy, a power which it has shown, notably in the case of the Chief Judge, a very strong inclination to enlarge as much as possible. But no one has ventured to assert that any question can be decided which does not directly affect the bankrupt or the trustee, but in which third parties, whether creditors or not, are alone concerned. In the case of Whall's bankruptcy, a dispute arose as to the right to certain papers, one claimant asserting that they belonged to him as a mortgagee, and that Whall was only a custodian of them for him, and the other asserting that he had duly paid off the mortgages, and so was entitled to have them returned to him. Here was clearly a matter in dispute which the judge could not settle in bankruptcy in the form in which the matter was brought before him. But supposing the mortgagor alleging that he had paid off the mortgages, which was admitted by Whall, had applied to have the securities given up and cancelled could not the judge have made the order? The practical point, however, for trustees is as to their costs. The trustee were clearly justified in submitting the question to the Court. With rival claimants, either of whom might have commenced an action against them, the course was clear to hold the papers as stakeholder in trust for the real owner. It seems to us that the judge, in refusing the motion, has practically decided the point at issue, though the trustee cannot yet safely hand over the papers to Mr. Ward.

Our attention has been called to several announcements, taken from various sources, in which gentlemen who describe themselves as "accountants" undertake to do a great many beneficent things for a confiding public. One of these enterprising individuals is under the impression that the business of an accountant will be improved by an alliance with that of "financial agent;" he undertakes to "negotiate loans" for anybody temporarily in a state of impecuniosity. Another trumpeting philanthropist is kind enough to promise "immediate protection, and release from judgments, liabilities, and suits at law;" and with the modest accompaniment of "reasonable charges," he ought to find plenty of credulity ready to take shelter under his roof. We do not intend to question the right of any man to adopt what he may consider the best means

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to obtain business suited to his varied accomplishments, provided there is no infringement of the law, but accountants generally should not blink the fact that it is precisely this class of touting which tends so greatly to bring their name into disrepute. Unfortunately, there does not appear to be any effectual remedy for the evil without the assistance of legislative protection. But the fact that it is possible to remedy matters to some extent should be sufficient inducement to the several accountants' societies to take vigorous and united action in the direction of ridding the profession of the numerous parasitical inconveniences with which it is at present so unpleasantly surrounded.

The report of a case decided last month by Sir James Bacon shows strongly the determination of the Court of Equity to uphold the rights of the creditors in bankruptcy matters, though, as in the present case, at the cost of some apparent hardship to the debtor. The point is governed by section 125 of the Act, the 10th subdivision of which provides that "the trustee shall report to the registrar the discharge of the debtor, and a certificate of such discharge given by the registrar shall have the same effect as an order of discharge given to a bankrupt under this Act." The decision, though, however technically correct, seems to bear very hardly on the debtor. The creditors evidently meant to release him entirely, after the beginning of December, and the delay on the part of the registrar, it may be fairly contended, ought not to be allowed to prejudice him. Besides, the equity maxim, "What ought to be done, shall be taken to be done," may be considered to apply, and the certificate of the registrar held to relate back to the time when it ought to have been given, namely the 1st of December. But, according to the letter of the Act, the decision of the Vice-Chancellor is fully justified, and the creditors may be congratulated on their lucky windfall.

The question of irregular proxies at the Manchester County Court was decided too much upon a collateral issue to give any guidance to trustees. The Court seems to have gone entirely on the ground that the order of discharge having been once granted it could only be set aside, if fraud were clearly established. As to the validity of the proxies, if the objection had been taken before the granting of the order, nothing seems to have been decided. Probably, however, they would have been held to be invalid. The fact of Mr. Barker believing that he really could give the proxies may morally justify him in doing so; but it is hard to see how any amount of belief in the correctness of an act can uphold its validity if it is legally wrong. If at the time Mr. Barker gave the proxies, the firm had been dissolved and he himself in liquidation, it is clear that whatever authority he possessed passed to his trustee, and that he could no more give a vote than a receipt for money. The decision seems to have been dictated rather by an unwillingness to set aside an order once drawn up, and reopen the proceedings at great expense, than by an intention to affirm the regularity and validity of the proxies.

BANKRUPTCY LAWS.—No. 3.

RECEIVERS CONTINUED.

In our last article we referred to receivers in Bankruptcy. Therein we asserted that at present a Receivership means both too much and too little. Since then a case, strongly confirming this view, has come under our notice. A receiver was appointed in a case for the purpose of restraining actions and taking possession of goods claimed under a disputed bill of sale. The usual indemnity was given on behalf of the receiver that he would be responsible for any damages. The creditor claiming under the bill of sale attended the meeting, tendered his proof, was appointed chairman, morally supported an offer of composition, and before the close of the meeting withdrew the proof. The composition being carried, the creditor went on with his bill of sale and cleared the debtor out of the only asset practically available for his composition. The receiver, who has not even recovered his charges, is saddled with an amount for damages and costs, which will have to come out of his own pocket. Surely if receivers are to be held responsible for acts to which they are only parties pursuant to the requirements of the Act, their remuneration should be based on some rate recognizing Trustees, and remunerating this risk.

The receivership ceases at the first meeting of creditors, when one or more *Trustees* are appointed.

Under our present laws a bankrupt is not required to disclose his position or produce a statement of his affairs until the first meeting of creditors, convened for the purpose of appointing one or more trustees (with or without a committee of inspection). In most countries one of the *preliminary* steps in bankruptcy is the compulsory production by the bankrupt of a statement showing his liabilities and assets, and the want of this information frequently prevents any concerted action between creditors until it is too late to pre-

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vent the bankrupt from obtaining the appointment of his own nominee. The duties of a trustee, unlike those of a receiver, are well defined and very stringently enforced. Where no committee of inspection is appointed, the supervision of the Trustee's Estate Book falls upon the Registrar, whose duties are already sufficiently onerous. For this reason, and also in order to relieve the trustee from a portion of his discretionary responsibility, we prefer the supervision of a Committee of Inspection, who should be consulted on all important points and their views (so far as is compatible with practice) adopted. The administration of an estate while fresh is generally interesting to inspectors; but when, as too often transpires, the majority of the assets prove valueless and the prospect of a dividend remote, they are apt to think that they can abandon their duties and, without resigning, refuse to act. When such is the case, the trustee is placed in a very awkward position, as without them he cannot render his three monthly audited accounts to the Comptroller, and if their refusal to act is persistent, the trustee must either report them to the Court and make them pay the costs, or be himself reported and ordered to pay the costs personally. It is the practice with many of the accountants who take upon themselves the duties of trustee to study as much as possible the convenience of the inspectors by sending a clerk with the accounts and vouchers to the offices or residences of the members of the committee, but this courtesy is not always appreciated, and sometimes the inspectors still refuse either to act or resign.

In poor cases, where perhaps the only items in the Estate Book are disbursements made out of the trustee's own pocket, the auditing of a miserable sum of 2 or 3 shillings frequently entails an expense and loss of time amounting to £4 or £5. The Act requires it, the Comptroller will have it, and it *must* be done. The French law is much more practical and reasonable. There, when the Trustee reports that there are not assets enough to cover costs, the Court directs the *suspension* of the Bankruptcy until by a later report the Trustee states that he has discovered available assets when the Court orders the *resumption* of the Bankruptcy. The position of Trustee is at the best a thankless one, for creditors are too apt to look at the dividend result and not at the anxieties, and difficulties, and risks sometimes necessary to *get* in the Estate. In chronological order the duties of a Trustee may be stated as follows:—1. On his appointment withdraw all proofs, his certificate, &c., from the file of the Court. 2. Insert notices of appointment (and request for all claims to be sent to him) in the *London Gazette* and local paper. 3. Send a copy of such a notice to each creditor shewn on the statement of affairs. 4. File a copy of the Papers containing the advertisements, together with an affidavit of postage of notices, with list of creditors to whom sent. (These duties were formerly left to the solicitor to the Trustee, but in consequence of the decisions of the Court that they apply personally to the Trustee the practice now is for him to perform them.) 5. The Trustee should also ascertain that the affidavit of service of summons on the Bankrupt (to attend on his public examination) has been duly filed. 6. As soon as convenient after his appointment the Trustee should take steps to examine the Bankrupt as to his affairs and if the statement is not in his opinion (or in that of the Inspectors) satisfactory, he should without delay demand of the Bankrupt *in writing*, such further accounts as are deemed necessary, notifying to him at the same time that unless such accounts are forthcoming (in duplicate) at a given date prior to the public examination, steps will be taken to enforce his compliance with the Trustee's requirements; and that in the event of the public examination being adjourned in consequence of such delay, application will be made to render him responsible for the expense. 7. The proof of each creditor should be carefully investigated, and as soon as the Trustee is satisfied as to its genuineness, it should be endorsed and signed by him as "admitted," and placed on the file of any Court. Should the Trustee have reason to doubt the *bona fides* of any claim, or the bankrupt adduce good reasons (in writing, or in preference, by affidavit) to dispute it, the Trustee should in writing apply to the creditor for a detailed statement of his claim, and, if not then satisfied, consult the solicitors to the Estate, as to the course to be pursued. Under no circumstances should a Trustee take upon himself *finally*, to reject a disputed claim, as the Court alone can deal with it if the creditor persists. We shall continue the subject in our next issue.

H. B., (LONDON.)

THE INSTITUTE OF ACCOUNTANTS.

The members of this Institute dined together on Friday, the 11th Dec., at the Albion Tavern, Aldersgate-street. The chair was taken by the Vice-President, Mr. Wm. Turquand. Amongst those present were, Mr. John Ball, Mr. G. A. Cape, Mr. James Cooper, Mr. Robt. Fletcher, Mr. A. A. James, Mr. G. H. Ladbury, Mr. S. L. Price, Mr. G. E. Swithinbank, Mr. F. Whinney, and Mr. John Young.

The toasts proposed were:—"The Queen and Royal Family," "The Institute," "The Legal Profession," "The President and Vice-President," "The Visitors," and "The Officers of the Institute."

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In proposing the toast of the evening—"The Institute"—Mr. Turquand alluded to the fact of the committee lately appointed by the Lord Chancellor for the purpose of considering what amendments can be effected in the details of the Bankruptcy Act, 1869; and expressed a hope that its labours would be productive of good results. He referred to the wish entertained by many members for the incorporation of the profession in some manner recognized by the law, as one which might in time be fulfilled, notwithstanding the serious obstacle presented by the alteration of the practice of the Government as to granting charters.

Mr. W. Bush Cooper in responding to the toast of the Legal Profession, took occasion to observe that the advantages obtainable from a legal incorporation of the profession might perhaps be counterbalanced by the loss of that entire freedom in the management of its internal affairs which was now enjoyed by the Institute.

Mr. Markby, however, drew attention to the position attained by the Incorporated Law Society, and was inclined to consider the advantages of public recognition as being much more important than any disadvantages of the kind suggested.

Mr. Robert G. C. Hamilton, of the Board of Trade, responded on behalf of the Visitors.

Mr. Welton, on behalf of the Officers of the Institute, gave expression to their anxious wish to advance its interests; and added that the Council might soon perhaps see their way to the enactment of such bye-laws as would assist in regulating the practice of the profession, and strengthen the hands of any of its members who might, through adhering to a strictly professional line of action, find themselves subjected to attack.

ENQUIRY INTO THE WORKING OF THE BANKRUPTCY ACT, 1869.

According to an announcement made a short time ago, by a legal contemporary, the Lord Chancellor has appointed a committee to enquire into the working of the Bankruptcy Act, 1869. This authority states that the members of the Committee are:—Mr. Rupert Kettle, Judge of County Courts; Mr. James Rigg Brougham, one of the Registrars of the Court of Bankruptcy; Mr. Mansfield Parkyns, Comptroller in Bankruptcy; Mr. William Hackwood, Solicitor, (of the firm of Linklater, Hackwood, Addison, and Brown), and Mr. Henry Nicol, Superintendent of the County Courts Department of the Treasury; the object of their appointment being "to consider whether having regard to the experience now obtained of the working of the Bankruptcy Act, 1869, any and what, changes, either through the medium of legislation or orders, might be advantageously made in the details of the present system." Since the announcement was made, we believe several of the Societies of Accountants in Great Britain, have memorialized the Lord Chancellor, urging the desirability of the Accountants being properly represented, by one or more members of the body being placed upon this Committee. We have before us a copy of the memorial forwarded by the Society of Accountants in England, which is worded as follows:—"In accordance with a vote of the Council of this Society, we, the undersigned members thereof, beg to memorialize your Lordship with reference to the expediency of placing one or more Accountants, experienced in the practice of bankruptcy, liquidation and composition matters, upon the Committee, recently appointed by your Lordship, to consider the working of the Bankruptcy Act of 1869. As a rule, receivers, managers, and trustees, under the present Act are elected from members of our profession, and principally on the ground that they are Accountants; hence your Lordship will not fail to observe that Accountants must necessarily be familiar with the working of the rules and orders in bankruptcy. Should your Lordship deem it advisable to accede to this memorial, a special meeting of our Council shall at once be called for the purpose of nominating for your Lordship's selection such gentlemen as are, in consequence of their experience and position, most suitable to act on the Committee." The reply to this communication, received a few days ago, was as follows:—

"I am desired by the Lord Chancellor to acknowledge the receipt of a memorial from the Society of Accountants in England with reference to the expediency of placing one or more accountants upon the committee appointed to consider the working of the Bankruptcy Act of 1869. The Lord Chancellor desires me, in reply, to inform you that the committee referred to was appointed as far back as August last, and has been now engaged for more than a month in prosecuting its inquiries, which it may, therefore, be presumed are now approaching their conclusion, and his Lordship, under these circumstances, does not think that it would be advisable to make any addition to, or alteration in, the composition of the committee."

It may be added, that we have reason to believe that the replies to the other memorials were not more satisfactory in one sense than that above recorded, although we are not at present possessed of information as to the exact nature of these answers.

THE GRIEVANCES OF TRUSTEES.

"An Unhappy Trustee" writes as follows:—There appears to be a prevalent idea that the charges of Accountants acting in the capacity of Trustees to the various estates which succumb to liquidation under the 1869 Act, are more than necessarily heavy, and are in fact unjustifiable and extravagant. On the other hand, complaints are made of the difficulties, annoyances, and impediments which are so obstructive to the speedy and amicable realization of estates; and, in justification of the so-called "enormous charges," it is urged that a remedy should be looked for in the abolition of a quantity of the ab-

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surd routine, that has to be strictly observed before a matter can be finally and definitely wound up. If these complaints represent a general grievance, the office of the Comptroller in bankruptcy would seem to be seriously inefficient, and greatly needing improvement ere the existing inconveniences can be removed; or else it requires replacing by some more satisfactory court of administration. In the case of an absconding bankrupt, a trustee not infrequently finds himself in a comparatively ridiculous, and palpably unenviable predicament, when the assets of the estate are ascertained to amount nearly to *nil*, and legal proceedings are perhaps pending or necessary, in order to obtain the best arrangement for the creditors. The failure of the litigation carried on under such circumstances, invariably entails considerable pecuniary loss upon the trustee, who having no one upon whom to rely for his expenses, has to meet them entirely out of his own pocket. On the one hand he sees the anything but gratifying picture of a body of dissatisfied creditors, in whose interest he has unsuccessfully worked, and on the other, the anything but comforting prospect of nothing in the pound, combined with the disadvantage of having wasted his own time and money. The fact of acting in concert with a duly appointed Committee of Inspection (asserted to be one of the most farcical of institutions) gives the Trustee no other assistance than a periodical worry. Of very little use at the best, gradually becoming quite tired out by litigious and other impedimentary proceedings, and ultimately ready to put their signatures to anything to be "rid of the job," the members of the committee probably add to the serenity of the Trustee, by gradually disappearing, and the "delinquent" Accountant is then reported to the Court, mulcted in the payment of costs, and peremptorily admonished to close the matter without delay; the last proceeding involving increased loss, and personal inconvenience. The outcries of a similar strain to that in the letter of "Unfortunate Creditors," are not altogether made on a genuine basis. Where there are sufficient assets, and the Trustee demands a proportionate and equitable amount of remuneration for administering them, the censure now so rife with respect to charges made, becomes unreasonable, and there is but little sense in the frequently promulgated argument, that because the assets are small, the charges should be correspondingly minute, it being invariably the case that the collection of a number of debts is far more tiresome and expensive in a small estate than in a large one. Now that an alteration in the law is contemplated, it is to be hoped that those appointed to frame its amendments, will consider the real practical working of the Act. With the view to securing this it appears most advisable that the services of an accountant of experience should be obtained, in order that the irregularities and blunders now existing may be removed. Should the post of Official Trustee come into existence, there can be no doubt that many evils now complained of will be remedied, but it would be rather premature to enquire at this stage whether estates in liquidation would be in any way benefitted by such an appointment, or whether creditors would be any the more satisfied, or their dividends any larger—or smaller—than at present.

THE SOCIETY OF ACCOUNTANTS IN ABERDEEN.

This Society, though not an extensive one in point of numbers, has been established for several years, the Royal Charter of Incorporation bearing date March, 1867. The petition upon which the charter was granted sets forth: "That the profession of Accountants in Aberdeen, to which the Petitioners belong, has of late years grown into considerable importance: That the business of Accountants, as practised in Aberdeen, is varied and extensive, embracing all matters of Account, and requiring for its proper execution an acquaintance with the general principles of law, particularly of the Law of Scotland, and more especially with those branches of it which have relation to the law of merchant, to insolvency, and bankruptcy, and to all rights connected with property: That they are also frequently selected to take the charge of landed properties and of bankrupt, insolvent and other trust estates, and in that capacity they have duties to perform, not only of the highest responsibility and involving large pecuniary interests, but which require in those who undertake them, great experience in business, very considerable knowledge of law, and other qualifications which can only be attained by a liberal education: That in these circumstances the petitioners are induced to form themselves into a Society, to be called 'The Society of Accountants in Aberdeen,' with a view to unite into one body those at present practising the profession, and to promote the objects which, as members of the same profession, they entertain in common." Amongst the powers granted under the charter is one to "constitute and appoint a committee of examiners for the purpose of regulating and conducting such examinations of persons desirous to become members of the Society, as the Society may, from time to time, direct, and in such manner as they may appoint, in furtherance of the objects of the Society; and that the course of education to be pursued, and the amount of general and professional acquirements to be exacted from such persons, shall be such as the Society shall, from time to time, fix." In the Society's book of rules, we find certain orders as to apprentices. An apprentice must have attained the age of fourteen years, and the period of service is fixed at five years except under the following circumstances, viz: "It shall be competent to a member to take an apprentice for a shorter period of service than five years, where the person

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entering into indenture has been previously in the business chambers of a member of the Societies of Chartered Accountants in Edinburgh, or Glasgow, or of a member of the Corporation, or of a member of the Society of Writers to the Signet, or of a member of the Society of Solicitors before the Supreme Courts of Scotland, or of a member of any Incorporated Society of Solicitors-at-Law, or with a member of the Society of Advocates in Aberdeen, or with a member of any other body of Solicitors in Scotland—such shorter period to be computed on the principle of deducting one year from the term of service under indenture for each two years during which such person has been previously employed as above; but in no case shall the term of service under indenture with a member of the Corporation be less than three years. The apprentice fee is fixed at twenty-five guineas. All apprentices are required to attend during their apprenticeship a course of at least two Sessions of Scots Law Lectures in Aberdeen University. All indentures are required to be lodged with the Secretary, for the purpose of being recorded by him, within six months from the commencement of the apprenticeship; the dues of recording being £1 1s., payable to the general fund of the Society." On the completion of the apprenticeship, the apprentice may apply for examination; and the rules under this head provide that "The examinators shall examine candidates for admission in such form and to such extent as they may consider necessary upon subjects usually occurring in the practice of the profession, such as algebra, including the use of logarithms—annuities—life assurances—liferents—reversions—book-keeping framing of states under sequestrations, trusts, factories, executries—the Law of Scotland, especially that relating to bankruptcy, private trust and arbitration, and rights and preference of creditors in rankings." The entrance fees are twenty, forty, and sixty guineas according to the date and conditions of entrance, the annual payment by members being fixed at one guinea. The rule having reference to "malfeasance of members," states that "In order to maintain the respectability of the Society, it is ordained that if it shall appear that there are reasonable grounds for suspecting that any member of the Society may be charged with any flagrant misdemeanour or breach of duty, the Council shall make strict enquiry into the circumstances, and if, after such enquiry, or such other enquiry as may be directed by the Society—full opportunity being always afforded to the member charged of being heard, and of producing evidence in his vindication—the Society shall, by a majority of three-fourths of the members personally present at any meeting, called with notice of the object, declare such charge to be well founded, and of such a nature as to render the person so charged unworthy of being or continuing a member of the Society, they may resolve to exclude or expel such person from the Society, and thereupon he shall forfeit all claim, benefit, or privilege upon, or from, the Society or its funds." The names of twelve gentlemen appear upon the petition for the charter; and the Secretary informs us that the Society at present numbers fifteen members.

The Master of the Rolls has ordered the voluntary winding up of Balfer Bros. and Co. (Limited) to be continued under the supervision of the Court, and has confirmed the appointment of Mr. Alfred A. Broad (Broad, Broad, and Paterson) and Mr. J. W. Sully (Sully and Girdlestone) as liquidators.

Correspondence.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—You are doubtless aware that the Lord Chancellor has appointed a Committee, to enquire into the working of the Bankruptcy Act, 1869, and I think it will be well for accountants to be on the *qui vive* respecting any proposed alterations that may affect their interests.

I have reason to believe that it has already been decided, to recommend a return, as far as possible, to the old system of "Official" Trustees; that in every case High Bailiffs shall be appointed Receivers, and that no Trustee shall be allowed to act unless "certified" by the Comptroller in Bankruptcy: that the powers under the system of Debtor Summonses shall only be exercised in the interest of all the creditors of an estate, and that a printed copy of the request list shall be sent to every creditor in Liquidation cases. The Committee are receiving suggestions from County Court Registrars, and it is but natural they should recommend the "Official" system, as in many towns the Clerks of Registrars at present make a considerable addition to their income, and consequent saving to their employers, by getting appointments as Receivers and Trustees—and as the taxation of solicitor's bills is usually practically in the hands of a Registrar's Clerk, it is a direct inducement to Solicitors to nominate him as Receiver. Unless accountants are up and doing, it is quite possible that they may find quite unexpectedly that their occupation as receivers and trustees will be gone. Of course it will be quite impossible to frame a Bankruptcy Law that will satisfy creditors until they get one which will ensure them 20s. in the £, and therefore it is not unlikely that persons like the "Unfortunate Creditors" quoted in your December issue will be quite willing to welcome a change in the law which will apparently guarantee an effectual supervision over estates, but will in reality bring back one of the chief evils of the old system, that is, a practically irresponsible management of estates. Under the present system an Accountant who desires to gain and retain a connection in bankruptcy matters must of necessity give all his energy to satisfy his employers, the creditors, but an official trustee not having those inducements; would naturally go through a certain routine and consider his duties fulfilled. In a large number of estates the principal assets often consist of book debts, more or less doubtful, and requiring great care and patience to recover; and no person who was devoid of a direct interest in collecting them would give any special attention beyond a formal application and registering the result. I have in many small cases paid handsome dividends by patience and perseverance in recovering such debts, which without the stimulus I have referred to, I certainly should not have exercised. It will be thus seen that it is for the interest of creditors as well as accountants that such matters should be left in the control of accountants, amenable to those who employ them, and not in that of county court clerks.

Yours truly,

QUI VIVE.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I beg leave to trespass upon your space in order to make a few remarks regarding the committee recently appointed by the Lord Chancellor to consider the working and advisability of amending and patching up

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the ridiculous legislative failure called "The Bankruptcy Act of 1869." To the two appointments of an able Registrar in Bankruptcy and a well-known solicitor conversant with common and commercial law, no one will take the least exception, although there might be some question as to the special fitness of one or two of the remaining members; but why the committee has not been strengthened by the appointment of two or more accountants of experience and ability is certainly, I think, a very serious matter that requires explanation.

L. E. G.

LIFE ASSURANCE COMPANIES' ACCOUNTS.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I regret that the terms of the explanatory reply of your correspondent on this subject, which appeared in your last issue, render it necessary for me again to trouble you.

With every desire to take a general and impartial view of the statement made in the second paragraph of the article in your October number, I am unable to put any credible construction upon the general terms in which it is expressed. Certainly, neither the "free and easy systems" of book-keeping, nor the "startled officials" referred to by your correspondent, were to be seen in Assurance Offices on this side of the Tweed, and from your correspondent's reference to the able managers of the principal English offices, it is not likely that his description was more applicable to them than to their Scotch *confrères*. If this be so, it was surely unfair to characterize Life Offices generally in terms applicable only to some inferior companies.

I would only further add that the writer of the article, in concluding his explanatory reply, has apparently not observed that my remarks as to no material change in the book-keeping of Life Offices having been rendered necessary by the Act of 1870, had no reference whatever to the forms in which it was the practice of companies to prepare their annual accounts prior to that date, but were strictly limited to the *book-keeping* of the Life Offices referred to. It is a pity that your correspondent did not observe this in time to save himself the "astonishment" and "perplexity" which the statement appears to have occasioned him.—I am, &c.,

Edinburgh, Dec., 1874. J. E. D.

ACCOUNTANTS AND AUCTIONEERS.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I beg to thank you for your courtesy in inserting my letter on the above subject in your last issue, and also for the editorial comments with which you were pleased to notice my communication. I regret, however, that the matter should not have been allowed a longer time for discussion, and that you deemed it necessary to raise, in justification of Accountants' acts, the plea that Solicitors tread as much, and as often, on our toes. As regards your remarks concerning *private arrangements* for the disposal of businesses, etc., my answer is simply, if *private*, where does the cogency of *advertising* them exist?

In again trespassing upon your space, I trust you will permit me to observe that, although the argument you use against the views I hold respecting the relative positions of the Accountant and the Auctioneer, is by no means to be unheeded, there does exist many an Accountant who transacts business which should properly and fairly be conducted by an

AUCTIONEER.

[If Auctioneer refers again to our remarks he will find that no such plea was urged in "justification" of Accountants. We said—"If there is any 'trenching,' Solicitors are guilty in an equal degree with Accountants." As to the second point of criticism, we referred to *private* sales only as compared with *public* auctions. —Ed. ACCOUNTANT.]

GRESHAM LIFE ASSURANCE SOCIETY.

The report submitted to the shareholders at the meeting held on the 29th October is of a very satisfactory character. Mr. W. H. Thornthwaite, the chairman, lucidly explained their position. He said: "The report states that, during the financial period, 3,518 proposals for assurance were made, and that 3,017 policies were issued, the aggregate assurances being £1,384,577. These, gentlemen, are very large figures; but in my opinion, they do not give a fair idea of the amount of labour, intelligence, and activity which is necessary to get together such an extent of business in a single year. It represents an average of upwards of sixty policies per week, and the amount of labour entailed, I need hardly say is very vast. For the results attained, a meed of praise is due to the agents who have devoted themselves so entirely to the interests of the society, to the energy of our various branches, and more especially, I think, to the very able and skilful executive which is possessed by this parent stem—our chief office. The report goes on to state that the income derived from premiums is £378,826, including £43,016 in premiums for the first year of assurance. I may say that the financial part of the report is a kind of paraphrase of the first and second schedules which have already been circulated amongst the members; so that, if I call your attention to those schedules, it will in effect be tracing the chief items of the report through those accounts. Referring to the first schedule, you will see that the amount of available fund with which the society commenced the year's operations was £1,842,795 9s. 8d. To that must be added the different receipts of the year. The new premiums were £43,016, and the renewals £338,914. It may strike you as curious, that although the new business during the year really produces an annual income of £47,000 odd, the amount set down here is only £43,000. I have explained this discrepancy on previous occasions. It is due to a number of the assurances being paid in quarterly and half-yearly premiums, and consequently the whole year's premium does not come into the account. We have, then, received as consideration for annuities £19,837 19s., and in interest and dividends £86,964, making a grand total receipt of £2,322,424. The amount which is really invested and producing interest is £1,828,225 1s., and the annual interest which this yields is 5·115 per cent. The amount which is, as I have explained, a kind of floating balance, is £171,646 7s. 3d. If you add this to the £1,828,000 odd, which is bearing interest, it will form a total, as I have just mentioned, of close upon £2,000,000 The interest which we receive upon that sum is equal to 4·65 per cent. Now, when I mention to you that our valuation as given to you last year is made upon a basis of 3½ per cent., you will see that the investments fully, and more than fully, bear out the rate at which the policies have been valued. This must, I am sure, be very satisfactory. The general operations of the year may be epitomized in this way: in round figures we have increased our contingent liabilities by £1,300,000 of new business, represented by an annual income of £47,000; contingent liabilities have been entirely extinguished to the amount of just upon half a million pounds; and we have been able to add to the

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general fund £106,000. The report having been adopted, Mr. Devonshire proposed that Messrs. G. H. Ladbury and Venn be re-appointed auditors, and in doing so paid a high tribute to the ability of those gentlemen. Mr. Janes seconded the motion, which was then put and carried. The Chairman proposed, in highly eulogistic terms, a very cordial vote of thanks for the great energy, skill, and urbanity with which their chief officer, Mr. Curtis, conducted the business of the office. Mr. J. Williams had great pleasure in seconding the vote of thanks. The resolution was carried with acclamation. We congratulate the directors and shareholders on the strong position of the society.

QUESTIONS UNDER A SOLICITOR'S BANKRUPTCY.

The Judge of the Sheffield County Court has been occupied for two days in dealing with an application affecting the trustees of the estate of John Whall, a solicitor of Worksop. The case has been referred to in previous numbers of the *Accountant*. The bankrupt died during the progress of the proceedings. On the 10th December the matter was brought before the Judge in the form of an application by Mr. J. R. Smith, of Mansfield, on behalf of Joseph Harvey Roper, letter-carrier, of Mansfield, for the recovery of certain deeds now in the possession of the trustees of the estate.—Mr. Pye Smith said he appeared on behalf of the trustees. There were several cases in which the mortgagor had paid over monies to the bankrupt to be handed over to the mortgagee. These monies had never been handed over, and the parties for a time thought all was right, but now they were brought face to face, rival claims were made for documents. The trustees felt that they could not decide between the parties, and asked them to come before his Honour.—Mr. Barker, instructed by Mr. Whall, son of the bankrupt, said he appeared on behalf of Mr. Wm. Squire Ward, who had paid off a debt, to object to have these papers given up to the original lender of the money, on the ground that they had discharged the debt by payment. He thought that if these documents should be given up to anybody they ought to be given up to his client. Having paid off the debt he was entitled to the documents. Mr. Smith said that with regard to the two sums of £100 they were advanced by Mr. Whall in Mr. Roper's name, and a promissory note was drawn in his favour, and an equitable charge for a memorandum of agreement upon certain property. At Mr. Whall's bankruptcy these papers were found among his papers, and, as Mr. Roper stated that he never gave Mr. Whall authority to receive the principal of the money, he applied to-day to make the trustees give up these papers. The Judge: The question arises whether the attorney is the agent or his client. Mr. Smith: That is so. We never gave any authority either expressed or implied. He then proceeded to quote from "Wittington v. Tate" and other cases in support of his case, and stated that he made the application under Rule 50. Mr. Barker desired to know under what section the application was made. The Judge: I suppose it is under section 72? Mr. Smith: No; it is under section 20. The Judge: I think you would be safer under section 72. Mr. Barker said the only effect of this application would be that they should give up the documents and they would be left to fight it out. He did not see that any advantage would arise from the papers being given up. The trustees were willing to produce the documents so that the parties could see them and copy them and pursue their remedies. It was an *ex parte* application to the Court to say who were the proper parties to hold the papers, yet his Honour's decision was not to be decisive, but the question was to be litigated upon hereafter. The application was quite unnecessary, as nothing would be gained or lost by it. If it were necessary to go into the case he could show to his Honour that his client was entitled to the papers. His Honour: If the papers are his, and there be no claim upon them, he ought to have them. Mr. Barker said they did claim them, but when the applicant said he would move hereafter he thought it would be better to let the trustees retain them and fight the action. His Honour: He is merely standing upon his rights, and if he is standing upon his rights he ought to have them. Mr. Barker: If your Honour would wish to hear me upon the rights I think I could show you that the papers belong to my client, but I do not think it is for your Honour to interfere. Mr. Pye-Smith: The trustees prefer that the Court would settle the matter. The Judge: The Court has power to settle the whole matter. Mr. Pye-Smith: There are several cases of this description, and it would be the cheapest way to settle the question of priority in this Court. Mr. Barker: If it is stated on the other side that your Honour should decide the question finally, subject of course to the Court of Appeal in Bankruptcy, I am willing that the case should go on, but not when it is declared that "we will get the decision from your Honour and fight it out hereafter." His Honour to Mr. Smith: Do you contend I have no jurisdiction in the whole matter? Mr. Smith: All we ask your Honour is to make an order for the papers to be given up to us. Mr. Pye-Smith: I have no power to put any pressure on Mr. Smith, but as a matter of saving expenses, the trustees would prefer that your Honour would decide this under section 72. We hold the deeds as trustees of Mr. Whall; the parties were at liberty to go into Court. His Honour: I shall consider it; I do not think I am quite clear on the point. Mr. Pye-Smith said they had no right to retain the papers; they belonged to one party or the other, but they thought it would be the cheaper method to let this Court decide the matter. Mr. Barker submitted that Mr. Smith had never proved the debt, and had therefore no *locus standi*. His Honour, to Mr. Smith: The objection to you is that you, not being a party to the bankruptcy, have no right to make a motion of this kind. If you submit yourself to the bankruptcy then you can make the motion. If the trustees retain the deeds wrongfully you can get them out of this Court through the trustees, and you can bring an action against them or any other body who may wrongfully hold the deeds. Mr. Pye-Smith asked what right Mr. Smith had, not being a creditor or representing a creditor, to come there and move in the bankruptcy? The Judge: He says, "The bankrupt wrongfully took upon himself to receive some money, and I, repudiating his action, wish to get my deeds or money." In answer to Mr. Pye-Smith, his Honour further said that the applicant could bring an action against him as trustee. Mr. Pye-Smith: I do not deny he can bring an action against us, but we want to have the question decided as cheaply as possible. His Honour said it was his impression that under the circumstances he had no jurisdiction. Mr. Smith said the deeds came into the hands of the trustees as trustees of the bankrupt. His Honour: The question is whether they can retain them or not. Mr. Pye-Smith: We do not want them on behalf of Mr. Whall, but we have two claims. Mr. Barker said that an action might be brought against the debtor, and the trustees would merely be required as witnesses to produce the papers. Mr. Pye-Smith: An action of *detinue* might be brought against us. Mr. Barker said that, looking at the first paragraph of the applicant's affidavit, they found that he stated that he gave Mr. Whall £650 to invest in his name, but it was clear that Mr. Whall had no specific instructions how to invest it. Applicant further stated that he had repeatedly asked Mr. Whall how the money was invested, which showed that up to the time of the bankruptcy applicant was ignorant of how the money was invested. The fact of the deeds remaining in possession of Mr. Whall when Mr. Roper could have claimed them showed the consent of the applicant in the action of Mr. Whall. His Honour: No, not consent. Mr. Barker: Well, if not consent at least acquiescence. He contended that the money was merely handed to Mr. Whall to invest as he thought proper. Mr. Smith stated that his client never applied for the money to Mr. Whall. Mr. Barker did not think that affected the position of his client. His Honour said that the question was whether Mr. Whall was the agent of Mr. Roper. Continuing further, he said this raised the whole question of jurisdiction. Sometime since the Court of Bankruptcy decided that they could enter into matters outside the bankruptcy, but this was too wide a jurisdiction, and later it was decided that they could not interfere in anything but the parties and matter within the bank-

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ruptcy. The case then stood over for a week, when his Honour gave judgment as follows :—This was a motion made on behalf of Joseph Harper Roper, and he applied to the Court for an order upon the trustees under the bankruptcy of John Whall to deliver up to him all deeds and documents belonging to him, particularly a certain indenture, dated 1871, between Cuckson on the one part, and Roper on the other part; and, secondly, a promissory note for £100, dated 1871, drawn by William Squire Ward in favour of Roper; and, thirdly, a memorandum of agreement, dated June, 1871, and made between Ward and Roper. The motion was served upon Ward, but not upon Cuckson; and the discussion that took place was really between Roper, Ward, and the trustee. The facts were very clear, and were not in dispute between the parties. Whall was a solicitor previous to his bankruptcy, and, as Roper's solicitor, he received from him £650 for the purpose of investment. Of that sum £100 was lent by Whall to Ward upon his promissory note and a memorandum, by way of equitable mortgage, which were the two documents sought by this motion to be given up. They remained in Whall's custody until his bankruptcy, and then they came into possession of the trustees. Roper now asked that they might be given up to him. Of course, if there was nothing more in the case he would be entitled to them, and the trustee would be wrong in detaining them; but the respondent Ward set up an entirely different case. He stated that after repeated applications he paid the money back to Whall, who had promised to return the note and memorandum, but did not do so, and he now claimed them. Therefore, upon the facts there was a question to be tried, but it was not a question between Roper or Ward and the trustee, but entirely a question between Roper and Whall. The question was, "Had he jurisdiction to make this order either by trying the question or without trying the question?" It was absurd to say that he had jurisdiction to make an order without trying the question, because that would be a palpable injustice. It was a monstrous proposition, and only required to be stated to show its absurdity. He did not consider that he had jurisdiction to settle that question, even if he were asked to do so. Supposing Roper brought an action to recover the money which he said was unpaid, could he (the Judge) restrain that action? Clearly not; but that he must do if he considered the question; therefore there was no jurisdiction for the Court of Bankruptcy to deal with this motion. Therefore, the motion must be refused, and he thought it might be refused with costs as against Ward, the respondent. With regard to the costs of the trustee, it would be for him to show that he would have incurred risk in giving up the documents. Mr. Pye-Smith replied that they had notice of rival claimants to these documents. His Honour thereupon granted the trustee his costs

RIVAL RECEIVERS.

The Registrar of the Manchester County Court has just reinstated a receiver who had been supplanted two or three days after his appointment, upon the action of certain creditors. The facts were as follows:—The debtor filed a petition on the 17th of November, and estimated the amount of his liabilities at £600. On the same day he filed a request and list of creditors representing debts to the amount of £293 10s. 9d. On the 19th of November he filed a further request representing £199 15s., and on the following day Mr. Harding (Messrs. Sutton and Harding), accountant, filed a nomination paper, signed by four creditors, for appointment as receiver and manager in lieu of Mr. Kidson, who was appointed on the filing of the petition. On the 23d of November the debtor filed a third request and list of creditors representing £102 13s. The aggregate amount of debts, as represented by the three lists, was £596. Mr. W. Cobbett subsequently applied, on behalf of certain creditors representing a majority in number and value, for an order of the Court, under the 262d and 263d rules, cancelling the appointment of Mr. Harding, and reinstating Mr. Kidson as receiver. He did so on the ground that Mr. Harding was the nominee simply of the holder of a bill of sale. Mr. Harding's nomination paper was signed by four creditors, representing £236. Of these, one (the holder of the bill of sale) was a creditor for £221, and the three others only £15. The nomination, therefore, of Mr. Harding was not signed by a majority in value, as appeared by the three requests filed, and therefore the order of the Court must be cancelled. Mr. Lascelles, who appeared to show cause against the order, said that Mr. Harding's nomination was perfectly regular, being supported by a majority of the creditors according to the lists then on the file, and although he admitted the force of Mr. Cobbett's argument, based upon the list now presented, still the order applied for was entirely within the discretion of the Court. Upon this the Registrar reinstated Mr. Kidson.

A QUESTION OF IRREGULAR PROXIES.

A case recently before the Manchester County Court affords some rather striking comments upon the proxy system. The matter arose out of the bankruptcy of Washington Irving, Mr. Kennion (instructed by Messrs. Earle, Oxford, and Earle) moving to set aside a motion which had been made in this case on behalf of the firm of J. B. Thompson and Co., of Liverpool. An order was made on the 4th of June by which a discharge was given to the bankrupt. That order was made by the court in pursuance of a resolution passed at a meeting of the creditors on the 4th of May. At that meeting Robert Wood Barker, one of the firm of Messrs. King and Company, who were creditors against the estate to the amount of £2,734, gave to Mr. Henry Earle proxies, and it was by means of these proxies that the resolution giving the bankrupt his discharge was carried. The learned counsel contended that at the time Robert Wood Barker gave the proxies on behalf of King and Company he had no power to do so, as they were then bankrupt, and whatever power he possessed had then vested in the trustee of the estate. Barker, at the time of the occurrence, was the only member of the firm of King and Company residing in England, the other members of the firm at the time of the bankruptcy being in India. These proxies given by Barker on behalf of the firm were therefore irregular and illegal. They were given by Barker as a partner of the firm, but at that time the partnership had long since been dissolved, and any power that he possessed when the firm existed had passed away. After the dissolution of partnership Mr. Barker went into liquidation, and, therefore, all the interest he had was vested in the trustee under his bankruptcy. The only person who could have given the proxies was the trustee. In the affidavits that had been filed there were allegations of fraud, but he (the learned counsel) would frankly say that there was no proof of fraud; but there was proof and suspicion of some sort of collusion between Barker and the bankrupt Irving. After the bankruptcy of Irving, Barker came under liquidation, and amongst the creditors was Irving, to whom it was alleged money had been lent by the firm of King and Company, and an unconditional discharge was given by Irving to Barker. This was the collusion of which he complained. Mr. Jordan contended that Irving's vote at the meeting of creditors did not affect Barker's discharge at all. There could be no doubt that Mr. Barker honestly believed that he had power to give the proxies, and before the motion could be set aside it must be proved that fraud had been committed in giving the proxies. The Registrar said that unless it could be shown to the Court that the order which was sought to be set aside had been obtained by direct fraud, the Court must dismiss the motion. It was clear that there was no evidence of fraud. The question was whether the order of discharge was valid or not. The Court having granted the order it must be held as valid, and it could not be rescinded unless proof was given of fraud. Proof of this had not been given, and he would make an order dismissing the motion, but without costs.

Mr. James Waddell, accountant, has been appointed receiver in the liquidation of Messrs. Wylde and Co., bankers, of Southwell, Nottinghamshire, who suspended payment on the 14th ult., with liabilities estimated at £100,000.

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SENTENCES FOR FRAUDULENT BANKRUPTCY.

At the Central Criminal Court, Dec. 17th, Arthur Cooper, who had been convicted under one of the clauses of the Bankruptcy Act, of unlawfully obtaining goods within four months of his bankruptcy, under the false colour and pretence that they were to be used for the legitimate purposes of his trade, and afterwards disposing of them with intent to cheat and defraud his creditors, was brought up for judgment. The Common Sergeant said he fully concurred in the verdict of the jury, and it was quite impossible for mercantile men to have returned any other verdict than they had done. There were, however, some circumstances of mitigation in the case, and he believed that his conduct had been reckless rather than intentionally fraudulent. This being so, as he had been already in prison for a month, he should only sentence him to be further imprisoned for a month. —James William Oliver was charged with obtaining goods within four months of his bankruptcy, with intent to defraud his creditors, and also with wilfully making away with his books, and with making false answers in his examination before the Court of Bankruptcy. In the course of the case it was proved that on some occasions the defendant directed his cashier not to make any more entries in the daily takings book, and that only £20 were entered when the actual takings were £50; it also appeared that during a period of seven weeks' trading the defendant had actually taken nearly £800 over the counter, which was entirely unaccounted for. It was further proved that the prisoner's books were last seen in his own possession, and from that time they had been missing. The jury found the defendant guilty, and he was sentenced to eighteen months' hard labour.

See-Saw in Bankruptcy.—The *Law Journal* says:—"The decision of the Chief Judge in Bankruptcy in *ex parte* Bolland *re* Holden is very unsatisfactory. The solicitor for the trustee was laudably anxious to settle the question whether summonses under section 96 of the Bankruptcy Act must be served by the high bailiff, or whether such summonses could be served by the solicitor. Section 96 relates to the discovery of the bankrupt's property, and empowers the court, on the application of the trustee, to summon before it for examination the bankrupt, or any one who can give information concerning the bankrupt's property or dealings. It is manifest that cases might arise in which it would be of advantage that the solicitor should serve such a summons, as having a better opportunity of knowing the parties and effecting service without delay, and without any uncertainty as to the identity of the parties served. Now rule 58 says that, unless otherwise directed or permitted by the rules, it shall be the duty of the high bailiff to serve all orders, summonses, petitions, and notices; while rule 167 permits a subpœna to be served by the person issuing it, or his attorney. The summons contemplated in section 96 is in the nature of a subpœna. When the matter was before the County Court Judge at Liverpool, his Honour thought that he had no authority to permit the solicitor to serve the summons. In fact, he considered that rule 58 was imperative; that it not merely defined the duty of the high bailiff, but made service by the high bailiff essential to its validity. In a word, his Honour held that he had no option or discretion in the matter, and so refused the application of the solicitor to be allowed to effect service of the summons without the intervention of the high bailiff. The Chief Judge dismissed the appeal on the ground that the County Court Judge had exercised his discretion in the case, and that, as it was a matter of public convenience, as to which the County Court Judge could well decide, he would not interfere. The result is that the Chief Judge has refused to impeach the discretion of the Court below on a matter concerning which that court held that it had no discretion. The *Law Times*, referring to the appeal says:—"Without confining ourselves to the facts of this particular case, we do not hesitate to say that in very many cases it would facilitate the despatch of such business as that in question to allow solicitors acting for trustees to serve such summonses. Solicitors are often better informed as to the whereabouts of those proposed to be so served, and are, moreover, more likely to take unusual trouble to effect such service."

COURT OF BANKRUPTCY.

December 2.

(Before Mr. Registrar Murray.)

In re M'Ewen and M'Ewen.—A petition for liquidation by arrangement or composition was recently filed by Alexander M'Ewen, a well-known financial agent, described as of Lombard House, George-yard, Lombard-street; and Mr. Munns (Lewis, Munns, and Co.) now applied to the Court under the following circumstances. He stated that when the separate petition was filed by Alexander M'Ewen, his brother, Lawrence T. M'Ewen, was in America, but he had since returned to England. The receiver (Mr. S. L. Price) upon investigating the case, found that a considerable portion of the liabilities and assets which Alexander M'Ewen considered to be separate were in fact joint, and in this state of things it was deemed expedient that a joint petition should be filed, which, accordingly, had been done. Mr. Price stated that a large portion of the indebtedness of Lawrence T. M'Ewen, in respect of which he was liable, on the 17th June, 1873, when the partnership between him and Alexander M'Ewen was dissolved, was still unsatisfied, and that a considerable portion of the partnership assets existing at that date were still unadministered. He was also satisfied that many of the transactions of the debtors had since the date of the dissolution of partnership been so conducted as to create a continuing partnership between the parties. The appointment of Mr. Price as receiver under the joint petition was now proposed.—His Honour made the appointment, and granted an interim injunction restraining proceedings by creditors, so far as the same affected Lawrence T. M'Ewen.—The liabilities are about £400,000, against assets £300,000, and Lawrence T. M'Ewen is stated to have separate property to the value of £6,000.

December 3.

(Before Mr Registrar Roche.)

In re Lemon Hart and Son.—The bankrupts, George White and David Hart, had traded in copartnership as wine and spirit merchants in George-street, Tower-hill, under the name of Lemon Hart and Son. The failure occurred about six weeks since, and a petition for liquidation, filed by the debtors, fell to the ground, the creditors preferring that the estate should be administered in bankruptcy. Mr. Arthur Cooper, public accountant, was now appointed trustee, with a committee of inspection, consisting of five of the principal creditors.—The statement of affairs disclosed liabilities to the amount of £83,069, and assets, £28,608.—Messrs. Hollams, Son, and Coward are the solicitors to the proceedings; Mr. Linklater represented the debtors.

(Before the Hon. W. C. Spring Rice, *as Chief Judge.)*

In re Sir William Russell, Bart.—This was an application for leave to register certain resolutions come to by creditors in this case, providing, *inter alia*, for liquidation of the debtor's affairs by arrangement. It appeared that the debtor, who traded as a shipowner and merchant in Salter's-hall-court, Cannon-street, had, under a former petition filed about four years since, covenanted to pay, as a condition that he should receive his discharge, the sums of £4,000 and £5,000 respectively. He paid the £4,000 and £2,000 out of the £5,000, and the question arose whether the resolutions come to under the second petition for liquidation could be registered, having regard to the non completion of the proceedings under the first petition. The case was argued about three weeks since, when judgment was reserved.—His Honour said that registration was opposed on the ground that the resolutions were unreasonable and inequitable, and that in substance the debtor had no assets. This latter part of the objection proceeded upon the assumption that the debtor could have no assets inasmuch as the proceedings under the first petition had not been closed when the second petition was filed. In reply it was said that it would be premature for the Court at this stage of the proceedings to consider the question of assets; but his Honour took a different view, as the proceedings under the first liquidation were still pending, and therefore *primâ facie* there were no assets capable of administration under the present petition. One of the resolutions was in the nature of a composition resolution, but it had been duly confirmed; and

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another resolution, granting the debtor his discharge subject to certain conditions, was *ultra vires*. Upon the whole the Court must decline to allow the registration.—Mr. Munns gave notice of appeal, and his Honour, in view of the importance of the question, reserved the costs, stating that it would be very desirable to obtain the opinion of the Court of Appeal upon the subject.

December 14.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE BOTTING, IN RE BASTEL.—This was an appeal from the Sussex County Court, holden at Brighton, the question mainly involved being whether a trustee appointed under composition resolutions to receive and distribute composition payable by the debtor was entitled to reject a proof tendered by a creditor. In this case the trustee had rejected a proof tendered by Mr Botting, and such rejection had been confirmed by the County Court judge. Mr Roxburgh, Q.C., and Mr Crump now argued that a trustee appointed as in this case was not at liberty to reject a proof, his duty, as prescribed by the resolutions, being simply to receive and distribute the composition. A trustee under a liquidation by arrangement had larger powers; but in composition resolutions the estate continued to be vested in the debtor, and any questions arising upon the proofs had to be decided between the creditors on the one hand and the debtor on the other, not between the creditors and the trustees. Here, also, the trustee had absolutely rejected the proof, instead of admitting such portions of it as to which there could be no question, and requiring further evidence in support of the residue. Mr De Gex, Q.C., and Mr Horton Smith were counsel for the trustee. The Chief Judge, without deciding whether a trustee appointed under composition resolutions was entitled to reject a proof, held that in the present case the proof ought not to have been absolutely rejected, and directed an inquiry for the purpose of ascertaining what amount was actually due to the creditor, the costs being reserved. The order of the Court below was accordingly discharged.

December 15.

(*Before Mr Registrar* KEENE.)

IN RE G. C. HOUNSELL.—This case came before the Court on an application to register the resolutions passed at the first meeting of creditors. The objections to proofs were withdrawn on all sides; but the meeting having been twice adjourned by verbal resolutions to different premises, the point was raised whether the proceedings were in order. Mr Maitland argued that the proceedings were quite regular, it being a continuous meeting. The Registrar decided that by Rule 275 the Court was bound to take cognizance of only such resolutions as are reduced into writing. Registration was accordingly allowed.

December 17.

(*Before Mr. Registrar* BROUGHAM.)

IN RE LEWIS BRODZIAK.—This was an adjourned meeting for public examination. The bankrupt had traded as a merchant in Coleman-street. Mr. T. Phelps, who appeared for the trustee, stated that the bankrupt had filed accounts disclosing liabilities to the amount of £10,455, with assets £3,656, of which £3,455 was represented by an alleged surplus from consignments to Sydney; but according to information received from Sydney, the consignees, instead of being indebted, had a large claim upon the estate. It was therefore submitted that the bankrupt ought not to be allowed to pass upon the accounts as they stood. Mr. J. Emanuel, for the bankrupt, submitted that he was not responsible for the accounts rendered by other parties. He had filed the best accounts in his power, and any further adjournment would be useless. His Honour held that the bankrupt was bound to give further particulars respecting the consignments, and said that there must be another adjournment for that purpose.

December 21.

(*Before Mr. Registrar* HAZLITT.)

IN RE ASA P. STANFORD.—The bankrupt, described as of 6, Great Winchester-street-buildings, applied (by adjournment) to pass his public examination. Mr. Willoughby, for the trustee, said the bankrupt, who was an American, came to this country in September, 1872, being then possessed of £10,000. It appeared that he had since engaged in large speculative transactions jointly with a person named Davis, who afterwards left the country. Profits to the extent of £116,000 had been made, but the bankrupt's accounts now disclosed a total liability of £42,000, the assets being returned at £120 only. The bankrupt had furnished a statement of losses in explanation of his deficiency, containing the following items:—Loss by "Josepha" Mine, purchased in Spain, £8,000; loss by iron patent, £10,000; ditto by Montrotier Asphalte shares, £5,000; ditto by Saturn Mining shares and debentures, £10,000; ditto by Erie shares, £60,000; depreciation in value of "Teconia" shares, £8,400; depreciation in other shares by fall in markets, £50,000; and private expenditure, £5,000. It was submitted that further details of these losses should be furnished. Mr. Harston, who supported the bankrupt, said it appeared from his answers to interrogatories, that he could furnish no better accounts, and it would, therefore, be useless to keep him before the Court. His Honour held that the bankrupt could not be allowed to pass his examination without furnishing a better account of his deficiency, and therefore ordered a further adjournment.

December 23.

(*Before the Hon.* W C. SPRING RICE, *sitting as Chief Judge.*)

IN RE SUSSEX NEWTON.—The bankrupt, formerly carrying on business as a licensed victualler at the Duke of Sussex tavern, High-street, Kensington, was adjudicated in August, 1870, and subsequently passed his examination on accounts showing debts to the amount of £9,808, with assets £7,879; but it appeared that nothing had been realised for the creditors. This case now came before the Court on the hearing of an application for the confirmation of certain resolutions recently come to at a meeting of creditors, held in pursuance of the 28th section, providing for the acceptance of a composition of 1s. in the pound, payable by two instalments at six and twelve months; and the annulment of the bankruptcy. Mr. Polak, a creditor, opposed, and stated that but for the resolutions which had been come to, the right of the creditors to enforce payment of the full amount of their debts would have revived by operation of the 54th section, inasmuch as the bankruptcy had been closed very nearly three years before the passing of the resolutions, and the bankrupt had not obtained his order of discharge. His Honour said that he was bound to give effect to the wishes of the majority of creditors, and as they had agreed to accept 1s. in the pound in satisfaction of their claims, the resolutions would be confirmed.

IN RE W. G. SWINHOE.—This was also an application for the confirmation of resolutions come to under the 28th section. The resolutions provided that the bankruptcy should be annulled, the bankrupt agreeing to remain liable for the payment of the full amount of the provable debts. His Honour, considering the resolutions absurd, being in the nature neither of a composition arrangement, nor of a scheme of settlement as contemplated by the Act, refused the application.

IN CHANCERY: BENNETT'S TRUSTS.

On August 22, 1872, Mr. C. J. Mold filed a petition for liquidation of his affairs by arrangement, and on September 16, 1872, his creditors passed the necessary resolution for liquidation, and granted his order of discharge from December 1, 1872. On February 4, 1873, the registrar certified the order of discharge. J. B. H. Bennett died on January 13, 1873, having by his will given a legacy of £1,000 to C. J. Mold. The executors paid this money into Court under the Trustee Relief Act. C. J. Mold and certain assignees petitioned for payment out to them, but Vice-Chancellor Bacon held that the discharge did not take effect till the registrar's certificate, and that consequently the legacy was the property of the trustee under the liquidation.

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GLASGOW INSTITUTE OF ACCOUNTANTS.—In our notice of this Institute published in the December number, it was stated that the applicant for admission is required to declare that he is not engaged in the business of "land officer;" this should have been printed *law* officer, the Scotch term for solicitor.

Mr. W. T S. DANIEL, Q.C., on Tuesday, the 8th December delivered judgment, in the Bradford County Court, on the motion of Mr. A. B. Kemp, trustee under the bankruptcy of Moses Topham, for an order compelling the Exchange and Discount Banking Company, Bradford, to pay to him an aggregate amount of £1,695 3s. 6d., which Topham had paid into their bank after they knew he was insolvent. His Honour granted the order with costs.

THE WARDMOTES.—Mr. Waddell, of the firm of James Waddell and Co., accountants, has been elected as a representative of the Ward of Cheap, in place of Mr. Tegg, resigned. At the Bassishaw Wardmote, Mr. W. H. Pannell (Slater and Pannell, accountants) was re-elected, and in returning thanks spoke of the Temple Bar question, and of the Municipal Government of London Bill.

Messrs. G. Whiffin and Co., public accountants, have announced that from the 1st January, 1875, the name of their firm will be altered to "G. Whiffin and Schneidau," and will consist, as hitherto, of Mr. George Whiffin and Mr. Charles John Schneidau.

A FREE AND EASY INSOLVENT.—A meeting of the creditors of David Davies, of Dark Gate, Carmarthen, was held at the Town Hall, Carmarthen, on Saturday, the 26th inst. Messrs J. Parsons (J. and S. Parsons), Bristol; J. Kemp, Birmingham; Charles T. Starkey (Lomas Harrison and Starkey), Birmingham; and Mr Rollason, from Mr G. B. Lowe's, solicitor, Birmingham, were representing nearly the whole of the trade creditors in their several districts. There were also present Mr Thomas (Barnard, Thomas, Cawker, and Co.), Swansea, representing a few trade creditors. Messrs Green and Griffiths and the insolvent's solicitor represented a number of persons claiming to be creditors for money lent. The total liabilities are estimated at £5,041 18s. 8d., and the assets at £2,039 12s. 3d. There was considerable dissatisfaction expressed at the meeting being called for the day after Christmas Day, such day being a general holiday, and also being held at Carmarthen, when the principal trade creditors resided in the Midland district. Much discussion ensued as to two proofs held by Mr Griffiths, viz., one of the insolvent's brother for £790 13s., and one of Lewis Daniel (the insolvent's late partner in the ironmongery trade and present partner in the market tolls) for £529. In answer to questions as to the cause of the deficiency of £3,000, insolvent stated that he had drunk and smoked most of it, and been robbed of the remainder. An offer of 7s. 6d. in the pound was made by the debtor's solicitor and refused. The meeting was adjourned until the following Saturday, to be held at the offices of Messrs Lomas Harrison and Starkey, 37, Cannon-street, Birmingham.

Mr. Edward Sylvester, accountant, of Oxford, was amongst the victims of the railway accident at Shipton on the 24th December; his remains were interred on the following Tuesday.

Vice-Chancellor Hall has appointed Mr. Victor Bauer official liquidator to the African Barter Company.

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REPORT OF THE DIRECTORS OF THE GRESHAM LIFE ASSURANCE SOCIETY.

THE DIRECTORS have the pleasure to present their Annual Report on the operations of the 26th Financial Year of the Society, ending June 30, 1874.

During that year 3,518 proposals were made to the Society for assuring the sum of £1,623,661. Of these proposals 3,017 were accepted for the assurance of £1,384,577, and Policies were issued for that amount of assurance, with a corresponding annual income of £47,577 18s. 11d. The Annuities granted during the year were £1,420 7s. 10d. per annum.

The Income derived from Premiums, after deducting therefrom the amount paid for Re-assurances, was £378,826 17s. 10d., including £43,016 8s. 3d. in Premiums for the first year of assurance.

The balance of the Interest Account amounted to £86,964 1s. 8d. The interest, which had become payable during the year but which had not been received at the date of closing the accounts, is included in the item of "Outstanding Interests" among the assets.

The claims made upon the Society, and admitted during the year, under Life Assurance Policies, were for an amount of £174,713 0s. 8d., of which sum £467 13s. 3d. was reassured, whilst the claims under Endowment Policies which had reached their term, amounted to £54,164 8s. The sum of £31,239 2s. 6d. was also paid to Policyholders for the surrender of the policies which they desired to discontinue.

After providing for these amounts—for the annuities falling due within the year, for all necessary office expenses and every other charge on the income of the year—there remained a balance of £105,273 17s. 4d., which merged in the fund available for the existing policies of the Society. This fund amounted, at the end of the financial year, to £1,927,357 7s., and together with the amount of £50,802 1s. 3d. reserved for settlement of claims

outstanding for the payment of annuities, &c., not applied for, and for other purposes specified in the balance-sheet, make up a total of £1,999,871 8s. 3d., which the Society possess in realised assets, as shown in the 2nd Schedule.

The accounts have been duly audited by G. H. Ladbury, Esq., the public accountant (a shareholder of the Society), on the part of the shareholders, and by the notary public, William Webb Venn, Esq. (a policyholder), on behalf of the policyholders. The whole of the securities, or documents representing the realised assets of the Society, have been verified both by the Directors and by the Auditors above named.

The funds of the Society invested at interest will, upon the average, yield fully 5 per cent. The income from interest on invested funds, added to that arising from premiums, raises the general income of the Society for the current year to £471,684 12s. 4d.

A list in detail of realised assets, although not required by the terms of the Life Assurance Companies Act, 1870, is subjoined to this report.

This detailed list of the assets shows the nature of the securities selected for investment, the nominal capital purchased, and the price paid for it. Therefore, a correct judgment on the value of the investments can be formed.

The Directors have given complete information as to the composition and value of their invested funds, deeming it essential to the full enlightenment of the assured upon so important a branch of the operations of a Life Assurance Company.

With reference to the freehold property belonging to the Society in the Poultry, the Directors have to report that the negotiations, which they have been carrying on for some time past with the Commissioners of Sewers, for the mutual cession and acquisition of ground, have been brought to a satisfactory conclusion.

Before they could arrange terms with this Society, the Commissioners of Sewers found it necessary to negotiate with the Corporation of the City of London, and to purchase from them some part of the area required by the Society for its new offices.

These negotiations were unavoidably very protracted; but the additional property required from the Commissioners gives to the whole a greatly enhanced value, and fully justifies the delay which these negotiations have occasioned in the prosecution of the works.

The whole freehold area, which has now become the property of this Society has a frontage, in the most central position of the City of London, of 1[illegible]8 feet, and it will be covered by a suitable building standing alone.

The Directors retiring on the present occasion are William Trego, Alfred Hutchison Smee, and Joseph Williams, Esquires, who, being eligible, are recommended by the Board for re-election.

Mr. Ladbury and Mr. Venn retire as Auditors, but, being eligible, they offer themselves again for election—the former on behalf of the shareholders, and the latter on behalf of the policyholders.

The Directors are convinced, that, by persevering in the same course of prudent and energetic action which they have followed hitherto, the Society will maintain its present high position amongst kindred institutions.

By order of the Board.

F. ALLAN CURTIS, F.I.A.,

Actuary and Secretary.

October 29, 1874.

FIRST SCHEDULE.

Revenue Account of "The Gresham Life Assurance Society," for the Year ending June 30, 1874.

DR.

Amount of Funds at the beginning of the year			£1,842,795 9 8
Premiums—First Year	£43,016 8 3		
Renewals	338,918 4 1		
		£381,934 12 4	
Less Reassurance Premiums		3,107 14 6	
			378,826 17 10
Consideration for Annuities			13,837 19 0
Interest and Dividends			86,961 1 8
			£2,322,424 8 2

We have examined the above Statement with the Books of Account, and hereby certify the same to be correct.

Dated this 16th day of October, 1874.

(Signed) G. H. LADBURY, WILLIAM W. VENN. } Auditors.

CR.

Claims under Policies:—			
Deaths	£174,713 0 8		
Endowments	54,164 8 0		
		£228,877 8 8	
Less Reassured		467 13 3	
			£228,409 15 5
Surrenders			31,239 2 6
Annuities			20,289 8 4
Commission			28,299 1 11
Expenses of Management:—			
For the acquisition of New Business—			
Inspectors, Agency, and Travelling Expenses		£12,135 7 7	
Advertising		4,928 16 1	
Medical Fees		2,858 16 7	
		£19,923 0 3	
General Expenses		28,575 0 0	
Fiscal Expenses—			
Stamps and Income Tax (English and Foreign)		3,987 6 4	
			52,485 6 7
Dividends and Bonus to Shareholders			12,485 12 0
Bonus in Cash to Policy-holders			116 14 5
Amount of Funds at the end of the Year, as per Second Schedule			1,949,069 7 0
			£2,322,424 8 2

(Signed) W. H. THORNTHWAITE, Chairman.
JOSEPH WILLIAMS, Director.
GEORGE TYLER, Director.
F. A. CURTIS, Actuary and Secretary.

SECOND SCHEDULE.

Balance Sheet of "The Gresham Life Assurance Society," on June 30, 1874.

LIABILITIES.

Shareholders' Capital paid up	£21,712 0 0	
Assurance Fund	1,796,775 5 10	
Annuity	130,582 1 2	
Total Funds as per First Schedule		£1,949,069 7 0
Claims admitted but not paid	48,609 0 10	
Less Reassured	nil.	
		48,609 0 10
Annuities outstanding		1,504 12 3
Share Dividends and Bonus not applied for		195 19 10
Other Accounts, viz.:—		
Commission		492 8
		£1,999,871 8 3

We have verified, at the Bank of England, the inscription of the Government Funds, in the name of THE GRESHAM LIFE ASSURANCE SOCIETY, and have examined the Books, Documents, and Securities representing the property contained in this Balance Sheet, and hereby certify the correctness of the same.

October 16, 1874. (Signed) G. H. LADBURY, WILLIAM W. VENN, } Auditors.

ASSETS.

Mortgages on Property within the United Kingdom	£258,711 4 9
Mortgages on Property out of the United Kingdom	1,000 0 0
Loans on the Company's Policies within their surrender value	156,797 13 2
Investments:—	
In British Government Securities	149,199 11 10
Foreign Government Securities	392,503 0 7
Railway and other Debenture and Debenture Stocks	442,012 9 9
Railway Shares, Preference and Ordinary	19,211 17 10
House Property	245,388 0 7
Loans upon Personal Security	35,834 10 0
Credit Premiums	55,258 8 2
Advances on Reversionary Interests and on Deposits of Securities	72,308 4 4
Furniture and Fittings	6,267 2 1
Agents' Balances	50,818 16 3
Outstanding Premiums	63,579 5 10
Outstanding Interest and Rents	25,281 3 7
Cash in hand and on Current Account	25,749 19 6
	£1,999,871 8 3

(Signed) W. H. THORNTHWAITE, Chairman.
JOSEPH WILLIAMS, Director.
GEORGE TYLER, Director.
F. A. CURTIS, Actuary and Secretary.

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THE SOCIETY OF ACCOUNTANTS IN ENGLAND.

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SECRETARY.—ALFRED C. HARPER.
OFFICES.—2, COWPER'S COURT, CORNHILL, LONDON.

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M. C. Member of the Council.

ARLISS, W. W., Westwell-street, Plymouth.
BATH, JOHN, 40a, King William street. London, Vice-President, Trustee, and M.C.
BEDDOW, JOSIAH, 2, Gresham-buildings, M.C.
BOLLAND, HENRY, 10, South John-street, Liverpool, M.C.
BOLTON, JAMES CHARLES, 122, Leadenhall-street, and 1, St. Mary Axe, London, Treasurer and M.C.
BRETT, HARRY, 150, Leadenhall-street, London, M.C.
BRIGHT, GEORGE MONEY, 8, Great Winchester Street-buildings, London, M.C.
BUCK, ROBERT, 56, Fawcett-street, Sunderland.
DAVIES, JOSEPH, Bewsey-street, Warrington, President, Trustee, and M.C.
GEARD, JOHN BRADLEY, 6, Princes street, Ipswich, M.C.
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VOISEY, LEWIS, Bewsey-street, Warrington, M.C.
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The Objects of the Society are—

To promote the acquisition of those branches of knowledge which are essential to the practice of an Accountant; to decide upon questions of professional usage or courtesy; and generally to advance the position and interests of Members of the profession.

CONSTITUTION.

The Society shall consist of three classes of Members, namely, Fellows, Associates, and Honorary Members, with a class of Students attached.

ELECTION OF ASSOCIATES.

Every application for admission as an Associate of this Society must be made to the Council, and must be accompanied by a written recommendation from at least two Associates.

ENTRANCE FEES AND ANNUAL SUBSCRIPTIONS.

Every Associate who shall be elected a FELLOW of the Society shall, upon such election, pay the sum of £15 15s. by way of fee upon his election as Fellow. Every person admitted as an ASSOCIATE of the Society shall, on admission, pay the sum of £5 5s. by way of entrance fee if he be practising in the City of London or within the London postal district; or the sum of £3 3s, if he be practising beyond such district; and the undermentioned YEARLY SUBSCRIPTIONS to the Society, that is to say:—FELLOWS, £5 5s.; ASSOCIATES PRACTISING IN THE CITY OF LONDON, or within the London postal district, £2 2s.; ASSOCIATES PRACTISING BEYOND SUCH DISTRICT, £1 1s.; and STUDENTS, £1 1s. each.

Every candidate to be hereafter proposed for admission as an Associate shall be twenty-one years of age or upwards, and shall come within one of the following conditions:—

(1.) He shall have been in actual practice on his own account, or in partnership as a public accountant, on the 11th day of January, 1872, and shall have made his application on or before the first day of January, 1873.

(2.) Or shall have been a clerk to a public accountant on the 11th day of January, 1872, and shall have been in actual practice on his own account, or in partnership, as a public accountant for three years consecutively after that date, and prior to the 1st day of January, 1878.

(3.) Or shall have served under articles for a period of three years to a public accountant in actual practice.

(4.) Or shall have been employed as accountant to a corporation or public body for three years, or as a clerk to a public accountant, or firm of accountants, for a period of seven years at the least, but the employment need not have been for more than two years continuously with one and the same person or firm.

(5.) Or shall have taken a degree at one or other of the Universities of Oxford, Cambridge, Durham, London, or Dublin, and shall have served under articles for a period of two years to a public accountant or firm of accountants.

(6.) But no candidate shall be eligible for admission as an associate after the 1st day of January, 1878, until he shall have passed an examination as to his proficiency to the satisfaction of the Examiners of the Society.

(7.) Or shall conform to such conditions as the Council shall in any particular case require to be observed, but such admission shall only be made upon the written recommendation of at least three-fourths of the Council present at a Meeting specially called for the purpose.

STUDENTS.

Students shall be persons, not under 18 years of age, who are or have been pupils of Fellows or Associates of the Society, and who have the intention of becoming accountants; and such persons may continue Students until they attain the age of 26 years.

Further information can be obtained, and copies of the Rules can be had, upon application to the Secretary.

Printed and Published for the Proprietor at THE ANGLO-AMERICAN TIMES Press, 127, Strand, London.—January 2, 1875.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM.

VOL. I.—NEW SERIES.—No. 5.] SATURDAY, JANUARY 9, 1875. [PRICE 6D.

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The Accountant

NOTICE TO SUBSCRIBERS.

The ACCOUNTANT is now Published Weekly: a change dating from the commencement of the present year, and which, it is hoped, will enhance the value and usefulness of the paper, and also tend to promote one of the main objects for which it was started—viz., the advancement of the interests of accountants throughout the United Kingdom. The proprietor ventures to hope that his efforts in this direction will meet with the appreciation and satisfaction of the subscribers, and be deemed deserving of increased support on their part, particularly in regard to advertisements, a valuable aid to a newspaper which accountants especially can render in the ordinary course of business. It may be added that the publication of the paper weekly will constitute the ACCOUNTANT a "newspaper" within the meaning of the Bankruptcy Act, and members of the profession will thus have the opportunity of contributing towards the success of their own organ by the insertion of statutory notices required to be advertised under this and other Acts of Parliament. The Weekly Paper is Published every Saturday in time for the early morning mails; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being, annual subscription 24s. (post free); half-yearly do., 13s. (post free.) Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62, Gracechurch-street, E.C. to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT may fairly hope for a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Subscriptions and advertisements will now be received at the Branch-office of the ACCOUNTANT, 127, Strand.

The Accountant.

JANUARY 9, 1875.

Two correspondents, whose letters we print in another column, call attention, in a clear and practical manner, to some of the defects in the Bankruptcy Act, and suggest amendments which well deserve consideration by the Lord Chancellor's Committee. "Matter of Fact's" letter directly hits a blot which is, we believe, the main cause of nearly all the delay, expense, and inconvenience which occur in the working of the Act: that is, the appointment, with a desire of saving expense, of a trustee who has really no professional acquaintance with his duties. In very many cases one of the creditors is chosen trustee; a good man of business, possibly, in the ordinary relations of life, thoroughly honest, knowing perhaps enough bookkeeping to enable him to keep his accounts with sufficient correctness as regards his own affairs, but utterly incompetent to unravel the intricate meshes in which the affairs of a bankrupt are frequently involved. Such a man is soon in difficulties. The accounts of the bankrupt have probably been kept in a very loose and unsatisfactory style; of the creditors, the majority may be straightforward honest men, but some may be inclined to adjust their proofs to meet the probability of a small dividend, or may be in open or secret league with the bankrupt. Such a trustee naturally resorts to a solicitor on every occasion, in alarm at the liabilities and responsibilities he is incurring, and declines to take any step whatever, unless he is fortified by legal advice. Of course, costs under these conditions, soon become excessive and the mythical *Jarndyce v. Jarndyce*, is repeated in many a trifling case of bankruptcy.

It is generally in the instance of small estates that these miscarriages occur. In the effort to save money, and to carry the proceedings through in as economical a manner as possible, the creditors are apt to avoid seeking the assistance of really qualified persons. This leads us to notice the advantages of the Scotch system, under which a staff of trained and qualified accountants is always at hand from whom a proper trustee can be selected. The saving of expense by the adoption of this course would be immense, and it would be, in reality, almost as acceptable to solicitors as to creditors, Many of the occasions on which the advice of the solicitor is sought are such as demand the aid of practical experience rather than of

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deep legal knowledge. The doubts and hesitation of the unfortunate trustees are such as would never occur to a practised mind, and are such as the most nervous of tradesmen placed suddenly in a position of responsibility, would never entertain, if he was chosen as a trustee on a second occasion. And a respectable solicitor is placed in a somewhat delicate position, in such a matter. He has either to submit to have his time occupied without making any charge, or else must deliver a bill of costs made up of trifling items with the probability of finding himself a mark for the light artillery of the cheap press, and the columns of our contemporaries filled with indignant references to the disgraceful extravagance of the new Bankruptcy Act. But a skilled accountant would stand in a very different position. He would not only be able to disentangle difficult accounts, but he would make light of most of the so-called legal difficulties which prove so formidable to the inexperienced. The Act presents but little real difficulty, and the very slight knowledge of law which is required for its administration would soon be learnt by familiarity with its provisions.

Under such circumstances far more reliance might be placed by both court and creditors, upon the trustee's knowledge of his duties. He might be allowed to give notice of his appointment to creditors who had commenced actions, and after such notice no creditor should be allowed to continue proceedings without leave of the Court; while if he was not hampered with vexatious regulations, he would soon be able to lay a clear statement of facts before the creditors. He might, also, be armed with decisive powers as to admitting or rejecting proofs; and further, have power to state a short case for the opinion of the Court, when any novel or difficult point arises, so as to obtain a decision for his guidance in the shortest and most summary manner, and without swelling the expenses by legal costs. Indeed, the Court ought at once, on an application by a trustee, to give an authoritative interpretation of any of its rules. Our practical correspondent who signs himself "A Trustee in Bankruptcy," objects also to the vexatiousness of a three-monthly audit of the trustee's accounts, and the difficulty he finds in getting a committee to meet with sufficient regularity for the purpose either of auditing the accounts or certifying that there have really been no accounts to audit. His proposition of having the accounts verified by affidavit, and then audited by the Comptroller, seems to us thoroughly sound. The practice of verifying accounts by affidavit is common in proceedings in the chambers of the Chancery Judges, and is found to work well there. And then the double passing of accounts is absurd. At present, the trustee, having passed his accounts with the Comptroller, goes over them again with the Official Assignee for the "satisfaction of the Court." If the Court is not satisfied with the approval of the Comptroller, who is one of its officials, it is not easy to see what special virtue can be attached to the approval of another official, even though he bears the time-honoured title of Official Assignee. Surely the certificate of either of these officers ought to be sufficient. Considering the constitution of the Lord Chancellor's Committee we would urge upon those of our friends who have practical experience of the defects of the Bankruptcy Act, to communicate to us any suggestions for their amendment, not only with reference to the points we have mooted above, but as to the general working of the Act. The important point obviously is, how to realise the assets of a debtor to the best advantage, and with the least possible delay, and at the same time at the smallest cost consistent with efficiency. Whether the amendment sought is to be effected by removal of vexatious restrictions, by the creation of a regular practised body of trustees, or by some other method, can be known only by a comparison of experiences. In any case the collection of such a body of skilled opinion can scarcely fail to bear good fruit.

The point as to the rival receivers noticed last week in our reports from the Manchester County Court is so obvious, even to a non-legal mind, that it is difficult to imagine how it ever came to be seriously raised. Nothing is clearer than that the choice and appointment of a receiver is invariably in the discretion of the Court. In the Courts of Equity an order will be made for the appointment of a receiver, on due cause being shown, but, unless with the consent of all parties, and even then only after careful discussion, no individual is actually named for the office, but it is referred to the Judge in Chambers to select a fitting person. In Bankruptcy proceedings the receiver is not, as he frequently is in the Court of Chancery, a permanent official, but is appointed merely to preserve the property and prevent litigation till a trustee is duly chosen. If the Registrar of the Manchester County Court had upheld the appointment of Mr. Harding on the ground that he was the nominee of a statutory number of the creditors who had proved at a certain date, he would have set a very dangerous precedent. In that case the receiver would be liable to be removed at every meeting of creditors, as the majority fluctuated with the accession of new proofs, and the un-

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certainty of his position would completely paralyse his utility. In any case, however, the Registrar's judgment was correct. The gentleman appointed at the filing of the petition, chosen, it is to be presumed, after due evidence as to his fitness, ought not to have been capriciously removed from his post, at the will of the majority of the creditors for the time being, and it is easy to see how a collusive arrangement might be effected very detrimental to the interests of the *bonâ fide* creditors. If, on the other hand, Mr. Kidson was properly removed, it follows as a matter of course that as soon as, by further proofs coming in, the minority who had supported him became a majority, they were justified in appealing to the registrar to reinstate him. In the interests of all concerned, we hope that the registrar used his discretion on the first-mentioned ground.

The case of Mr. H. D. Marsh, in which Registrar Keene refused to register a resolution for liquidation on the ground that the "Court of Bankruptcy was never intended to be the means of whitewashing debtors," seems a little at variance with the plain wording of the Act. The 125th section deals with liquidation by arrangement, and the 4th subdivision provides that upon a "special resolution for liquidation, together with the statement of the assets and debts of the debtor, and the name of the trustee appointed, and of the members, if any, of the committee of inspection being presented to the Registrar, it shall be his duty to inquire whether such resolution has been passed in manner directed by this section, but if satisfied that it has been so passed, and that a trustee has been appointed, he shall forthwith register the resolution." If therefore, as seems by the report was the case, the resolution was regularly passed, the Registrar was bound to register the resolution, whatever may have been his private knowledge of the purposes for which the Court of Bankruptcy was *not* meant. The 9th subdivision, too, provides that the discharge of the debtor shall be granted by the creditors, and they might refuse to grant this, even though the liquidation proceeded. Moreover, the 48th section of the Act provides that an order of discharge shall be granted if the creditors think that "the failure of the bankrupt to pay ten shillings in the pound, has in their opinion arisen from circumstances for which the bankrupt cannot justly be held responsible, and desire that an order of discharge should be granted to him," which seems to have been the case here. It may be observed, too, that the suspension or witholding of the order of discharge is in the discretion of the Court, but that the creditors must pass a special resolution to call the attention of the Court to the fact that the bankrupt has made default in giving up property, or is to be prosecuted as a fraudulent debtor. In Mr. Marsh's case this does not seem to have been shown. To punish a man for reasons apparently *dehors* the Act is possibly another thing, which was never meant by Parliament when they passed the Act.

The two cases on the law of Bills of Sale, reported in our present number, require but slight comment. The first case, *re* James, proceeds in accordance with the doctrine that the date of the act of bankruptcy is the date from which the trustee's rights commence; and as Harris and Co. had notice of this act their claim was clearly bad, except as regards the bills of sale, which they had paid, and which were registered before the committal of the act of bankruptcy. As the holders would have been entitled to enforce their security, the creditors generally are not damnified by the ordinary rules of equity being allowed to prevail, and the brewers are allowed to retain the money they had actually paid. The second case seems to press heavily upon the money lender, as the "condition," which he omitted to register, though hard upon the debtor, was not of a kind to make the bill of sale illusory. The point worthy of notice in this case, is that the omission to register the slightest memorandum involves the invalidity of a bill of sale as against any trustee or creditor enforcing his legal rights, if the goods are in the "apparent possession" of the bankrupt. In this case, though a man was in possession, he seems not to have interfered in the management of the farm. The moral to be deduced is, that holders of bills of sale should exercise their rights more in their own interests than in those of their debtor.

A report of a case in which a post-nuptial settlement was set aside in consequence of the bankruptcy of the settlor, leads us to the consideration of the law on this subject as it now stands, a point on which a good deal of misconception exists. Formerly a settlement not made for valuable consideration could be upset only upon proof that the settlor was indebted and insolvent at the time he executed the settlement and the onus lying upon the creditors to show this, gave rise to many scandals, The 91st section now provides that any voluntary settlement made by a trader is absolutely void as against

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creditors, if the settlor becomes bankrupt within two years after the date of settlement, and will be void if the settlor become bankrupt within ten years from its date, unless he can prove that at the time of making the settlement, he was able to pay his debts in full without the aid of the property comprised in such settlement, a fact very difficult of proof. It must be observed that these provisions apply only to the case of one of the classes of persons defined as traders in the schedule to the Act. In the case of a non-trader the old law stands. An antenuptial settlement, even in the case of a trader, will however almost invariably hold good, althouh the whole of his property be settled, leaving him nearly insolvent. Any interest he has reserved for himself will nevertheless devolve on the trustee. Such, for instance, is a first or second life interest in the property. Such a settlement might however be set aside, as has been done by the Court of Chancery, if the Court considers that the marriage was a mere arrangement for the purpose of defrauding the creditors. But since *Hardey v. Green*, marriage settlements are almost unimpeachable, and this view has been taken in a very recent decision in Bankruptcy.

An important point to trustees was decided in the case *re Bostel*, (reported in the present number,) which narrows to extreme limits the duties and rights of a trustee under an arrangement for a composition. In case of bankruptcy, or of liquidation, the duty devolves upon the trustee of accepting or rejecting the proof of any creditor. He is governed in these cases by the 72d and 313th rules. On examination of the proof, if he considers the evidence of the debt unsatisfactory, he can peremptorily reject the claim, and no dividend is, in this case, payable to such creditor, unless within fourteen days from the time of the rejection of his proof he has appealed to the Court to vary or reverse the decision. In the case of a composition, it is authoritatively decided that the duty of a trustee is, to be the mere channel for the reception and distribution of the amount due to each creditor. This construction is fully justified by the wording of the Act. At first sight the distinction seems unreasonable. The proceedings are so little varied in any of the three ways of arrangement mentioned in the Act, that the rules for the guidance of the trustee are nearly invariable. In liquidation or bankruptcy, however, it must be noted that all the property of the bankrupt vests at once in the trustee. In the case of a composition the bankrupt retains possession of his property on the condition of paying duly the amount he covenants to pay. In any case the ultimate acceptance or rejection of a proof must depend upon the Court, if the creditor choose to appeal to it. The reason for the decision probably rests on the inferior authority of the position of a trustee under a composition as compared with a liquidation. In the one case the whole management of the debtor's estate devolves upon him to the exclusion of the debtor himself, in the other case he has no right to do more than obtain and distribute the composition. He is in fact a mere executive officer of the Bankruptcy Court.

Another so-called "Accountant" has been paraded in the daily papers as the accused on a charge of embezzlement. In this case the prisoner acquired his professional knowledge in the service of a firm of tailors and robemakers, and when they dissolved partnership, he was entrusted with the collection of their debts, and, in consequence, dubbed himself "Accountant." It is really quite time for the Accountants' Societies to take some steps to secure an acknowledged *status* for the profession, and to protect it against hangers-on of this character.

THE ENQUIRY INTO THE WORKING OF THE BANKRUPTCY ACT, 1869.

We printed last week the text of the reply forwarded by the Lord Chancellor to the memorial from the Society of Accountants in England, asking his lordship to place one or two accountants upon this committee. This reply was considered at an adjourned meeting of the Council of this Society held two or three days ago —a report of which will be found elsewhere. We now learn that the Manchester Society of Accountants received a communication similar to the one above referred to in answer to their memorial; and we understand that this society has under consideration the possibility and practicability of placing before the Committee of Enquiry certain suggestions with the view to the improvement of the Act. We believe that the Liverpool Society of Accountants has not thought it necessary to take any action in reference to this matter.

HARD-HEARTED CREDITORS.—At the meeting for the adjourned examination of a Scotch bankrupt, a medical certificate was read to the effect that he could not attend on account of the state of his health. Some of the creditors were unbelieving, and the Sheriff sent a doctor to examine and report upon the bankrupt.

The Liverpool Town Council have just increased the salary of Mr. P. S. Rhind, the Borough Auditor, from £650 to £750 per annum. Mr. Rhind was appointed in 1859 at a salary of £300, which was increased in 1860 to £400, in 1863 to £500, and in 1870 to £650.

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BILL OF SALE.

EX PARTE COLLINS, RE LEES.—This case raised an important point as to what constituted a "condition" which ought to be registered under Section 2 of the Bills of Sale Act, 1854. The debtor, John Lees, was a farmer. On February 11, 1874, he applied to Collins, who resides at Nottingham, for an advance of £130, and executed a bill of sale of his live stock and other effects to secure that amount. The money was to be repaid by instalments of £3 per month, though the bill of sale gave Collins power to sell at once. Only £98 was ever paid to Lees, £30 being retained as a bonus, and £2 for expenses. With the bill of sale, Lees signed a memorandum, which stated that the £30 was to be paid to Collins in full, notwithstanding that the money secured by the bill of sale might be repaid, or the rights of Collins under the bill of sale enforced, before the expiration of the time for repayment mentioned in the bill of sale. The bill of sale was duly registered, but the memorandum was not. On March 6, Collins put a man in possession, but did not interfere with Lees' management of his farm. On March 10, Lees filed a petition for liquidation, and on the 11th a receiver was appointed. On March 13 the man who was put into possession drove away some cattle, and sold them in Nottingham. The trustee under the liquidation made an application to the County Court for an order that Collins should pay to him the amount he had received for the cattle. The Chief Judge held that the bill of sale was void, because the memorandum amounted to a condition, and, as such, ought to have been registered under section 2 of the Bills of Sale Act. He considered the trustee right, and ordered Collins to refund him the amount he had received for the cattle.

COMPOSITION AND LIQUIDATION.

A case originally decided by Judge Furner in the Brighton County Court, and finally decided by the Chief Judge, draws a strong distinction between the powers of a trustee under composition and under liquidation. A petition for composition or liquidation was filed by Mr. D. T. Bostel on the 27th of June, 1874. The first meeting of creditors was held on July 15, and resolutions were then passed in favour of accepting a composition. At an adjourned meeting of creditors, a creditor who had opposed the composition, presented a proof for £488. The trustee rejected this proof, and gave notice of his rejection to the creditor, according to rule 313, at the same time asking him to come in and prove his debt before the Court in the usual way. The creditor declined to do this, and moved before the County Court for a declaration that the trustee being merely, according to rule 279, a "trustee for receipt and distribution of the composition," had no power to reject the proof. The Judge held that a trustee had power to reject proofs under composition as well as under liquidation; but on appeal to the Chief Judge in Bankruptcy, Sir J. Bacon, held that there was a distinction between a trustee in liquidation and in composition with regard to the powers to reject proofs, that the trustee had no right peremptorily to reject the proof, and that the proper course would be to refer the matter back to the County Court to ascertain the amount of the debt due at the time of the composition, the trustee to pay to the creditor the composition on such amount when so ascertained.

A petition to wind up the Lion Assurance Company, Limited, is to be heard on the 15th inst.

EFFECT OF A BILL OF SALE.

EX PARTE HARRIS, RE JAMES.—On January 14, 1874, the debtor, who was a licensed victualler, committed an act of bankruptcy. On May 23 he executed a bill of sale of his effects to Harris and Co., brewers (to secure £193), who, however, had notice of the act of bankruptcy. Of the £193 the sum of £122 was paid by Harris and Co. in satisfaction of two properly registered bills of sale, which had been executed previous to the act of bankruptcy. These securities were, however, not transferred or assigned to Harris and Co. The bill of sale of May 23 was duly registered. On the bankruptcy of James, the County Court judge, on the application of the trustee in the bankruptcy, declared that the bill of sale was void against such trustee. On appeal, however, the Chief Judge held that Harris and Co. were entitled to have the £122 paid to them in satisfaction of the prior bills of sale, before the trustee could claim.

THE SOCIETY OF ACCOUNTANTS IN ENGLAND.

The adjourned monthly meeting of the Council of this Society was held at the offices, 2, Cowper's-court, Cornhill, on Wednesday evening last; present, Messrs. Jno. Bath (Vice-President), in the chair; E. N. Harper, G. E. Ladbury, J. H. Tilly, F. Nicholls, Joseph Andrews, and E. T. Peirson (Coventry).

The chief business before the meeting was the reply of the Lord Chancellor to the memorial of the Society urging "the expediency of placing one or more accountants experienced in the practice of bankruptcy, liquidation, and composition matters" upon the committee appointed to consider the working of the Bankruptcy Act, 1869. As stated in our previous issue, the reply of Lord Cairns was to the effect that the committee, having now been engaged for "more than a month," his lordship "presumed" that their labours were "now approaching their conclusion," and therefore did not consider it advisable "to make any addition to, or alteration in, the composition of the committee."

This reply was now discussed by the Council, various suggestions being made; and it was ultimately resolved, upon the motion of Mr. E N. Harper, seconded by Mr. G. E. Ladbury, that a Committee be appointed to consider whether any, and if so, what reply should be forwarded to the communication of the Lord Chancellor, the Committee to report the result of its deliberations to a special meeting of the Council on the 14th inst.

An order was afterwards made for the purchase of certain books to go towards the formation of a library for the use of members of the Society.

The following gentlemen were admitted as Associates of the Society:—William King, Prideaux Chambers, Sheffield; Geo. Henry Carter, 1, Queen-street, Cheapside; and James Heys Atherton, 4, Union-buildings, Liverpool.

AMERICAN FAILURES.—The following failures are just reported from America:—Messrs Thornton and Smith, owners of the Wamsutta Mills, Philadelphia, with liabilities of £20,000. It is thought they will be granted an extension. Messrs Rice, Goodwin, Walker, and Co., dealers in silk goods, 476 Broadway; liabilities estimated about £60,000. Messrs Minzesheimer, Lindheim, and Co., in the millinery trade, 534, Broadway, close on £20,000. Messrs Stimson, Marguand, and Co., jobbers of woollens, &c., had also been announced.

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AUDITORS.

No. 1.—AUDITING.

One of the most important requirements in an Accountant is the capability of fulfilling faithfully and with satisfaction to his clients and himself, the manifold duties which he undertakes in accepting a position of the above nature. To look over, in a hurried and cursory manner, the accounts rendered for inspection, was at one period frequently the mode of conducting an audit, but this fashion of auditing has proved to be entirely insufficient. Errors and discrepancies, unavoidably passed unnoticed, in the course of a short and superficial investigation, were subsequently exposed in the settlement of business transactions; consequently professional men have found it absolutely necessary to alter in its entirety the system of auditing, and to adopt a more perfect method of determining the accuracy of the various accounts placed in their hands for verification. It would be out of place, in these columns, to refer particularly to the enormous frauds that have remained for great lengths of time undiscovered, owing rather to the laxity or ineffacacy of the system of Audit, than to the want of efficiency or fidelity in the Auditors; but that many such malpractices have been unwittingly favoured by the former cause cannot be disputed. For many years a fraud may have been creeping gradually along in the security afforded by the want of thorough examination; when the stringent exercise of their duty by those employed to detect irregularities and discrepancies, would have checked it in its infancy. There are many systems now in use, one, the most general, being to follow and check the various items, which culminate in the details forming the Balance Sheet, or whatever Statement requires authentication; another and more laborious mode is to analyze the whole of the transactions in abstracts specially prepared for the purpose, something in the manner adopted in compiling a statistical return. Some Auditors however, are satisfied with simply checking the totals here and there of the Cash and other books, ascertaining that the statement rendered, agrees with the Ledgers, and that the result tallies with precedents. There exist many more ways of auditing, some more or less complicated, but the three quoted will serve to illustrate the work of an Auditor, who, notwithstanding the smallness of his fee, is expected to verify accounts which, perhaps on a thorough investigation would be found teeming with errors and inaccuracies. In a subsequent article I propose to refer in detail to the duties of auditors, and in a third contribution to their responsibilities.

X.

Correspondence.

THE GRIEVANCES OF TRUSTEES.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—With reference to the Bankruptcy Act of 1869, permit me to reply to the grievances complained of by "an unhappy trustee" in your paper of the 2d inst. Your correspondent refers to the complaints made of the "extravagant charges" of accountants when acting as professional trustees on the one hand, and of the "absurd routine" which impedes the speedy realization of estates on the other. The former is presumably a creditor's grievance, while the latter is a trustee's complaint, and apparently put forward as a reason for, and the cause of, the former. "An unhappy trustee" then proceeds rather illogically to attribute both complaints to the "inefficiency" of the office of comptroller in bankruptcy. "Inefficient" means producing *no* effects, yet the office in question is charged with being the cause of the *ill* effects complained of. Further, your correspondent states that the office must be greatly improved or replaced by a more satisfactory court of administration ere the existing grievances can be removed. In what respect the office of the Comptroller, as at present constituted, is a "court of administration," or what suggestions "an unhappy trustee" makes for improving that office, I entirely fail to gather from his letter. What has the question of "extravagant charges" to do with the Comptroller in bankruptcy? Your correspondent is, or ought to be, aware that the remuneration of a trustee is determined by the creditors themselves, and all the Comptroller has to do with the matter is to see that what the trustee charges in his accounts has been properly voted by the creditors. Perhaps your correspondent, however, means that "extravagant charges" would be lessoned, and the *good* effects of the office of Comptroller increased by giving that officer power to cut down such charges. Again, how does the office of Comptroller "impede the realization of estates?" The realization of the estate is entirely in the hands of the trustee, subject to the directions of the creditors and the committee of inspection. The trustee has simply, so far as the Comptroller is concerned, to make periodical returns showing what he has realized, and how the proceeds have been disbursed. With regard to delinquent accountants being reported to the Court and ordered to pay costs personally for neglecting to make the prescribed returns to the Comptroller, my experience is that if a trustee gets reported it is his own fault. The trustee's attention is called to the fact of his returns being due by circulars from the Comptroller, and if he has any good reason for failing to furnish such accounts, such as the neglect of the committee of inspection to attend the audit meetings, the Comptroller is not so unreasonable as to report the trustee, for what he cannot help. On the contrary, I have found the Comptroller always ready to assist trustees in this respect by calling upon defaulting committees to attend to the performance of their duties. If a trustee having a reasonable excuse for not making his returns, fails to acquaint the Comptroller therewith, he must not be surprised if he finds himself reported to the Court. Your correspondent "H. B." takes a more correct view of the office and duties of the Comptroller, and it seems to me he hits the grievance which we at present feel from the action of the Comptroller's department. The periodical returns are

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peremptorily required, whether there be any estate *or not*. "The Act requires it, the Comptroller will have it, and it must be done." But it is absurd to blame the Comptroller for insisting on trustees doing what the Act and rules require them to do. The fault, then, is in the Act of Parliament and rules of courts, and does not lie with the officer who performs his duty by insisting upon the requirements of the statute being obeyed. If these requirements are unnecessary—and I think some of them are—the true remedy is to get rid of them, and now is the time to do so. A bankruptcy committee is now sitting, and although, as I regret to see from your journal, the Lord Chancellor has declined to allow our profession to be represented on it, still it is open for us, I should imagine, to memorialize the committee itself. Any suggestions coming from the councils of the societies would no doubt meet with that attention and consideration at the hands of the committee which their importance may demand. In the first place, some more discretionary power should be vested in the Comptroller to waive the requirements of the rules where he thinks proper. It is, in my opinion, quite unnecessary to have an audit of a trustee's accounts every three months till the close of the bankruptcy. An audit every four months during the first year of the bankruptcy, and every six months afterwards, would answer all purposes. Then, as to the *manner* of audit, I think some alteration should be made. I have had some experience of the difficulty of getting committees to meet every three months to audit the accounts or sign certificates of no receipts or payments. Why could not the accounts be verified by affidavit, and audited either by the Court or the Comptroller? The latter would be preferable, as no fee should be charged for auditing the accounts. The "periodical worry" we at present experience would then disappear. I do not propose that committees of inspection should be got rid of altogether. That would be very undesirable, as they have at present other important duties to perform besides that of auditing the trustees' account. I have in many cases received valuable assistance from committees with regard to the manner of realizing the effects of bankrupt traders—such assistance as could not possibly have been rendered by the Court in the absence of a committee. I see no reason why *a single* creditor should not be eligible to act as the committee, when the creditors desire it. At present the Courts generally insist upon the committee being composed of at least *two* members. If these alterations are adopted, the grievances of trustees, in the audit of their accounts, would disappear, and there would be no grounds whatever for laying the blame of "excessive charges" to "absurd routine." On one other point I would suggest the societies should recommend an alteration—that is with regard to the close of a bankruptcy. There is, I consider, especially in the London Court, an unnecessary amount of routine required to be gone through by a trustee before he can obtain a closing order. In cases where there are no assets, this bears heavily on trustees, and where there are assets the creditors have to bear unnecessary expense. It seems very absurd that, after having passed his accounts with the Comptroller, a trustee should be compelled to go over the same ground again with the official assignee for the "satisfaction of the Court." A certificate from the Comptroller to that effect ought to be quite sufficient to satisfy the Court of the desirability of closing a bankruptcy, and a rule made in pursuance of section 47 would effect a desirable improvement in the present procedure. Trusting these remarks may come under the notice of the Councils of the Accountants' Societies, and result in a memorial to the Lord Chancellor's Bankruptcy Committee, I remain, yours truly, A TRUSTEE IN BANKRUPTCY.

London, 4th January, 1875.

THE INQUIRY INTO THE BANKRUPTCY ACT OF 1869.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I shall be glad if you will allow me to make a few remarks upon the constitution of the committee appointed by the Lord Chancellor to inquire into the working of the Bankruptcy Act of 1869. Exception appears to have been taken to the members of that committee, or some of them; but in my opinion the fault lies in the fact of the committee not being sufficiently comprehensive. I think it would have been more satisfactory if professional accountants had been represented on the committee by one or two eminent accountants practising in bankruptcy. One or two commercial gentlemen interested in the subject of the bankruptcy law might also have been advantageously added to the committee. It is, however, quite evident, from the tone of the Lord Chancellor's reply to the memorial of the Accountants' Association that the committee will not be enlarged. As already announced, it is composed of Mr. J. R. Brougham, Mr. Rupert Kettle, Mr. Mansfield Parkyns, Mr. H. Nicol, and Mr. Hackwood. The first-named gentleman is one of the Registrars of the London Bankruptcy Court, and will no doubt ably represent the official element on the committee. Mr. Rupert Kettle is a well-known County Court Judge, and one of the Standing Committee for framing rules and orders for County Courts. He has also had the advantage of having been consulted by the Associated Chambers of Commerce with reference to the amendments in the Bankruptcy Act and rules proposed by the Chambers. Mr. Parkyns, who is the Comptroller in Bankruptcy, may be looked upon as the connecting link between the old and new systems of bankruptcy administration. He was formerly, but is not now, as erroneously stated in your leading article of the 2d inst., an official assignee of the London Court. His experience under the present act may be judged of by the annual reports which he has made to the Lord Chancellor, and which exhibit no inconsiderable acquaintance with the working of the Act. Mr. Nicol is the superintendent of the County Courts, and also holds, I believe, a distinct appointment as "bankruptcy adviser to the Great Seal." It is only natural, therefore, that on any question affecting the amendment of the bankruptcy law, the Lord Chancellor should refer to him. In fact, the other gentlemen on the committee may be looked upon as aiding Mr. Nicol in coming to some definite conclusions as to what amendments may be desirable. Mr. Hackwood is well known as one of the principal London solicitors, practising in bankruptcy, and one who is practically acquainted, not only with the operation of the 1869 Act, but also with that of former Acts. So that, altogether, I can see no objection to the constitution of the committee, so far as it goes, the only fault, as before stated, appears to me to be that it does not go far enough; but, such as it is, the accountants should make the best of it, and lay before it any difficulties they at present experience in the performance of their

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duties as professional trustees with a view to their removal.—Yours truly, A. A.

London, 5th January, 1875.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I see by your last number that the Lord Chancellor has informed the Society of Accountants in England that the Committee of Enquiry into the working of the Bankruptcy Act, 1869, "was appointed as far back as August last, and has been now engaged for more than a month in prosecuting its inquiries, which it may, therefore, be presumed are now approaching their conclusion." What are we to understand by this? Has our Judicial Homer been nodding? The committee appointed "as far back as August last," has actually been engaged for "more than a month;" and moreover these five gentlemen, seeking, it would seem to rival that nasty job of Hercules in the Augean stables, are getting towards the end of an enquiry into the working of the last Bankruptcy Act in "a little month," as Hamlet says: "Oh most wicked haste." Appointed since last August, and working "more than a month" (extreme diligence, or taking things easy, as you please, Mr. Editor); and the Lord Chancellor *presumes* that their labours are approaching conclusion. Well, either Lord Cairns is guilty of great *presumption*, or the phrase "approaching their conclusion" must be taken to mean something like that "Christmas," which is no doubt "coming" for good little boys, even at this early period of the year.

Yours truly, Q. E. D.

"BANKRUPTCY ABUSES."

A correspondent of the *City Observer*, who signs himself "Matter of Fact," comments upon the correspondence which has recently appeared in the *Standard*, relating to the Bankruptcy Act, 1869. "Matter of Fact" tells us that he has had "a very large experience" under this Act, and some of his comments and suggestions are certainly worth reprinting for the consideration of accountants. He writes:—

"It ever was, and will be always the case, that trifling assets are absorbed in costs, there being precisely the same routine to go through as in larger estates; and it would be by no means always fair to estimate the value of professional work by the amount of the real assets, which are often most deceiving on paper. I know, from large experience, of many instances where the creditors have subscribed to pay the professional charges, there being insufficient assets in the estate, and prosecuted the debtor. I hope I shall not be accused of being 'more or less interested' if I venture a few remarks on solicitors' charges, and the way to reduce them. Your correspondent G. J. G., states that out of an estate of £125, he had to pay law costs, £69, and that he had no control over the taxation. Probably, the solicitor had a great deal of work to keep G. J. G., straight. He certainly shows a lamentable want of knowledge of the Bankruptcy Act in respect of law costs, at any rate. In the first place, the solicitor was bound to give the trustee notice of taxation if required, and if he did not do this, but taxed behind the trustee's back, the trustee could have obtained, by paying for it, an office copy of the Bill; and if the work charged for had not been done, he could have made an application to review the taxation in the usual way. The less the trustee knows of his business the more he must go to the lawyer, and I think it will be found that fit and proper persons as professional trustees are the cheapest in the end. Creditors really know little of the heavy responsibilities that rest upon a trustee who, though only the baillee of a trifling estate of £100, may have an action brought against him for hundreds of pounds, for which he is personally liable outside the estate, if he for want of knowledge, or by any other accident, makes a mistake. In Scotland they manage these things better. They appoint chartered accountants, who have passed a thorough examination in Bankruptcy Law, as trustees, and the Act there is found to work well. Where the shoe really pinches, is in the preliminary costs incurred prior to the first general meeting, the expensive process of calling the creditors together, and obtaining injunctions. The costs of calling the first meeting are enormous, and could be done for one-fifth of the present charges. They make a large hole in the assets before the creditors have a chance of arriving at any decision. When a debtor files a petition for liquidation, nearly every form is printed, or can be printed at a very small cost; one shilling per notice would pay well; 2s. 6d. for each affidavit and the stamp duty. A meeting therefore of say 100 creditors could be called for a little over £10. The costs now, on the lower scale, amount to nearly £40, even where no receiver is required. Let there be an approved list of receivers and trustees on the roll of the Court, and let the debtor or the creditors select any of these in their turn to take possession, investigate, &c. Let a form of notice, to be approved, be served upon any creditors to be restrained, the receiver being responsible, in case he makes an improper injunction, either personally or out of the estates as the Court may determine. The creditors at the first meeting cannot then have any but a professional trustee, but the costs can remain as now a matter of contract between the creditors and the trustee. The chances are that the receiver, a public accountant, would carry the whole matter through, and there would be no doubt about his being an independent person, not nominated by the debtor or his friends, an objection often set up under the present system. Let it also be made a standing order that every trader must keep proper books and accounts of his trading, and unless he does keep proper records, and is insolvent, or obtains goods within four months from his bankruptcy, he shall be deemed guilty of fraud. Let the onus of proof be upon the debtor to show he was solvent, and not upon the creditor. If there be extenuating circumstances, the debtor will have the benefit of them, and let the Bankruptcy judge sentence for the fraud without having to go to any other tribunal. Let there be a more summary mode of disclaiming cases and onerous contracts, also of getting in the book debts due to the estates by a form of notice that must be answered on affidavit by the person who is indebted to the estate of the insolvent, or there shall be no defence, and the Court have jurisdiction as under Section 2 of the County Court Act. All this will lead to cut down the expenses by a saving of labour and red tapeism, and the trustees will be able to wind up estates with much greater expedition. I will not say much about the provincial trustees many of them calling themselves accountants. But there is now an Institute and a Society of Accountants, the respectability of any one of whose members can be easily ascertained; and if creditors will give their proofs and proxies to Tom, Dick or Harry, it is their fault if the estates get badly handled. I do not say much about the circulars asking for proxies, provided there are no misstatements. It lets the creditors know who is in the field, and often brings about a beneficial combination by which larger dividends are obtained, and prevents the debtor and his friends from carrying their own resolution. A single-handed creditor, unless his debt happens to be one-fourth of the whole of the liabilities, may have no control over the proceedings. But evils here, as in everything else, will loom in the distance, and they must be guarded against and avoided as much as possible. That the Act does want revising there is no doubt, but all will admit it is the best Act we have had for many years, if worked by the creditors properly, as was intended. Creditors have ever been clamorous for reform. No one was ever satisfied with the Insolvency Laws and never will be. But if they want the legislature to provide an official staff at the expense of the country to look after their bad debt departments so that they may persecute and torture many really unfortunate debtors within an inch of their lives and then for a very small per centage wind up their estates, all I can say is 'don't they wish they may get it.'"

There are 167 original applications to be admitted as attorneys in the ensuing term, in addition to a number of renewed notices.

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EUROPEAN ASSURANCE ARBITRATION.

The correspondence in last Thursday's *Times* included the following lament:—

"Sir,—All 'European policyholders' ought to be grateful to you for the letter you inserted from one of their number in the *Times* of yesterday. Your correspondent speaks of 'a miserable dividend of only 2s. in the pound after an interval of nearly four years of anxiety and suffering.' What, then, is to be said of the case of those who, like myself, have had no dividend at all, but, on the contrary, have had large sums of money taken from them by the liquidators? You kindly admitted into the *Times* last October a letter of mine which led to a long correspondence, the good effected by which in drawing attention to the present condition of life insurance offices has been incalculable. Your advocacy of the cause of us downtrodden policyholders even put a little vitality into the dry bones of the European Arbitration, and stirred up the liquidators to a consciousness that, possibly, there was room for a little more activity in their operations. On the 6th of November I actually received a letter from Messrs S. Price and J. Young, 'official liquidators,' informing me that, under the decision in 'Cuff's case,' I was entitled to a refund of the last premium paid by me to the European. I was, however, recommended to wait before I applied for payment till the Arbitrator had decided whether the shareholders in the British Nation (on which I had a prior claim) were liable as contributories. Meanwhile numerous letters from fellow-sufferers, scattered throughout the country, poured in, thanking me for having written to the *Times*, and exuberant with expressions of gratitude to the *Times* for having taken up their cause. These 'rustics' were simple enough to suppose that the fathomless stream of Arbitration was about to roll by, and so enable them to walk across to an Elysium on the opposite shore, where radiant liquidators would receive them with open arms and present them with cheques for the full amount of their claims. I was myself simple enough to fall into the trap of waiting, as recommended by Messrs. S. Price and J. Young, for another decision of the Arbitrator. I forgot that official liquidators are generally disciples of a school of chronology in which days and weeks are merely figurative expressions for indefinite æons of time, and that to wait for a few weeks might mean to sit down patiently while the Herculean task of attempting to unravel knot after knot of conflicting claims, hopelessly entangled, was bringing down another Arbitrator with sorrow to the grave. In short, three years have gone by, two Arbitrators have passed away, and I am still in the attitude of *Rusticus expectans*. Arbitration has as yet done nothing whatever for me, or for thousands of others who are less able to afford delay than I am. Arbitrators may come, and Arbitrators may go, but the stream of Arbitration—and that, too, without liquidation—seems likely to flow on for ever."

The same correspondent writes subsequently to say that he has "received a communication from Messrs Price and Young, enclosing two printed forms for my signature, with the view to the refunding of my last premium and the payment of 2s. in the pound dividend on the value of my policy. The policy, however, is estimated at only a little more than half the actual sum paid by me in premiums for 26 years."

Mr. F. S. Reilly, the assessor to this arbitration, has had an interview with the Lord Chancellor respecting the unfortunate condition of the matter, and the manifold difficulties which the unfinished decisions of Lord Romilly, reversing those of Lord Westbury, have brought about, Lord Romilly's death having supervened just at the critical moment when so many cases of vital interest to the share and policy holders awaited determination. The object of Mr. Reilly's interview with Lord Cairns was to obtain his lordship's sanction to the appointment of an arbitrator *ad interim*, and it is expected that this will be forthwith done. It is stated that owing to the complicated state of matters, no ex-Lord Chancellor can be at present prevailed upon to accept the post until the difficulties have been removed by means of an Act of Parliament. It was generally believed that Lord Selbourne would consent to act as arbitrator, but his lordship's determination on the matter is not yet known.

A SCOTCH BANKRUPTCY EXAMINATION.

We extract the following report of an examination in bankruptcy from the columns of the *Glasgow Daily Mail*. It possesses rather a novel freshness for English readers unacquainted with the phraseology of Scotch law reports. The scene is the Sheriff Court, Glasgow, the subject, the sequestration of Bowers, Aitken, and Co:—

Compeared Wm. R. Dick, commission merchant, Glasgow, who deponed—I have had transactions with the firm of Bowers, Aitken, and Co. These transactions consisted of discounting bills and lending money on I O U's. I began by charging bank interest on the bills discounted, latterly at 5 per cent commission. Interrogated: Did you in any of your transactions with the firm deduct from the proceeds of the discounted bills a sum amounting to 25 per cent? Depones: I charged 5 per cent interest and 5 per cent commission. Question repeated. Depones: I may have done so, but it arose in the following way: I explain now that the above statement is incorrect, and that I never charged more than 5 per cent interest and 5 per cent commission. Thus, for example, supposing they came to me with £100 bill at four months, I would charge them £5 of commission and £1 16s 8d of interest, and would thus deduct £6 16s 8d from the £100. I am not aware that I ever charged more than 5 per cent commission besides the usual rate of interest, but I am aware of charging less. On 4th October, 1873, I obtained from Mr Bowers an assignation of his life policy for £300. Interrogated: What were the good and onerous causes and considerations for which the assignation was granted? Depones: I got it as security to be held by me till such time as I got clear from Bowers, Aitken, and Co., and till every obligation of theirs to me was cleared off. I refer to obligations both prior and subsequent to the date of the sequestration. I do not remember if that was explained to Mr. Bowers at the time, because it was given gratuitously, and he at the same time offered me another bill for £500 which I refused. The obligations for which the assignation was granted have not being implemented. I have several of their unpaid bills. Interrogated: Were there two bills drawn by Thomas Forgie or J. and T. Forgie on Bowers, Aitken, and Co., one for £55, and due 6th Oct., and another for £25, due 4th Oct., endorsed in your favour by Mr. or Messrs. Forgie? (Question objected to, and objection repelled.) Depones: Yes, I believe so. Compeared John Bowers, one of the bankrupts, who deponed that it was never meant or explained that the assignation of his life policy should cover future as well as past obligations. After making some further explanations with regard to two other bills, the statutory oath was administered to both bankrupts.

BANKRUPTCY OF AN INSURANCE MANAGER.—At the Birkenhead County Court on Tuesday, the Judge was occupied for some time with the bankruptcy case of Edward Gale, who was some time ago a manager of the London and Lancashire Insurance Company. His alleged defalcations were £1,700, and he absconded from thence on his defalcations becoming known. Warrants were issued for his apprehension; and on the 21st of November Mr. J. P. Harris presented a petition, at the instance of David Russell, printer, Moorfields, Liverpool, under the Bankruptcy Act, 1869. The petition was notified in the *London Gazette* and the local papers, and a receiver was coincidently appointed. On the 12th December last another petition, at the suit of David Forbes and John Wilson Paton, surgeons, of Rock Ferry, was filed by Messrs. Kenion and Tyrer. The act of bankruptcy alleged in the first petition was that he had departed the kingdom. There had been several adjournments of both petitions, some difficulty having arisen in proving the trading according to the form required by the Act. At this sitting, on the request of Mr. Harris and Mr. Kenion, the second petition was heard, and evidence offered of the debtor having absconded from the country. Adjudication followed. Mr. Moore, who represented an execution creditor, wished to be heard, but his Honour ruled that he had no *locus standi*. The meeting of creditors was fixed for the 22d instant.

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A PROVINCIAL CRITIC ON THE BANKRUPTCY LAWS.

The following brilliant specimen of Quixotic, slapdash criticism (cut from a provincial daily) will interest the members of "a most lucrative profession" therein mentioned. We are almost tempted to regret that the writer has not imitated the *world* and given us details of these startling cases. This is the way the Don charges the windmills:—

"We have had five Bankruptcy Acts, and are to have a sixth, making one for bankrupts on every day of the week. The first was in 1824, the second in 1825, the third in 1849, the fourth (Lord Westbury's) in 1861, and the fifth (Sir Robert Collier's) in 1869. They have given rise to such a mass of litigation and expense that there is no chance of our making them fairly workable, and rather than amend the present Act, it is found easier to bring in a new one, of which we presume Sir Richard Baggalley will have charge. Here are a few specimens of proceedings under the present law. In one case the estate of a debtor was supposed to yield 7s. 6d. in the pound only; one of the creditors, disbelieving this statement, was advised to offer 10s., and take the estate himself. The solicitor offered him a bribe, which he refused, and the result was that the estate paid 15s. instead of 7s. 6d. A wholesale manufacturer compounded for a few shillings in the pound, and immediately bought landed property to the value of £40,000. A firm of accountants (a most lucrative profession) were appointed liquidators of a company holding a large estate; after a good pull out of it they sold it for £4,000 to nominal purchasers, then the solicitor 'got up a company,' and £120,000 was obtained for the property. In many cases it is notorious that first-class houses will let debtors who have just compounded for a small sum, have goods to go on again with, believing that they have money at their back, through the smallness of the composition paid; whilst the unfortunate but honest trader who has given up every pennyworth he possessed is distrusted as being troubled with a conscience. Certainly a law which suffers such things to be requires amending very much indeed."

CHARGE AGAINST AN "ACCOUNTANT."—At the Cambridge Borough Sessions on Thursday, before Mr Bulwer, Q.C., Recorder, James Hall, described as an "accountant," surrendered to his bail to answer a charge of having embezzled two sums of money received by him from former members of the University for, and on behalf of Messrs Milligan and Johnson, tailors and robemakers. Upon this firm dissolving partnership, Hall, who had previously been their clerk, but who then set up as an accountant, was entrusted to get in certain outstanding debts. Having a difficulty with some of the debtors, he, with the consent of the prosecutors, employed a solicitor, who obtained the sums mentioned from gentlemen named Wood and Bindley. These moneys were handed over to Hall, and the prosecutor (Johnson) alleged that he never received them. A legal point was raised as to whether Hall was a clerk or servant within the meaning of the act constituting the crime of embezzlement; but the learned Recorder said that he should decide, for the purposes of this indictment, that there was a case to go to the jury, and allow the prisoner a case for the Court of Criminal Appeal, if necessary. The jury, after a long deliberation, found the prisoner guilty, but recommended him to mercy, on account of his previous good character; and he was bound over in bonds of £400 to come up for judgment at the next sessions, by which time the legal point will have been decided.

FAILURES IN PARIS.—The number of failures in Paris during the year 1874 was 2,044, or a diminution of 84 on 1873. As usual the wineshop-keepers furnish the largest contingent numbering 287; next in order come the merchants and wholesale houses, of 143, and they are followed by hotel and lodging-house keepers, 121; cafés, 60; builders, 57; commission agents, 49; grocers, 45; upholsterers, 23; linendrapers, 19, &c. Six directors of theatres or music-halls also failed.

COURT OF BANKRUPTCY.

January 2.

(Before Mr. Registrar BROUGHAM, *sitting as Chief Judge.)*

IN RE THORN AND LAWRENCE.—Messrs Henry Friend Thomas Thorn, and Charles Delaney Lawrence, army agents, of 443, Strand, have filed a petition for liquidation, with debts returned at £4,816, and assets £1,600.—Mr Harcourt applied that Mr William Brooks, accountant, of 11, Old Jewry-chambers, should be appointed receiver of the estate. It appeared that the debtor was being sued by creditors, and that his assets consisted partly of bills of exchange falling due, and in respect of which the debtor believed that sundry sums of money would be paid before the first general meeting of creditors.—His Honour granted the application, an interim injunction being also allowed to restrain proceedings by some of the creditors.

January 5.

(Before Mr Registrar KEENE.)

IN RE H. D. MARSH.—The debtor, formerly an officer in the Army, is described as late of Hertfordshire House, Coleshill, near Amersham, also of the Grand Hotel, Scarborough, and now of Gloucester-street, Pimlico, farmer. His debts are returned at £7,036, of which £4,305 are unsecured, with assets £20 15s. only. It appeared that at the first meeting of creditors a composition was proposed, but at the second meeting a resolution in favour of liquidation was passed and a trustee appointed, leave being reserved to sell the equity of redemption of the debtor's farm for £150. Mr. Gammon now applied that the second resolution should be registered, but a difficulty arose as to the figures, there being assets of £20 only to meet unsecured debts of over £4,000, besides the cost of the proceedings. In answer to Mr. Registrar Keene, Mr. Gammon stated that the debtor valued the equity of redemption at £20 only, but some of the creditors considered it to be worth £150. The creditors were aware of the position of the debtor's affairs, and they desired to give him his discharge. Mr. Registrar Keene said that under the circumstances he could not assist the debtor. It was never intended by the Act of Parliament that the Court of Bankruptcy should be the means of whitewashing debtors. The Act of 1869 was passed in order to put an end to the practice, and he declined to register the resolution in the present case. Application refused.

January 6.

(Before the Hon. W. C. SPRING RICE, *sitting as Chief Judge.)*

IN RE SKINNER.—This was an application for an order upon the Serjeant at Mace of the City of London to withdraw from possession of the goods of a debtor who had presented a petition for liquidation. Mr Brough appeared in support of the application; Mr Stopher for the execution creditor. The petition was presented by the debtor (a trader) on the 22d of December, and on the same day a receiver was appointed, who entered into possession of the property. At that time an action was pending against the debtor in the Lord Mayor's Court at the suit of Mr Hull, who claimed to be a creditor for the amount of certain goods sold, but, the debt being disputed, the name of Mr Hull was not included in the list of creditors filed at the registration office. A few days after the presentation of the petition Mr Hull recovered a judgment in the Lord Mayor's Court against the debtor, who then, for the first time, caused notice to be given to Hull of the first meeting of creditors. On the 4th inst. the Serjeant at Mace of the City of London levied an execution upon the debtor's goods at the suit of the judgment creditor, and it appeared that the receiver had required him to withdraw, but he declined to do so. In support of the application it was contended that the judgment creditor had no power to proceed to execution after notice of an act of bankruptcy; but, on the other side, it was argued that the debtor having chosen to exclude him from the list of creditors, the proceedings were not binding upon him. His Honour said the duty of the debtor was to have inserted the debt in the list as "disputed." As the matter stood the creditor had been allowed to incur additional costs by proceeding in his action. At the same time he had no right to retain possession of the debtor's property, and an order would be made that he withdraw, but upon the terms that the creditor received out of

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the estate the amount of costs incurred subsequently to the date when notice should have been given to him of the filing of the petition, together with the costs of the present application.

January 7.

(Before the Hon. W. C. Spring Rice.)

In re Emile Vieser.—At a first meeting under an adjudication obtained against the bankrupt, described as a merchant, late of Aldermanbury Postern, and Davenant-road, Upper Holloway, proofs of debt were admitted, and Mr. Massy, accountant, 24, Gresham-street, was appointed trustee, to act with a committee of inspection. The bankrupt, who has absconded, was adjudicated upon the petition of Mr J. G. Mare, of 5, Savage-gardens. Mr. J. R. Bailey appeared for the petitioning creditor. No statement of affairs has yet been produced, but the liabilities are believed to be of considerable amount. It was stated that, on account of the character of the bankrupt's transactions, strict investigation would be necessary.

In re R. G. J. Barnett.—A first meeting was also held in this case, which resulted in the appointment of Mr. A. Ford, accountant, 46, Ludgate-hill, and Mr H. A. Dubois, accountant, 2, Gresham-buildings, as trustees. The bankrupt is described as a commission agent, of 8, Buckingham-street, Strand. Debts amounting to about £5,000 were proved, but no accounts have yet been furnished.

January 8.

(Before Mr Registrar Roche.)

In re L. Diespecker.—Upon the application of Mr. R. Martin, an interim injunction, granted last week, restraining proceedings instituted by creditors against Louis Diespecker, wine and commission agent, of Colebrook-row, Islington, who has filed a petition for liquidation, was continued until further orders. Debts estimated at about £2,000, and assets £200.

In re G. Bargen.—A similar order was made in the case of Gustav Bargen, described as of Railway-place, Fenchurch-street; of Oxford-terrace, Islington; and of the German Gymnasium, King's-cross, restaurant keeper, who returns his debts at £5,400, and assets at £1,350.

CURIOUS BANKRUPTCY CASE AT HULL.

Mr. Bedwell, judge of the East Riding County Court, recently gave judgment on matters connected with the bankruptcy of Duncan Dawson, leather seller, Hull. The bankrupt, who has for many years done a large trade throughout the northern counties and Scotland, failed some time ago to a very considerable amount, owing on bills about £20,000, the parties drawn upon being district customers, in many cases of small means. The overdraw on these customers and others was about £11,000 beyond what they owed in trade, and the bankrupt said they had allowed it in consideration of the accommodation he gave them with goods. It was stated that a very loose system had prevailed in connection with the bills, and customers had left blank bills with Mr. Dawson for him to fill in as he chose. The bankrupt admitted he knew most of the country side who had given bills would stop if he stopped. In 1865 a Newcastle accountant, at the instance of the bankers, examined Mr. Dawson's affairs, and reported them £4,000 to the good; but the trustee now contended he had not taken into account the bills, £3,000 of which were bad. In that year Mr. Dawson made a post-nuptial settlement of his place of business and other property on his wife, and it was contended that as ten years had not elapsed, and bankrupt was then insolvent, the deed should be set aside. It was also sought to claim property which for years had been allowed to accumulate in the name of the debtor's only son.—His Honour, after a long review of the Bankruptcy Acts of 1849 and 1869, and the Act of Elizabeth, decided that the onus of proof of solvency of the debtor lay with those claiming under the deed. As to the property in the son's name, he described the evidence of the debtor, wife, and son as most unsatisfactory and contradictory. The statements that the son paid for the property out of his and his mother's savings, and that the father did not assist, was disproved by one of the missing cash-books—that for 1867, showing cheques from the father for the building society's instalment, and the cheques were also produced. After observing upon the debtor's affairs that he owed £35,000, and the assets were about £5,000, he must decide that the property in question be declared part of the estate, and against the claim of the son to be a large creditor on the estate in respect of property sold. He would make the requisite order.

CREDITORS' MEETINGS.

The following are amongst the creditors' meetings which have been held during the past few days :—

Wade Brothers.—A preliminary meeting of the creditors of Messrs Wade Brothers, contractors, of Miles Platting, Manchester, &c., was held on Tuesday, at the offices of Messrs Marriott and Woodall, solicitors, when the statement of affairs submitted by the receiver, Mr E. B. Harding (of Sutton and Harding, accountants), showed liabilities, £10,963 14s 11d, and assets £2,360 18s 3d. After a long discussion it was resolved to appoint a committee of three of the creditors to investigate the affairs of the debtors, in conjunction with the receiver, and to report to the statutory meeting to be held on the 13th inst. Messrs Sale and Co., and Messrs Sutton and Elliott, of London, appeared for the creditors.

E. Cazeaux and Co.—A meeting of the creditors of Messrs Edward Cazeaux and Co., of Liverpool and Newcastle-on-Tyne, importers of Spanish copper, lead, zinc, and iron ores and esparto, was held at the office of Mr Sydney Mayhew, solicitor, Walbrook, London. After some discussion it was resolved to wind up the estate in liquidation, and not in bankruptcy, and Mr Henry Bolland, of Liverpool, public accountant, was appointed trustee. The total indebtedness amounted to £5,500, and the assets were estimated at £1,012.

W. H. Sharples and Co. —A meeting of the creditors of Messrs W. H. Sharples & Co., 8, Walton's-buildings, Cannon-st., Manchester, yarn merchant and bleacher, and trading with J. Nichols, at Bridgefield Works, Glossop, was held at the offices of Messrs Gardner, Horner, and Co., solicitors, 26, King-street. The statement of affairs submitted showed: Liabilities, £1,795 17s. 3d.; and assets, £1,098 10s. 0½d. Liquidation by arrangement was resolved upon, and Mr J. J. Graham, accountant, with Mr Peter Kevan, accountant, Bolton, were appointed trustees.

Robert Strahan.—A meeting of creditors under the failure of Mr Robert Strahan, of Temple Lane, Liverpool, was held at the offices of Mr Nordon, Cook-street, Liverpool. Debts amounting to £2,500 were proved, and Mr Bellringer was elected chairman. The statement of accounts disclosed trade debts, £2,646; liabilities as part owner of the steamship Beverley, £10,919; and other liabilities. £1,213. The assets consist of stock in trade and debts, estimated to produce £1,098, and also half share of the Beverley, valued at £9,000. There being no offer of composition, it was resolved to liquidate the estate by arrangement, and to appoint Mr Bolland trustee without a committee of inspection. Mr Bellringer was retained as solicitor to the trustee.

Fisher and Collins.—A meeting of the creditors of Frederick A. Fisher and Josiah Collins, 56, Charlotte-street, Birmingham, was held on Thursday at the offices of Mr Jelf, Newhall-street. The statement of accounts submitted to the meeting showed that the debtors' liabilities were £1,009; assets, £850 9s. 10d. A composition of 14s. in the pound was accepted, payable 6s. in one month, 4s. in two months, and 4s. in three months. Mr. Walker N. Fisher was appointed trustee.

At a meeting of the creditors of Messrs. Zerolech Brothers, held on Wednesday, at the offices of Messrs. Cooper Brothers and Co., resolutions were passed accepting a composition of 7s. 6d. in the pound. The creditors of the Trieste and Corfu houses have also acceded to arrangements.

Walter John Newey, stay and corset manufacturer, of Birmingham, has filed a petition for liquidation, with liabilities estimated at £3,500 or thereabouts. Upon the application of Mr. John Boraston, solicitor for the petitioner, Mr. Registrar Chauntler has appointed Mr. William Henry Brown, of Bennett's Hill, accountant, receiver of the estate.

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CHARGES OF FRADULENT BANKRUPTCY.

At the County Sessions, Northampton, on Thursday, John Blunstone surrendered to take his trial on the charge of concealing a portion of his property from his creditors. Mr. Merewether, M.P., prosecuted on behalf of the trustee. The evidence proved that in May last defendant, who was a miller and corn merchant, carrying on business at Slapton Mill, Oxfordshire, and Yardley Gobion, Northamptonshire, purchased a quantity of growing corn at Woodside of Mr. Towchester. In the July following, he became a bankrupt, and in August the corn was reaped and disappeared. From subsequent information it turned out it was concealed by defendant in different parts of the country. On this being discovered, the attention of the county court judge was directed to it, and he at once ordered a criminal prosecution. The defendant stated that the business at Yardley Gobion belonged to his mother, and he purchased the corn on her account. It was shown that the practice of the defendant appeared to be to give large orders for corn, especially favouring the factors of distant places. He then made an entry of having sold this corn to his mother, and afterwards disposed of it for her as her agent. The mother could not now be found to substantiate this statement.—The Jury found the prisoner guilty.—Before passing sentence, Mr. Merewether stated that in 1868 the prisoner had been a bankrupt, and he then carried on the same plan, with the difference of substituting his brother for his mother. Unfortunately there was no Debtor's Act then, and he could not be prosecuted.—The Court sentenced him to fifteen months' imprisonment with hard labour.

At the Birmingham Police Court, on Thursday, before the Mayor, Maurice Jacobs, described as a general dealer, of 198, Gooch-street, was charged, on remand, with committing fraud under the Bankruptcy Act.—Mr. Motteram (instructed by Messrs. Rowlands and Bagnell) prosecuted; Mr. Loxdale Warren (instructed by Mr. Crowther Davies) defended.—As alleged, the accused obtained goods on the representation that he was solvent, whereas a pork butcher in Birmingham had a bill of sale over his stock-in-trade.—Evidence having been given as to prisoner's transactions with various houses, and as to his dishonoured bills, a policeman was called and stated that at about 20 minutes to six on the morning of the 13th January, 1874, he saw a furniture van at the back door of the prisoner's house in the Lower Priory. Entering the shop, he found that most of the goods had been cleared away. A van loaded with goods stood at the door.—Mr. Luke J. Sharp, accountant, trustee to the prisoner's estate in bankruptcy, stated that after being appointed he had a conversation with the bankrupt relative to a bill of sale given by him to Henry Stephenson. Prisoner stated that the men who packed up the goods on the morning of the 13th were placed on the premises by Stephenson, under the bill of sale, and that the goods were removed at about six in the morning. Prisoner also said that he never knew what became of the goods, and added that his brother-in-law bought the furniture from Stephenson for £12 or £14.—Prisoner, who pleaded not guilty, and reserved his defence, was committed for trial at the Sessions, bail being allowed, himself in £200, and two sureties of £100 each.

Nathaniel Riley, of Leeds, flax spinner, was brought up on Thursday, and remanded for a week, bail being refused, on the charge of commiting various offences under the Bankruptcy Act. Prisoner, it was stated, had filled a petition for the liquidation of his affairs, after which he had drawn several sums of money, amounting to nearly £2,000, without accounting for them. He had also handed over to his brother and another person nearly £1,000.

A NEW THING IN INSURANCE.—The police of the Northern District have ascertained that amongst a numerous body of the lower grades of the working classes, there exists a kind of insurance society against punishment for assaults. If any one of the members of the body is fined for assaults or disorderly conduct, the hat is set round, and the requisite amount is collected in sixpences and threepences. It was for a while a matter of astonishment how readily the money was forthcoming for liberating men who did not appear to be possessed of a shilling in the world. But the question was solved when it was ascertained that there existed this novel mode of insurance. The most of the heavy penalties imposed this week for grave assaults in the Northern District were promptly paid.—*North British Daily Mail.*

THE BANK RATE.—After being maintained at 6 per cent. for rather more than five weeks, the Bank rate was lowered on Thursday to 5 per cent. The principal object for which it had been found necessary to keep the rate for so long at the highest point reached in the year 1874 may be said to have been achieved in a sufficient degree before the old year had closed, as shown by the course of the Bullion-market and the open Money-market for some little time past: but at the turn of the year and in the early days of January the movements of money are always very considerable, involving, as we have seen, large transactions between the Bank of England and the dealers in money in the outer market, and until such operations have been satisfactorily adjusted the course which has been pursued by the Bank is the natural one under the circumstances. While it was possible to lend money on Government security in the open market at 7 per cent., and that in large amounts, the directors could not be expected to make a reduction in their rate of discount on bills, knowing as they did how very limited was the demand. During the last two or three days, however, the advances referred to were rapidly cleared off, and the market outside gave way, especially on Wednesday, in a manner which showed pretty clearly that a 6 per cent. Bank rate had run its course. The return issued on Thursday afternoon shows some considerable changes in the totals, resulting in an increase of something under £100,000 in the reserve, and an improvement of rather over 1 per cent. in the proportion of reserve to liabilities. The Government securities are about three millions more, and the public deposits about £2,300,000 less, from which it may be inferred that the Bank has repurchased something under three-quarters of a million of stock upon which it borrowed in December, and has lent the Government about two millions and a quarter. The other securities, as was expected, show that loans to the extent of three millions and a half have been paid up, and the bullion is increased by £592,518. In whichever direction the course of the market tends, 5 per cent. is a point at which the value of money has not, as a rule, long remained, a week or somewhat more having been the duration during the past few years, and therefore, unless business is stimulated by the cheaper money which now prevails, causing a much better demand for capital—of which there is not much sign at present—or some other unforeseen circumstance comes into operation to reverse the present tendency, we may reasonably look for lower figures. At the corresponding period of last year the Bank rate was reduced from 4½ to 4 per cent., and on the 15th of January to 3½.—*Times.*

FAILURE OF AN EYE LIQUID MANUFACTURER.—At a meeting of the creditors of John Ede, Birchfields, patent eye-liquid manufacturer, the statement of affairs presented showed the total liabilities to be £10,535 19s. 2d., principally unsecured creditors. The assets amounted to £945, less creditors to be paid in full, £29 15s. 7d., making the total assets £915 4s. 5d. Mr Lomas Harrison, the receiver, read a report that he had prepared, and which showed the number of creditors to be 489, the greater portion of them holding bills in respect of advertising. It was apparent that the debtor had conducted his business in a reckless manner, more especially as regarded his extensive mode of advertising. The debtor's advertisements had been out of all proportion to the amount of business he had carried on, or was likely to transact in the future. It was agreed to appoint a committee to investigate and report.

The liquidators of the Mercantile and Exchange Bank, Liverpool, having sold the Rotunda Buildings, in Bold-street, Liverpool, are enabled to make a tenth return of capital of 7s. 6d. per share. As the remaining assets are of small value, and will take a considerable time to collect, a plan is in contemplation to enable the shareholders to dispose of their interest in those assets, so that a final dividend may be paid, and the liquidation completed early next year.

DAILY NEWSPAPERS.—According to the *Printers' Register*, there are now published in the United Kingdom 137 daily newspapers, distributed thus:—London, 21; provinces, 78; Scotland 15; Ireland, 18; Wales, 2; Channel Islands and Isle of Man, 3.

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FREEDOM OF THE CITY.—The freedom of the City may be obtained—1st. By servitude, being bound to a freeman according to the custom of the City, and serving duly and truly at least seven years. 2nd. By patrimony; that is, being the son or daughter (unmarried or a widow) of a freeman born after the admission of the father. 3rd. Gift of the City, or honorary freedom. 4th. By redemption or purchase, viz., persons on the Parliamentary register of voters for the city are admitted upon their application to the Chamberlain (either with or without the interference of the company), and without the usual presentation to the court for an order. Persons not on the Parliamentary register for the City, but who are £10 householders, and rated to the police and other rates, upon producing a certificate (on their application to the Chamberlain) from the beadle or other authority of their ward that they are so rated, are admitted (with or without the interference of a company) upon the Chamberlain presenting their names to the court, and obtaining an order for their admission. Persons who are neither on the register, nor are rated, nor resident in the City are admitted by order of the Court of Aldermen, if free of one of the livery companies. All the foregoing pay 5s. on their admission. All persons are admitted by order of the Court of Common Council, on payment of £2 11s. 8d. The sons of aliens born in England. &c., are now admitted the same as natural born subjects. All the fees for freedoms are carried to the credit of the Freemen's Orphan School.—*City Press.*

LIQUIDATION BY ARRANGEMENT.—The *Solicitors' Journal* prints the following judicial statistics for 1873:—Under the separate heading of liquidation by arrangement, it appears that there were 7,673 petitions, and that 4,152 resolutions were registered; and that the gross amount of debts was £11,019,375, and the gross amount of the estates, £4,034,553. Under the heading of compositions with creditors it appears that 2,422 resolutions were registered, and that the gross amount of debts was £4,120,310, and the gross value of the estates was £1,228,541. Of the whole number of compositions, it appears that in 2,257 estates the composition was less than 10s. in the pound, and in 165 cases it was over that amount; in only 40 cases was the composition 20s. in the pound. According to the summary of liabilities and assets in bankruptcies, liquidations, and compositions, it appears that in 1873 the total liabilities were £19,184,812, and that the total assets were £5,938,117; in 1872 under the same heading the total liabilities amounted to £14,287,418, and the total assets to £4,314,597.

A CONTRACTOR'S FAILURE.—John Dickson, of 9, Hamilton-square, Birkenhead, one of the contractors for the Mersey tunnel, filed his petition under the 125th section of the Bankruptcy Act, for the liquidation of his affairs, and on the 30th December a resolution to liquidate was passed by his creditors. The statement of accounts showed liabilities amounting to about £16,000, and assets represented to be about £14,000. The resolutions had not been filed within the required time, the application was made at the Birkenhead County Court on Tuesday that, notwithstanding the delay, the registrar should be allowed to receive them. An affidavit of the debtor was put in, showing that in consequence of the sheriff being in possession of his goods he had been unable to raise the stamp duty, but the trustee had since advanced the required amount. His Honour directed the registrar to receive and file the proceedings. It was incidentally mentioned that the stamp duty would be argued before the registrar.

RE HENRY BOTTING, BUILDER AND CONTRACTOR, No. 73, GEORGE-STREET, PORTMAN-SQUARE.—A first general meeting of the creditors was held at the offices of Messrs Deane, Chubb, and Co., 14, South-square, Gray's-inn, on Monday, the 4th inst. From the statement of affairs prepared by Mr Flaxman Haydon, the receiver and manager, it appeared that the unsecured creditors amounted to £2,557 15s. 5d.; assets, consisting chiefly of book debts, plant in town and country, and amount (subject to realization) on a contract, £5,783 6s. 5d. Resolved to wind up in liquidation, Mr Haydon being appointed trustee, with a committee of inspection.

The bills and cheques cleared through the Bankers' Clearing-house for the week ending the 6th instant amounted to £124,012,000, against £120,225,000 at the corresponding period of last year.

On New Year's Day, the "City Article" of the *Times* was for the first time dated from "Printing House Square." As our readers are aware, though bearing no address, it was always supposed to be written from the City, and under the undivided responsibility of the City editor. Does this change indicate that the responsibility of the "City Article" will henceforth be assumed at the head office?—*Birmingham Morning News.*

Petitions have been presented to the Court of Chancery for winding up the Shrewsbury Colliery Company Limited, and Cwm Rycham Silver Lead Mining Company, Limited.

SEQUEL TO A LIBEL CASE.—The sequel to the Liverpool *Leader* libel case, which resulted in a verdict for £3,000 against Mr Frederick Lowry Richardson, proprietor of the *Leader*, was a petition in bankruptcy at the instance of the plaintiffs, the liquidators of the Civil Service Association. An adjudication followed, and several meetings of creditors were called, but at none was there a quorum. Application was therefore made under the 84th section that the bankruptcy should be annulled, and this was done.

INSURANCE IN 1874.—It will probably be found that, despite the unfavourable effect on the public of the cry of Insolvency, which caused a serious diminution of proposals in the last two months, the year 1874 has been, on the whole, more favourable to our Life Offices even than its predecessor. Few Companies will, we believe, have to complain of excessive mortality, or of a falling off in new premiums, while some will, in consequence of larger views obtaining with reference to investments, show a perceptible improvement in the rate of interest on accumulations.—*Post Magazine.*

A PROVISION MERCHANT'S BANKRUPTCY.—In the course of an examination under the bankruptcy of Messrs, Hoppner, and Bergl, provision merchants of Leith, it was stated that the herrings purchased by the firm amounted to £109,580 in value, and the loss sustained under this head was estimated at £5,195.

IRISH LAW APPOINTMENTS.—Lord Chancellor Ball has continued Mr Arnold Lawson and Mr Clifford Lloyd, who had been appointed to the offices of purse bearer and train bearer by the Commissioners of the Great Seal, in their offices. In consequence of the lamented death of Mr. William Napier, who had been designated for the office of secretary, the duties of which he had, under the commissioners, discharged with remarkable ability, Mr. Robert Arbuthnot Holmes, an officer of the Court of Probate, has been appointed official secretary. Mr. Alexander Hamilton, barrister-at-law, is the private secretary.

DOUBLE PROFIT.—A correspondent of the *Times* calls attention to what he considers to be "a system of imposition in practice at Somerset-house in the Post and Stamp-office Departments." He says:—"Some months ago a correspondent in the country sent us a deed asking us to get it stamped with a 30s. stamp, and enclosing a Post-office order on Somerset-house Post-office for the money. Our messenger got the money and took it and the deed into the Stamp-office, when they charged him 8d. for light gold. This morning the same thing has occurred. We received a deed to be stamped with a 10s. stamp and Post-office order for the money on Somerset-house Post-office. The messenger got a half-sovereign at the Post-office and took it and the deed to the Stamp-office, and was charged 2d. for light gold; so that it would from this seem to be the practice to pay in light gold at the Post-office and charge the public for it in the Stamp-office."

DEATH OF SIR SAMUEL BIGNOLD.—We have to record the death of Sir S. Bignold, of Norwich, in the 84th year of his age. In 1815 he was appointed secretary of the Norwich Union Life Office, and in 1821 secretary of the Norwich Union Fire Office, both of which institutions were founded by his father.

The *Post Magazine* in its review of 1874, says: "Two defaulters, a Manager and an Accountant, disgraced the Insurance profession. Neither have, we are sorry to say, been brought to justice."

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HEAVY FAILURES IN SCOTLAND.—The failure of Mr. John Russell, grain merchant, Glasgow, is announced, with liabilities of about £60,000. It is stated that the estate shows 11s. in the pound. Messrs. Ross and Co., dyers, Milngavie, have also been announced, and at a meeting held on Wednesday the state of affairs showed liabilities close upon £34,000.

A petition for the winding up of the Tecoma Silver Mining Company (Limited) is to be heard in the Court of Chancery on the 15th inst.

A petition for the winding-up of Dando and Co. (Limited) is to be heard in the Court of Chancery on the 16th instant.

The *Law Times* says it is reported to have been found impossible satisfactorily to tinker the Bankruptcy Act, 1869. Consequently a new bill is to be introduced into Parliament next session.

A member of the New York Stock Exchange has been expelled for having purchased stocks heavily, knowing himself to be a bankrupt.

The Manager of the Westbourne-grove Drapery and Furnishing Company (Limited), Bishops-road, Bayswater, writes to disclaim any connection on the part of this company with the Bayswater General Drapery and Mourning Warehouse Company (Limited), whose books are now in the hands of a firm of accountants. He says that the Westbourne-grove Company is in a prosperous condition, having a paid up capital of £17,000 with an unpaid reserve of £7,500, and that a number of the shares have lately been dealt in at a premium.

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The Accountant

NOTICE TO SUBSCRIBERS.

The ACCOUNTANT is now Published Weekly: a change dating from the commencement of the present year, and which, it is hoped, will enhance the value and usefulness of the paper, and also tend to promote one of the main objects for which it was started—viz., the advancement of the interests of accountants throughout the United Kingdom. The proprietor ventures to hope that his efforts in this direction will meet with the appreciation and satisfaction of the subscribers, and be deemed deserving of increased support on their part, particularly in regard to advertisements, a valuable aid to a newspaper which accountants especially can render in the ordinary course of business. It may be added that the publication of the paper weekly will constitute the ACCOUNTANT a "newspaper" within the meaning of the Bankruptcy Act, and members of the profession will thus have the opportunity of contributing towards the success of their own organ by the insertion of statutory notices required to be advertised under this and other Acts of Parliament. The Weekly Paper is Published every Saturday in time for the early morning mails; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being, annual subscription 24s. (post free); half-yearly do., 13s. (post free.) Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62, Gracechurch-street, E.C. to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation. and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT may fairly hope for a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Subscriptions and advertisements will now be received at the Branch-office of the ACCOUNTANT, 127, Strand.

The Accountant.

JANUARY 16, 1875.

The tendency of modern legislation is undoubtedly chiefly directed towards the simplification of legal process, and is framed in the interests of that numerous class of persons who are crying out for a system of law which everybody can understand and practise for himself. To a great extent, no doubt, simplicity is beneficial to all concerned in legal matters, and, indeed, the most rigid enthusiast for the wisdom of our ancestors can scarcely maintain that even our present much-improved system of judicature is immaculate. But there is a growing divergence, in all matters which may be governed by science, between the thoughtless mass of public opinion and scientific men. The first cry out for general education, and for law, physic, and divinity, made easy and plain to all capacities. The latter are more and more subdividing their ranks into bands of specialists, who understand, it is true, little more, perhaps, than the one subject to which they have devoted the attention of their life, but who are thoroughly masters of it. The results of their study are communicated to the world, and by this means a vast edifice of knowledge is rapidly, though laboriously, built up. It used to be a current saying that knowledge was knowing the book to which to look for information. Knowledge may be better defined, in the same spirit, as knowing a specialist in the subject of inquiry.

One of the chief outcries against the law is that while every British subject is theoretically supposed to be acquainted, not only with the contents of all the statutes that have ever been passed, but with every rule of law and equity, he must go for their interpretation to some lawyer, whose profession it is to expound them, and even then with the knowledge that he will get only an opinion, varying in authority with the experience and position of his adviser, but still entirely valid, only, except in rare cases, when it has been actually confirmed by a judicial decision. The panacea for this is supposed to be a simplification of the law, which it is fondly imagined can be, with a little arrangement, so condensed and cut down as to be actually, and not theoretically, within the grasp of every man of ordinary education. A very little reflection will dispel the illusion. The general principles of law are well-known to every educated lawyer, and

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may be learnt from countless textbooks; the real difficulty consists in their due application to the facts. It is very seldom that any barrister can, even after hunting through volume after volume of reports, lay his finger upon a decided case which is on all fours with the statement of facts before him. His skill is used rather to reason by analogy on the point, and to form a quasi-judicial opinion on the facts. Take, for instance, the various cases as to priorities, of which several have been reported in our columns. These are governed by a well-known maxim, "*Qui prior est in tempore potior est in Jure*," which we may familiarly render, "First come, first served." Of the law there is no doubt. The ingenuity of counsel and the judicial mind of the Court are occupied mainly in settling which claimant was first in order, as a matter of fact, and whether there was any such fraud or unfair dealing as would tend to invalidate his claim.

In fact, it may be laid down generally that in law as in everything else, there must be men who make it their profession, and devote their time to its exposition. And there, too, the division of labour obtains. Just as a medical man, in a difficult case, or one requiring special treatment, recommends his patient to go to one who has studied particularly the disease, so a solicitor will select for further advice one of a special class of counsel. One man is a famous criminal lawyer, an adept in the arts of cross-examination, but would break down utterly in some dry argument before a Judge in Equity. Another is a learned conveyancer famed for unravelling any title however abstruse and complicated, but would be hopelessly at sea in trying to address a jury. Thus to all who are involved in any legal troubles the rule will always be, to seek the advice of the most noted practitioner in the requisite line. No amount of legislation can ever alter this. The most violent reformers never seriously contend that cases should be tried before a man who has not had a vast amount of legal training and experience. It follows that the arguments must be conducted before him by men in the same plane of thought and mental habit. The difference between the confusion of our county courts, and the practice of our law courts, is clear evidence of the truth of both rule and deduction.

The difficulties of trustees in cases of bankruptcy afford a final illustration of our views. We pointed out last week that it was absurd to expect a man whose business horizon was bounded by his own counting-house, whose knowledge of accounts was sufficient merely to enable him to keep his books on a system peculiar to himself, or to see that his cashier committed no grievous error, and whose knowledge of law was absolutely nothing, to act as trustee in a bankruptcy; and we showed further, that in the attempt to save expense the estate was frequently saddled heavily with costs, which might have been avoided by a judicious expenditure in the first instance. A man might certainly learn enough law to carry him safely through the trusteeship of an ordinary bankruptcy, but it is doubtful if any one would take the trouble to do so, unless he expected frequently to avail himself of the knowledge he had acquired. It will therefore be always necessary to seek professional assistance, whether that of a solicitor, whose general legal training has fitted him to carry a client through the mazes of bankruptcy; or an accountant, whose "specialism" may be equally useful for the purpose. If an Act of Parliament is to be duly carried out, its administration must invariably be trusted to those classes, who have made its details their special study.

It has often been said that companies have neither bodies nor souls upon which penalties, temporal or spiritual, may be inflicted, but it seems that insurance companies possess highly sensitive feelings which may be very seriously wounded by the shafts of those rude critics who, *suadente diabolo*, have suggested that the accounts which these benevolent institutions are compelled to render, do not invariably bear out the flourishing statements of their actuaries and managers. Nothing can be more distressing to a mind duly impressed with the immaculate condition of assurance offices than the inconsiderate pamphlet of Mr. Knott, who is so presumptuous as to think that the interests of the insured are more to be considered than the tender feelings of companies, and has actually ventured to tabulate the results of their accounts, and afford a rough and ready test by which a man may judge whether the payments he painfully makes towards a provision for his family are likely or not to be wholly thrown away. Mr. Knott thought that no bad test of the stability of an office was afforded by an estimate of the proportion which its assets bore to its liabilities, and its expenditure to its yearly income, and he printed a series of tables, showing this in the case of several offices. Unfortunately the Prudential stood at the bottom of the list of companies, classified according to the percentage of assets, and at the top of the list of companies classified according to the percentage of expenses, and Mr. Knott, not content with this, actually cast some doubts on the literal accuracy of the figures

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and estimates of persons whose business it is to make matters appear as pleasant as possible. The result was that the Prudential filed a bill in Chancery, praying that Vice-Chancellor Hall would restrain the further dissemination of such statements. The Vice-Chancellor was, however, blind to the merits of the case. He was unmoved by the statement that the company was formed in the interest of what it termed touchingly, the Industrial Classes, and made its profits by the habit of the working man, of letting his policy lapse after paying a few premiums. Without even calling upon the defendant's counsel, Sir Charles Hall dismissed the bill, and thus increased still further the percentage of expenses by the addition of the costs of an unsuccessful suit. The decision is undoubtedly right. As long ago as Lord Eldon's time, it was held that the Court of Chancery would not interfere to prevent the publication of a libel, except in such cases as belong to the protection of infants, and even a guileless Insurance Company scarcely comes under that category. It is difficult to understand why the matter was brought into Court at all, as the result will scarcely remove any unfavourable impression which the pamphlet may have caused. In the interests of criticism, we are glad that the motion was refused. The law of contempt of Court has been lately greatly abused, and the fairest comments may render the writer liable to a criminal prosecution at the instance of a rich and ambitious adversary. It is the duty of the press to watch and check the undue pretensions of individuals of all sorts and conditions, of course exercising that power within the limits of fair criticism. If any malice had been shown the case might be different; as it is, if the Prudential does not answer a fair test, the sooner it reforms its ways and moderates its expenditure, the better both for itself and those who look to it for a provision for their own old age or their orphan children.

The quaintly worded Scotch case, which we quote at page 13, with its, uncouth jargon of strange law terms, may be fitly illustrated by reference to our own Bankruptcy Act. Section 92 makes void as against the trustee any transfer of property and every obligation incurred, with a view of giving the creditor a preference over other creditors, if the debtor becomes bankrupt within three months after the date of the transaction. This clause is to a certain extent modified by the 98th section, which provides that "any disposition of property, by delivery of goods, by any bankrupt in good faith and for valuable consideration, before the date of the order of adjudication, with any person not having, at the time of the making of such disposition of property, notice of any act of bankruptcy committed by the bankrupt, and available against him for adjudication," shall be held valid. If *Gowlay v. Hodge* had been an English case, this section would have governed it, and the decision would probably have been the same. The charges of collusion must be taken as badly founded, and in the absence of notice of any specific act of bankruptcy the transactions would have held good, especially as the delivery of goods was made for valuable consideration. It must be observed, too, that the defendant's knowledge of debtor being in embarrassed or even insolvent circumstances would not be sufficient to invalidate the transaction, as the Act says, plainly, notice of "an act of bankruptcy," which must necessarily be one of the various acts enumerated in its opening sections. We must note also that the Scotch limit is more favourable to the debtor than our own, which extends the period to three months, the penal clauses of the Act extending as far back, in the case of any fraudulent debtor, as four months. Nearly all cases of this class are, however, cases more of fact than of law, the *bona fides* of the transaction being the main point for decision. The case from the Halifax County Court, which we give in another column, though turning in another point, shows that to upset any transaction, notice of the Act of Bankruptcy must be clearly proved.

Had the order of the County Court Judge been upheld, the case of William Smith, reported in this issue, would have added materially to the many difficulties of the arduous and responsible post of an under-sheriff. The debtor was really and ostensibly a farmer, and, as such, not amenable to those numerous sections of the Bankruptcy Act, which relate exclusively to traders. Indeed, not only does the defining schedule to the Act expressly declare that a farmer shall not be considered as a trader, but a series of decisions such as the famous case of the *Queen v. Silvester*, where it was decided that a farmer was not within the meaning of the Lord's Day Act, have established this position. The 87th section of the Bankruptcy Act, which was referred to in argument, provides that "where the goods of any trader have been taken in execution, under a judgment for a sum exceeding fifty pounds, and sold, the sheriff shall retain the proceeds of the sale in his hands, for a period of fourteen days; and, upon

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notice being served on him within that period, of a bankruptcy petition having been presented against the trader, shall hold the proceeds, after deducting expenses, on trust for the trustee." The point is of more importance perhaps to under-sheriffs, than to trustees. It is clear that the selling or being ready, if a purchaser came, to sell any articles in the way of ordinary business will constitute a trader, and, being such, a debtor within the more stringent clauses of the Act. Notice to the sheriff should, in all such cases, be given without a moment's delay. If the sheriff had had notice that the debtor was being proceeded against as a trader, he would then have been bound to retain the goods.

The case of Mr. Von Hafen's bankruptcy was decided clearly in accordance with the 103d section of the Act, which provides that "if one partner of a firm is adjudged bankrupt, any creditor to whom the bankrupt is indebted jointly with the other partners of the firm, or any of them, may prove his debt for the purpose of voting at any meeting of creditors, and shall be entitled to vote thereat, but shall not receive any dividend out of the separate property of the bankrupt, until all the separate creditors have received the full amount of their respective debts." This section is intended to apply to the case of one member of a firm becoming bankrupt, though his partners were still carrying on the business, and adjusts fairly enough the rights of the respective parties. In the case of the full amount being received, the bankrupt would of course, be entitled to be recouped a due proportion by his partners. The present case is not only strictly within the section, but it is easy to see that injustice would have been done if a creditor had been allowed to release entirely the estate of one debtor, and by so doing, reduce the dividend payable to the creditors of the other. By postponing his claim till the separate creditors are paid in full, this is avoided. Any other decision would infallibly have opened way to undue favour and fraud.

We have been favoured with a copy of a lithographed circular sent out by "an accountant and liquidator, with a view to the extension" of his practice. This gentleman is prepared to undertake a great variety of work, from "balancing books" to "obtaining marriage licenses;" he is equally ready to attend "county and other courts of law," or to advance cash "at a few hours' notice." From his "long experience in commercial and domestic law," he is "bold to assert that his advice would lead to the attainment of all objects sought,"—and this advice, so the circular says, is to be given gratuitously. And if the client is not satisfied with the wisdom gathered from long experience, he is "prepared to recommend solicitors and counsel pre-eminent in particular branches of the law." Now, anybody who can do an addition sum (and even that may not be considered a *sine qua non*) may set up as an accountant or liquidator, and so long as the individual from whose circular we have quoted "inspires confidence" in his customers, and keeps clear of the law, probably nobody has much right to interfere; but it is a mistake to suppose, as some do, that accountants of respectability and standing encourage this sort of poaching on legal preserves. Apart from questions of right and privileges, the profession have nothing to gain by dabbling in lawyers' work, and they cannot set their faces too strongly against touting of this character.

The contributories and shareholders of the Brampton and Longtown Railway have been the means of pointing anew a valuable moral to those who invest moneys in companies. It is the old story told again; the value of an indemnity, and the fallacy of people expecting to have work done for them for nothing. Investors and speculators generally would do well to beware of any condition that nothing shall be paid unless the work is actually done, and should put scant faith in "representations" of any kind made by promoters, unless they are content to look to them for guarantee against any loss. Whether an action upon the alleged covenant of indemnity would lie, must remain for the judgment of a court of law. It is difficult to imagine, having regard to the wording of the Companies Clauses Consolidation Act, how the Lord Chancellor could have come to any other decision than that at which he actually arrived.

The failure of an eye-liquid manufacturer, which resulted in a meeting of his creditors at Birmingham, will afford a useful lesson to those traders who pin their faith exclusively on advertising. It used to be frequently said that any man who would spend ten thousand pounds in advertising an article would be sure to make double the amount by his speculation. The creditors of Mr. Ede scarcely viewed his prospects in so sanguine a light, and rejected a proposition that they should recoup themselves for their losses by expending £2,000 in advertising and making £10,000 profit, in favour of a more moderate resolution, to content themselves with a dividend of three shillings in the pound.

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Another "accountant" (so described), figures in this week's police reports, and the *Morning Advertiser* finds in the fact a fitting theme for a little merriment, at the expense of accountants. There is a certain amount of cynical humour in the way in which the organ of the publicans puts unfortunate public-house customers into the pillory. Our contemporary says:—

"We live and learn. From a Police Report of yesterday we learn that accountants, as represented by a Mr James Thomas Dawson, carry umbrellas of the value of thirty-five shillings. Secondly, we learn that accountants, as represented by Mr James Thomas Dawson, drink with privates in cavalry regiments, on Sunday evenings at half-past eleven, until at least one of the said privates is the worse for drink. Thirdly, we learn that it is not beyond the scope of the hebdomadal *otium* of an accountant to offer a private in a cavalry regiment a lift home in a cab, to entrust him with that rarity, a thirty-five shilling umbrella, and finish up by giving the very 'full' private into custody for felony because he levants to the barracks with the article in question. It is impossible to admire too much the courage of—not the man of war—but the accountant, in coming forward to give a detailed account of the evening's amusement, and it must have been somewhat depressing to that individual to be told by Mr d'Eyncourt that 'it was not fair to give the prisoner into custody on a charge of felony. Seeing the prisoner was the worse for drink, the prosecutor ought not to have entrusted him with the umbrella.'"

Truly: "we live and learn," and the writer of this article may learn that, to use a hackneyed expression, there are accountants *and* accountants. We have no wish to detract from the importance and respectability of the principles and interests represented by the *Morning Advertiser*, but we venture to think that respectable accountants do not congregate in public-houses late on Sunday nights; and it should be added, that—notwithstanding the elasticity of the term "accountant,"—the name of the prosecutor in this case, does not even appear in the published lists of accountants. After all then, it would seem that the chief claims of Mr. Dawson, to the honour of a recognition by the '*Tizer*, are, that he is the possessor of "that rarity, a thirty-five shilling umbrella," and the boon companion of publicans and sinners.

THE ENQUIRY INTO THE BANKRUPTCY ACT, 1869.—At the adjourned meeting of the Council of the Society of Accountants in England, held on Thursday, the report of the committee appointed to consider what reply, if any, should be forwarded to the communication of the Lord Chancellor relative to the above matters, was presented and adopted by the council, the committee recommending that no reply be sent.

INSURANCE CRITICISM IN AMERICA.—The American papers record a little incident of how an insurance critic was settled there. Col. Tardy having criticised (in an insurance journal) a company of which Dr. Lay was actuary, and the former having acknowledged that he was the author, was struck by the fiery actuary. A duel followed in which the critic was killed. The Edinburgh actuaries, and the critics of the "Briton," may thank their stars that they don't live in America.

Correspondence.

FIRE INSURANCE OFFICES.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—A recent edition of the *Hour* contained an article on the above subject, in which certain critics were charged with questioning the solvency of certain offices. It is well that the public should be cautioned against some of the "chevaliers d'industrie" who, by courtesy only, can receive the name of "critics." When I started in practice, some 5 or 6 years ago, the "European" was the subject of much discussion, and I was sent for by a certain gentleman who, "being desirous of pushing me on in the world," had expressed to a friend of mine much interest in my welfare. Being naturally anxious to obtain business, I promptly called upon him, and was then informed that he and his friends had combined and marked down nine offices for destruction, and that if I would come to terms with them as to participation of the plunder, they, without asking me to find any funds, would put me forward as liquidator of each in turn, the names of the offices being mentioned to me "in confidence;" some of them are in high repute at the present day. The game was to "wreck" one office at a time, and by the profitable result avoid all future business cares. Although a member of a much maligned profession, I had some scruples of conscience, and having been taught to call a spade a spade, called the scheme a piece of wholesale villiany, and refused to have anything to do with it. (One of the offices, the first on the list of victims, has since come to grief, but, fortunately for the public, the *clique* in question did not carry its proceedings.) My frankness was not appreciated, and I was called a fool for my scruples, which very naturally created a lasting coolness between myself and the philanthropist who was so anxious for my success in life! He and his set may, however, be on the move again, and it would be well for share or policyholders to consult a respectable actuary before allowing themselves to be influenced by broadcast assertions against *any* office. But while caution in this respect is necessary on the part of those who have invested in either shares or policies, equal caution should be employed in trusting any office whose position is not honestly and regularly made public. Some time ago my firm was induced to accept the auditorship of an insurance office, which was to start with certain new, but as I still believe (if they had been fairly carried out) sound principles. My firm accepted the position, conjointly with another firm, upon the express understanding that we should be allowed to audit thoroughly, and not certify to balances found in the ledger without knowing how those balances were arrived at. Things went smoothly for a while, and we were instructed to open, and write up, a set of books for the company. The manager, who was the originator and promoter of the company, was most anxious to have things done his way, "in consequence of his many years' experience of Life Assurance business;" but we presumed to differ from him, and while obeying his instructions, which were frequently altered, point-blank told him that we should, as auditors, refuse to pass many of the entries. Although we had been appointed auditors by the shareholders, the balance-sheet was issued *unaudited* by us, as, in spite of our written protest to the Board, we were not *allowed* to audit. A wild scheme has since been issued by the manager, and was discussed

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at a "private meeting" convened for the purpose, where, thanks to questions we as shareholders were enabled to put (not one of which was answered straightforwardly), the shareholders *did not* increase their holdings. The last published balance-sheet of the company (which has removed its office from London), is *not* reassuring, and the prospects of a call *are* promising. It is such offices as this one that do the harm in creating distrust. No *bona fide* office need dread to make its position publicly known; on the contrary, it is the best advertisement it can have. The more stringent the requirements of the Board of Trade are, the better for all. It should be *impossible* for life assurance offices to keep back or garble any facts in connection with their position. Some years ago when a "life assurance panic" existed, I spoke with a wealthy business friend, who told me he had dropped his policies, considering his first loss the cheapest, and regularly invested in consols for the benefit of his children, the monies he would othewise have paid in premiums. This, I argued, was taking an extreme view; but he reasonably urged that he had no time to investigate accounts himself (even if he had the power), and he would not, after the exposures which had (then) recently taken place, trust his money out of Government Securities, where they were safe. Every sound office will, with the public, approve of the Board of Trade's decision with regard to the *Briton* office, and, if that office is really sound, publicity is the best advertisement it can have. I shall be happy to satisfy you personally as to the truth of all the above statements, and enclose my card. Were it not that by so doing this letter might be construed into an advertisement I would publish my name.—Yours truly,

A PUBLIC ACCOUNTANT.

BANKRUPTCY OF A SCOTCH CONTRACTOR.

On Tuesday afternoon George Hunter, contractor, Port Hopetoun, Edinburgh, was examined on commission, before Mr. Gardner (Sheriff Clerk Depute), at his residence, 10, Archibald-place. Sederunt—Mr W. B. Robertson, accountant, trustee; Mr George Beg, S.S.C., agent in the sequestration; Mr A. J. Young, advocate, for workmen at Ratho Quarry; Mr. Theodore Macdonald, ironmonger, a commissioner on the estate; Mr John Robertson, jun., S.S.C., for Mackenzie and Kermack, agents for Mr George Caddell Bruce, a creditor; and Mr John W. H. Corns, for Mr D. Marshall, C.A., also creditor. The bankrupt made the following statement of his transactions:—He commenced business as a contractor about twenty years ago at Newcastle, with no capital. He continued there for six years and then came to Edinburgh, where he entered into partnership with his uncle, Taylor Hunter, a contractor, in a joint adventure to finish the harbour at Granton. About ten years ago he had also a contract on his own account in connection with the Bridge of Weir Railway. The contract lasted about eighteen months, and was a profitable one. He never kept any regular set of business books, except in connection with a Queensferry contract, and these were burned by bankrupt and Mr Geo. C. Bruce, C.E., in the office at Port Hopetoun. He did not remember the exact day on which the books were burned, but he thought it was on the day on which he signed the lease of Ratho Quarry. At the same time that he had the Bridge of Weir contract, he had also one for the building of a new pier at Oban. He realized about £1,000 of clear profit out of that contract. The Granton Breakwater contract was also profitable. As far as he could recollect, his uncle and him realized a profit of about £4,000 on it. He thought the Oban contract would terminate about 1864 or 1865. Immediately after that he obtained a contract to form the branch railway from Ratho to Dalmeny, known as the Queensferry Branch. That contract resulted in the loss of about £20,000, of which bankrupt lost £13,000 and Mr Bruce about £9,000. Mr Bruce was also his partner in the Oban contract, and he was engineer for all the contracts, except the Queensferry one. After the completion of the last-named contract, Mr Bruce and bankrupt took the Shilliehill Bridge contract at Dumfries for about £5,000. The profit realized from it was about £300 or £400. Bankrupt and Mr Bruce then took the Arkan drainage contract, which, like the preceding, lasted about a year. The amount of the contract was £10,000. So far as he could recollect, that contract would be about square—*i.e.*, there was neither profit nor loss. His brother, Thomas Hunter, who was also a contractor, and bankrupt, then went into partnership, under the firm of Hunter Brothers. Their first contract was the Wigtown Waterworks. It amounted to a few hundred pounds. There was no profit on it. Their next contract was the Ballater Railway, which amounted, he thought, to £4,000 or £5,000. After the partnership with his brother, Mr Bruce had no copartnery interest in any of the contracts. He thought they would lose about £300 by the Ballater contract. There was still a balance due to the firm under the award of the arbiter, Mr Bruce, but bankrupt could not name the exact sum. Their next contract was the Glasgow Corporation gas tank, amounting to £10,000, which resulted in a profit of about £1,000. Their next contract was from the Maryhill Gas Company, which was a scheduled one, and was paid according to the work done. They next had the Hilton Railway, in England. The amount of that contract was £30,000. The firm first felt themselves in difficulties in November, 1872, when they stopped payment. They then consulted their law agents, Lindsay, Paterson, and Hall. The firm of Hunter Brothers never kept a regular set of business books. They made up a state of their affairs in November, 1872, which was handed to their agents. Being shown a conveyance by his firm to Mr Bruce, dated 7th May, 1873, and interrogated—What was your understanding of the nature of that conveyance when you signed it? Depones—That Mr Bruce was to pay all debts remaining due by the firm of Hunter Brothers in the best way he could. The firm of Hunter Brothers ceased to carry on business after November, 1872. Bankrupt had carried on Ratho Quarry, on his own account, for about seven years. He ceased to work that quarry some time before the rent became due at Martinmas last. He could not carry it on for want of means. He did not think the men had refused to work. He continued, however, to carry on Crooks' Quarry, because the stones were selling at a higher price. When he ceased the Ratho Quarry he was largely indebted to the workmen in arrears of wages, which might amount to about £300. He had been in ill health, and unable to give close attention to business for the last ten months. He had latterly always been in difficulties as he had had no capital since the dissolution of Hunter Brothers. The workmen at Crook Quarry were all paid with the exception of one week. At the time of his sequestration the men would not allow the stones to leave the quarry, which prevented their being paid wages. Two or three months ago he contracted for a drain at North Berwick, and he then re-

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moved a few picks, a hammer, and other tools from Ratho Quarry. The contract price was about £100. He worked at it for about a fortnight, but he found he was unable to carry it on for want of means. On the motion of the trustee, the commissioner adjourned the further examination of the bankrupt till Monday.

THE FAILURE OF THE LOWTHER HEMATITE COMPANY.

An examination respecting the affairs of the North of England Hematite Iron Co., now known as the Lowther Hematite Iron Co., carrying on business at Workington, Cumberland, and St. Vincent-street, Glasgow, took place in the Sheriff Court, Glasgow, on Tuesday. There were present Mr Andrew Paterson, C.A., Edinburgh, trustee; Mr Robt. Ross, writer, Glasgow, law agent in the sequestration; Mr W. D. Paterson, S.S.C., for the bankrupt, Barclay; and a number of creditors. The following statement as to the affairs of the firm was given by David George Hoey, an accountant in Glasgow. He said:

I am an accountant in Glasgow, and a partner of the Lowther Hematite Co. The partners of that concern were Mr Andrew Barclay and myself. It was formed in 1872. It began under the name of the North of England Hematite Iron Co., but the name was changed in July last to the Lowther Hematite Iron Co. The reason of the change was to prevent mistakes as to the character and quality of the iron, there being North of England iron in the market which was of an inferior quality to that produced by our company. There were one or two drafts of co-partnership prepared, but they were never completed. Mr Barclay and I were to be equally interested in the business, both as to profit and loss. We were also to provide the capital in equal proportions. £10,000 of capital was put into the business, £6,000 of which was contributed by me, and £4,000 by my partner. I was to take charge of the financial department, and Mr Barclay of the practical. We commenced to build the works at Workington, near Cumberland, in September, 1872, on ground acquired on a 99 years' lease from Lord Lonsdale. The first furnace was put in blast in April, 1873, and another in September, 1874. The works at present consist of two furnaces completed and in working order, while the foundation of a third has been laid. The works cost £109,523. That was exclusive of railway rolling stock, movable plant, and utensils, which cost about £7,000 additional. The iron work was mainly and the machinery was entirely supplied by Messrs Andrew Barclay and Son, Kilmarnock, who were paid by acceptances. The greater portion of these acceptances have been paid, but there is between £14,000 and £15,000 still unpaid. We carried on a profitable business from the time we began to make iron. We made £17,000 profit the first year of the company's operations. In consequence of the depressed state of the iron trade our profits after that were not so large. Early in 1874 we were pressed for capital, and we raised £35,000 on the works. In July following we got a further advance on the works, of which there is still a balance owing of £44,000. The liabilities of the firm amount to £121,979, and the assets to £115,834, which show a deficiency of £6.145. The value of the works and machinery is £80,000, being £29,523 less than they cost us. The depreciation of the works is more than sufficient to account for the deficiency in our state of affairs. Besides the liabilities of my own firm for its own business we are liable for £13,329 of acceptances of Andrew Barclay and Sons to us and endorsed by us. These acceptances were for the accommodation of Andrew Barclay and Sons, who were indebted to another firm who had become bankrupt, and at the date of the bankruptcy acceptances to a large amount were current, and which were all for value. I was the financial manager of Andrew Barclay and Sons, and I interposed to get these bills in part. I am individually liable to Andrew Barclay and Sons for cash credit bonds amounting to the extent of £15,000. I endorsed all their bills receivable as their commercial manager, but I do not anticipate any loss will arise on that account, as the acceptors are all good. After the sequestration was awarded I made an offer of 20s. in the pound in cash to the creditors mentioned in the state of affairs. The offer of 20s. per pound was contingent to my being able to settle certain claims for damages for breach of contract, and I had settled all these with the exception of one which amounted to £24,802. I do not admit that liability at all. I explain that that creditor referred to was willing to modify his claim to £13,000. This sum was larger than I could pay, and so my intention to pay 20s. a pound fell through. My drawings from the company were at the rate of one hundred pounds per month, or £1,200 a year. I have made a full disclosure of my affairs to the trustee.

Andrew Barclay, the other partner, was next examined, and concurred in Mr Hoey's statement so far as it related to the business of the company. He had handed to the trustee a state of his individual affairs. There were two policies of assurance on his life to the amount of £7,000. These policies were in force. Mr W. D. Paterson, on behalf of the creditors, moved for an adjournment of the examination *sine die*. The Sheriff objected to the adjournment of the examination without fixing a specific date. His lordship fixed 19th January for the adjournment.

SHERIFF COURT, GLASGOW.

(*Before Mr Sheriff* GALBRAITH.)

RE ANDREW BARCLAY AND SON.—In the sequestration of Andrew Barclay and Son, engineers, Kilmarnock, and St. Vincent-street, Glasgow. There were present—Mr Andrew Paterson, C.A., Edinburgh, trustee; Mr Robert Ross, writer, Glasgow, law agent in sequestration; and Mr John Naismith, writer, Glasgow, for a creditor. Andrew Barclay, one of the bankrupts, was examined, and stated that he had been in business in Kilmarnock for upwards of thirty years. Until early in 1874 he carried on the business under his own name, and had no partner. About the month of May, 1874, he assumed his son, James Wilson Barclay, as a partner. There was, however, no contract finally concluded between them. There was an understanding that his son was to have a fifth share, but no final arrangement was made. His son gave him £1,000 some time before he was assumed as a partner, and the sum was allowed to lie in the business capital. That was all the capital his son had put into the business. In 1871 he became pressed for capital, and he had to get indulgence from his creditors. He paid them 20s. in the pound, of which 10s. was paid in cash and the balance by bills, all of which were duly retired. About the time of the arrangement with his creditors, he took the assistance of Mr Hoey, accountant in Glasgow, to manage his financial affairs and keep his books. Mr Hoey had no interest in the business, but was paid a salary. From that time to the present his financial affairs and books were kept under Mr Hoey's supervision. He was a partner in the Lowther Hematite Company, which was formed in 1872. Since the formation of that company he had been engaged exclusively at Workington managing the business for that company. He had the charge of the working department. He was not conversant with the whole details of the Kilmarnock business during his absence. His son James took charge of the practical department of the business. His Kilmarnock business was a profitable one up to the time of his suspension. He had handed to the trustee a statement of the affairs of his Kilmarnock business. It was made up by him from information communicated to him by his son James. The statement showed the assets to amount to £47,050, subject to a heritable security, on which there was a balance due of £13,500. The liabilities in the statement amounted to £26,946 10s. 1d. His Kilmarnock business was very much mixed up with the Lowther Iron Co.'s affairs. He had granted for the benefit of the Lowther Iron Company, two heritable securities, on which there was owing £35,000 and £44,000 respectively. There were numerous bills to a large amount between the Lowther business and the Kilmarnock business which were at present unadjusted. These bills were in the hands of third parties. Mr. Hoey could give a better explanation than he could of the complication between the two firms, and he must refer to that gentleman. He

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had heritable properties at Kilmarnock and Kilbirnie which belonged to himself individually. The Kilbirnie property, he thought, was subject to a heritable debt of £400. These properties were also included in the heritable securities granted for the benefit of the Lowther Co. Mr Ross at this stage moved for an adjournment, and the Sheriff accordingly adjourned the examination until the 19th inst.

COURT OF CHANCERY.

LINCOLN'S-INN, JAN. 12.

(Before the LORD CHANCELLOR *and Lord Justice* MELLISH.)

IN RE THE POOLE FIRE BRICK AND BLUE CLAY COMPANY—HARTLEY'S CASE.—This was an appeal by the official liquidator of the Poole Fire Brick Company from a decision of the Master of the Rolls declining to fix Mr Hartley with liability in respect of 200 shares of which the allotment had been cancelled. The company, which was registered in December, 1870, entered about the same time into an agreement for the purchase of property and plant for the purposes of the company's business. The consideration was to consist of £1,200 cash and £4,800 in fully paid-up shares of the company. In January, 1871, pursuant to the vendor's request, 200 fully paid-up shares (part of those to which he was entitled) were allotted to his nominee, George Hartley, one of the directors of the company. In June, 1871, the directors discovered that the agreement with the vendor had not been filed with the Registrar of Joint-Stock Companies, as required by the Companies' Act, 1867, sec. 25, and they thereupon cancelled the shares issued to Hartley, who delivered up the certificates of the shares to the secretary, who wrote across the counterfoil "issued in error and cancelled." On the 13th of June, 1871, the agreement was duly filed with the Registrar of Joint-Stock Companies, and 200 fully paid-up shares were subsequently issued to Hartley in lieu of the 200 shares cancelled. In March, 1873, a resolution for voluntarily winding up the company was passed, and in the course of the winding-up the liquidator sought to make him liable in respect both of the 214 shares allotted in June, 1871, and also in respect of the original 200, the allotment of which had been cancelled. The Master of the Rolls having decided that Mr Hartley was not liable in respect of the original 200 shares, the liquidators now appealed. Mr A. G. Marten, Q.C., and Mr Chester appeared for the liquidators in support of the appeal; Mr Cracknall, for Mr Hartley, was not called on. The Lord Chancellor said that the facts of the case which appeared necessary to be stated were that an agreement was entered into with the owner of the estate on which the works of this company were to be carried on for the sale of the land to certain persons. Part of the payment for the land was to be in the shape of paid-up shares in the company. After the formation of the company, but before this agreement was registered, as required by the Companies' Act 1867, 200 paid-up shares (part of the stipulated payment) were allotted at the request of the vendor, to Mr. Hartley, one of the directors of the company. The form of allotting these 200 shares was gone through, and the certificates were made out. This was in January, 1871; and in June, 1871, notice was taken by the directors, and apparently also by the vendor, that the agreement in question had not been registered, and accordingly that there had been an irregularity in the issue of shares which might render the whole transaction open to question. The agreement was then registered, and the original allotment of shares cancelled, and 200 shares were *de novo* allotted to Mr Hartley as paid-up shares, together with an additional 14, as to which no question arose. It had been contended on behalf of the official liquidator that he had a right to fix Mr Hartley, not merely with the 214 shares allotted *de novo*, but also with the 200 shares professed to have been cancelled. Now, this was not the case in which Hartley was applying for the first time, either before or after the winding-up, to have his name removed from the register. If such an application came to be made after the winding-up it appeared to his lordship that, having regard to the authorities, it would have been difficult, if not impossible, to accede to it; if made before the winding-up, Mr Hartley would have been put to strict proof of his case, and he would have had to show, as against the directors, all those elements of mistake and irregularity which would alone entitle him to relief on that ground. But that was not the case here. The directors and Mr Hartley some years before the winding-up, apparently in perfect *bona fides*, considered the question, and determined that it was not the intention of the directors to give, while it was not the intention of Mr Hartley to receive, anything but paid-up shares which could legally be allotted. When they found that, through complete inadvertence, a mistake had been made, they agreed to cancel the shares as having been allotted in error. In order to invalidate the transaction, it was incumbent upon the official liquidator to show that what was done was not done *bona fide* or under circumstances which would give him the right to undo the transaction. It appeared to his Lordship that it was a perfectly *bona fide* transaction, and that it was not incompetent, a mistake having been made, to the directors to cancel the allotment. He might also observe that this was a case in which no harm had been done to any one. No one, either creditor or shareholder, could have been misled, as no return was made to the Registrar of Joint-Stock Companies until after the original had been replaced by the new allotment. The official liquidator, therefore, was not entitled to fix Mr Hartley with the original 200 shares. The motion failed altogether and must be dismissed, with costs. Lord Justice Mellish was of the same opinion. The real question was whether it was the intention of all parties that the 200 shares should be cancelled. When the mistake was discovered, they perceived that the vendor had not, in fact, been paid by those 200 shares. It was for the common benefit of all parties that the mistake, whether of law, in ignorance of the requirements of the Act of 1867, or of fact, should be rectified, and it was competent to them to do so. This they did by cancelling the shares issued in mistake and by issuing new ones. The appeal must be dismissed, with costs.

JAN. 14.

(Before the LORD CHANCELLOR *and Lord Justice* MELLISH.)

IN RE THE BRAMPTON AND LONGTOWN RAILWAY COMPANY—SHAW'S CLAIM—NIMMO AND M'NAY'S CLAIM.—These were appeals from a decision of Vice-Chancellor Bacon. The Brampton and Longtown Railway was projected in 1863. A subscription contract was signed by several landowners and others resident in the district, and an Act of Parliament was passed in 1866 incorporating the company to construct and work the railway; but sufficient subscriptions could not be obtained, and the project had to be given up. A warrant for authority to abandon the railway was granted by the Board of Trade under the Abandonment of Railways Act, and the company was ordered to be wound up on petition in the Court of Chancery. Messrs Nimmo and M'Nay, engineers, claimed to prove for a debt in respect of plans and surveys made and work done preliminary to the passing of the Act. Mr Shaw, the solicitor engaged in preparing the Bill, in like manner claimed for preliminary expenses. The claims were grounded on the general provision in the Companies Clauses Consolidation Act, making such expenses debts of the company, and also a clause to the like effect in the special Act of Parliament. The claims were resisted by the subscribers to the scheme other than the claimants, on the ground that they had been induced to subscribe on the representation that they should be liable for nothing unless the line was actually made. The Vice-Chancellor admitted the claims. Some of the alleged contributories appeared. The Lord Chancellor said that for the present purpose the appellants stood in exactly the same position as the official liquidator, and they must show that Mr Shaw and the other claimants were not entitled in respect of their professional services to maintain any claim whatever against the company. The question was, whether, assuming the evidence tendered on behalf of the claimants to be uncontradicted, there was any evidence of a contract to indemnify the company against these claims. His Lordship thought that what occurred did not amount to any contract intended to inure for the benefit of the company; it was at the utmost a contract made with individuals for the purpose of assuring them that they, as individuals, would not, by reason of their signing the subscription contract,

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be called upon to pay anything if the railway was not made. It was, however, argued that inasmuch as the individuals could only be called on to pay as contributories to a common fund, the agreement was in effect an engagement not to call upon any one to contribute to that fund, in case the line was not made, and therefore not to call on the company. That argument could not prevail. Taking the evidence to be uncontradicted, the agreement alleged did not amount to more than an agreement to indemnify individuals. Whether there was in fact such an agreement, his Lordship expressed no opinion now, and how effect should be given to it if it existed could not be decided upon the present occasion. All that could now be said was that the respondents were entitled to make these claims in the winding up, but nothing was decided as to the *quantum* of the claims. The appeals must be dismissed, with costs. Lord Justice Mellish was of the same opinion. The Lord Chancellor said the order would be made without prejudice to any claim which the contributories might make to an indemnity in any other way.

VICE-CHANCELLOR'S COURT.

LINCOLN'S-INN, JAN. 12.

(Before Vice-Chancellor Sir C. HALL.)

THE PRUDENTIAL ASSURANCE COMPANY v. KNOTT.—This suit was instituted for an injunction to restrain the defendant from publishing or circulating a pamphlet which he had written, entitled "Solvent Life Offices and others; or, What Becomes of Ten Millions a Year." The bill in the suit stated that the plaintiffs' company (which has been in existence since 1848) carried on the business of life assurance on an extensive scale, but the character of its business was very exceptional. It consisted for the most part of what is termed "industrial business"—that is to say, the business of granting policies of assurance upon the lives of artisans and other members of the working classes of society. The plaintiffs' company was the only English life assurance office which transacted industrial business upon any considerable scale. Its industrial (which was its principal) business was one of great magnitude; but its other, or ordinary, business was comparatively insignificant. The policies effected with the industrial department were in a large majority of cases kept on foot for a few years only. The premiums on them were numerous, and, having regard to the expenses of their collection, unusually high; but the ratio of the amount of the reserve fund in the industrial business to the total amount assured might properly be and was correspondingly small. In short, no fair estimate could be formed of the solvent or other condition of an office carrying on industrial business by comparing the ratio of its expenses with its premium income, or the ratio of the amount of its reserve fund with the total amount assured, as might be ascertained in the cases of offices transacting ordinary life assurance business. The defendant, who had taken a prominent part in the discussions which have prevailed with respect to the solvency of companies engaged in the business of life assurance, had published the pamphlet in question. On one of the fly leaves of it were the following passages:—"Ten millions sterling are paid annually by the public for life assurance. It behoves every policy-holder to ascertain, before it is too late, whether the life office he has chosen is solvent, or one of the 'others.' Particular attention is directed to pages 32 and 45." Then, at page 32, there was a tabular statement, setting out the names of 15 chief offices, arranged according to "per centage of expenses and commission to premium income." The plaintiffs' company stood at the head of that list, and opposite to their names 46 per cent. That was the largest per centage in that list; the least, or last on it, being 3 per cent. At the foot of that list was this note, appended to the plaintiffs' name—"Largely industrial." At page 45 there was another tabular statement, setting out the names of 15 chief offices, arranged according to "percentage of assets to liabilities." The plaintiffs' company stood at the bottom of that list, and opposite to their name, 4 per cent. That was the smallest per centage in that list; the largest, or first on it, being 55 per cent. The bill then stated that the pamphlet, after asserting that by far the greatest proportion of the failures which had occurred among life assurance companies within the last 30 years had been caused by reckless extravagance of management, and that, in judging of the solvency of an office, the question of expenses demanded serious attention, proceeded to add that the immediate questions that concerned policy holders were—What was the present position and what were the future prospects of those offices which from their high per centage of expenses, and from other reasons, were placed beyond what were admittedly the limits of safety? Of the 41 offices in that category, or "Black List," as it might well be termed, two only having a premium income of over £200,000 were to be found. The percentage of one of those offices was 22 per cent., while that of the other was 46 per cent. In other words, that latter office was unable to collect £458,262 without incurring an outlay of £213,984. The pamphlet, then, without specifying the peculiar nature of the plaintiffs' company's industrial business, contrasted their expenditure with that of other offices in their ordinary life assurance business; spoke of the folly of considering valuations made by a company's own actuary in any light than that of "a serious joke," referring, in proof of that, to the case of the plaintiffs' company. The pamphlet also stated that if by any possible chance or misconception the reader still hankered after the valuation flesh-pots of the office in which, possibly, he might be assured, he was invited to note that, whereas every life office showed by valuation a surplus, Mr Sprague, in a recent letter to the *Times*, stated that the result of the publication of their accounts by certain companies, some of which were doing a large business, had led the actuaries who had studied them irresistibly to the conclusion that the companies in question were insolvent beyond all hope of recovery. The effect of the defendant's pamphlet was to represent that the plaintiffs' company was being managed with reckless extravagance, and was in a state of insolvency and unable to fulfil its engagements. Those representations were utterly untrue. The company's affairs were managed without any extravagance. It had been for many years past, and was now, in an exceedingly prosperous and thriving condition, abundantly solvent, and earning large profits, and the continued publication of the pamphlet, which the defendant threatened, would be most injurious to the credit and greatly damage the business and profits of the company. The case now came on upon an interlocutory motion for an injunction, and considerable evidence of actuaries and others was adduced on both sides. Mr Dickinson, Q.C., and Mr Phear for the plaintiffs, insisted that the pamphlet was a false and libellous attack on the company. They did not impute wilful or malicious motives to the defendant, but they said that when a person undertook to write about any special subject it was his duty to master it previously. The defendant had not done so. Had he inquired at the company's offices he would have found out the true nature of their business, and would have seen that it was unlike that of other offices. They concluded an elaborate argument by an analysis of the particular business of the plaintiffs' company, showing that the common calculations with respect to ordinary insurance offices did not apply to this one; that it was clearly in a flourishing condition; that it was imperilled by the defendant's pamphlet; that, although this Court might not have power to restrain a "libel" *simpliciter* (which was a crime), if a libel was accompanied—as this was—by injury to property, then the Court had complete jurisdiction to restrain the libel by an injunction, and that an order for one should accordingly be made upon this motion. Mr Osborne Morgan, Q.C., and Mr H. B. Ince, for the defendant, were not called upon. The Vice-Chancellor said the question he had to determine was whether he should, at the present instance of the plaintiffs, grant an injunction to restrain the publication by the defendant of the pamphlet in dispute. The plaintiffs complained of it in two important respects. They said the defendant had adopted two tests of the solvency or insolvency of insurance companies, which did not apply to the plaintiffs' company; and that the defendant by publishing the pamphlet which mentioned those tests, so really inapplicable to the company, had libelled it. It was necessary, therefore, to refer to the character of the pamphlet, the object of it, and, to some extent, its probable effects. The writer of it was a gentleman who had turned his attention to

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insurance offices, and he had conceived the idea of writing a book about them, which should be profitable to himself and useful to the public. All possible notion of any malice on his part towards the plaintiffs was entirely out of the case. He, however, having in his mind the idea suggested, thought he could bring all insurance offices to a test as to whether they were safe or unsafe, and that he could explain the nature of that test to the public at large. No doubt by the word "unsafe" he would imply insolvent. In the pamphlet he had specified certain offices which, according to his test, would appear to be insolvent. But on that the Vice-Chancellor would express no opinion. The plaintiffs had produced the evidence of two most eminent actuaries in proof of the fact that their company was perfectly solvent. If, indeed, it had been necessary to consider that, he should have thought the plaintiffs had a good case as against the pamphlet in question; but it was not requisite for him to give any opinion on the point; and, after all, although the pamphlet contained the names of as many as 41 companies, which the writer placed in what he called the "Black List," it was only his opinion as to them, and a mere statement of what he (the writer of the pamphlet) thought about them. The readers of the work must be left to exercise their own judgment in the matter. If the writer had taken an erroneous view of the nature and applicability of his proposed tests, the public and persons who had studied the subject were fully capable of pronouncing upon them. The tests proposed—viz., the percentage of expenses and commission to premium income, and the percentage of assets to liabilities—were things as to which many people were not agreed. The whole matter was, after all, one of opinion only. But it had been specially argued on behalf of the plaintiffs that the defendant in his pamphlet had not fully explained—had suppressed—certain particulars which, if he had stated them, would have shown that his proposed tests were not applicable to the plaintiffs' company. The plaintiffs might be right as to that, but the defendant thought they were not. Judging from the evidence adduced, it would seem that he was wrong, and that his views were unfounded. But, before an injunction could be granted on this motion to restrain the publication of the pamphlet, the Court must be reasonably satisfied that there had been such a suppression of circumstances as would, if stated, have made a difference in the result of the cause at the hearing. He thought there had not been such a suppression as to justify the Court in stopping the publication of the pamphlet on that ground. Then again, having regard to the evidence adduced, although the writer's view was such as had been mentioned, it could not be said that the matter of his pamphlet was libellous; and so far, also, the plaintiffs' case for an injunction was not made out. Indeed, as already observed, the subject was one which, after all, was a matter of opinion. It was not to be assumed that the public would be led by the nose by this gentleman's statements, nor was there such an injury to property in the case as required the interference of this Court by an injunction. He should have thought that the plaintiffs might have protected themselves by some published statement of their own against the allegations in the pamphlet, so as not to lose the confidence of the public. On the whole case, he considered that it was not one in which the plaintiffs should be protected by the injunction of this Court; and the motion must be refused, with costs.

INTEREST TIME TABLES.—We have received a copy of the Interest Time Tables compiled by William Lewis, of Plymouth, and published by Effingham Wilson, Royal Exchange. The compiler claims for his work, "the advantage of showing at a glance, without any moveable or sliding parts, the number of days, from any day in the year to any other day in the same or following year. This result is obtained by having a page for every day, from the 1st January to 31st December, and calculated to 365 days." This claim is amply substantiated by inspection, the chief merits of the book, being, as indicated above, clearness and simplicity.

FARMER OR TRADER.

Ex parte THE SHERIFF OF HEREFORDSHIRE. *Re* WM. SMITH.
(Before the CHIEF JUDGE in Bankruptcy.)

The debtor was a farmer in Herefordshire. In 1872 he invented a medicine for the cure of the foot-and-mouth disease among cattle, which he advertised extensively, and succeeded in selling a considerable amount of it. At the close of 1872 the cattle disease abated, and after that time the debtor had no further sale for his medicine, though he stated that he always kept a stock on hand ready for sale. In May, 1874, judgment was recovered against the debtor in an action, and on May 18, at the direction of the execution creditor, the sheriff of Herefordshire levied the amount and costs on the farm, stock, and goods of the debtor. The sheriff retained the amount levied in his hands till May 30, and on that day paid the amount recovered to the execution creditor. On June the 1st the debtor filed his petition for liquidation, and on the same day (being within fourteen days after execution) notice of the petition was served on the sheriff. The trustee under the liquidation claimed from the under-sheriff the amount he had paid to the execution creditor, on the ground that, the debtor being a trader within the meaning of section eighty-seven of the Act, the under-sheriff ought not to have disposed of the amount he had levied in execution till after the fourteen days had elapsed. For the under-sheriff it was contended that the man was a farmer, and appeared nothing but a farmer, and as the under-sheriff had no knowledge of his being a trader, he was right in paying the money to the execution creditor within the fourteen days. The Chief Judge held that it would be unreasonable to cast upon the sheriff the duty of ascertaining whether a debtor was a trader or not, or had been engaged in any transactions which amounted to trading. No notice of the trading having been given to him, the sheriff had merely discharged his plain duty in handing over the proceeds of the execution to the execution creditor.

THE FAILURE OF AN EYE LIQUID MANUFACTURER.

A statement of the affairs of John Ede, eye liquid manufacturer, of Birmingham, was submitted to a meeting of the creditors held on the 8th inst. The chair was occupied by Mr J. B. Dyson, of Bartholomew-street, and Mr J. F. Grove appeared for the debtor. Mr Griffin, Mr Collis, Mr Joseph Rowlands (Rowlands and Bagnall) Mr W. Fellows, Mr Lomas Harrison (the receiver), Mr Spencer Dominy, and others, appeared on behalf of the creditors. Mr Grove stated that the proposals he had to make to the meeting were, that the original offer of 2s. in the pound down should be accepted, or that the creditors should take 20s. in the pound in "eye liquid," or that 3s. in the pound should be paid—1s. 6d. down, and 1s. 6d. in six months, secured to the satisfaction of the chairman of the meeting for confirmation, or that the debtor should carry on the trade under inspection for six months, the creditors undertaking to expend in that period £2,000, or thereabouts, in advertising, and to pay the debtor a salary. Mr Fellows proposed "That the offer of 3s. be accepted." Mr Collis seconded the proposition. Mr Stratton proposed, as an amendment, "That the affair be worked for 12 months under a committee of inspection, the debtor receiving 30s. per week as remuneration." He considered that the debtor's trade had been of the most reckless kind, and he would ask the creditors whether they were going to let a reckless man like Mr Ede square up his accounts for 3s. in the pound, and then go and laugh at them. He (the speaker) had calculated that the advertisements would provide an income for the next year of something like £10,000. Mr Fellows: What, out of the eye liquid? Mr Stratton: Yes. He does not come here to put himself in our hands, but he only offers to work under a committee of inspection for six months. Mr Rowlands thought the working of the concern under a committee of inspection for six or twelve months would not be at all practicable. The debtors assets amounted to £915 4s. 5d., and the offer of 3s. in the £1 would amount to nearly £1,600 in round numbers. Adding £200 or £250 for cash, the debtor would have to pay close upon £2,000 if the offer were accepted. He strongly objected to give three or six months for

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the payment of 1s. 6d. in the pound, and he proposed that 3s. in the pound should be paid cash. Mr Bates seconded the proposition. Mr Lewis proposed, "That we don't take less than 6s. 8d." Mr Sargent seconded the motion. The last motion, upon being put to the meeting, was lost, seven voting in its favour and ten against it. Mr Rowland's proposition was then put and carried, 17 being in its favour and one against it. Put as a substantive motion, the result was 12 votes in its favour, and three against. It was remarked that "cash" meant payment in a month. Mr Grove said the debtor was unable to pay the sum required down; and Mr Rowlands ultimately proposed "That such composition of 3s. in the pound be paid or secured within such time and such manner as the Chairman may approve before the confirmation of the resolution." Carried. The meeting then terminated.

LIABILITY OF TRUSTEES.

At the Halifax County Court on Tuesday, before Mr Serjeant Tindal Atkinson, Judge, an application was made by Mr Jubb, on behalf of Mr Frederick Whitaker, woolstapler, Halifax, for an order calling upon Mr C. J. Rhodes, the trustee in the bankruptcy of John Shackleton, woolstapler, Halifax, to deliver up to Mr Whitaker three sheets and three bales of wool, delivered to the bankrupt Shackleton on the 12th December last, or in default to pay £61 10s. 6d., the value of the wool. Mr Smith (Holroyde and Smith) represented the trustee. The facts of the case were as follows:—On the 5th December Mr Whitaker had a sale by auction at the Mechanics' Hall, at which he disposed of various lots of wool, which had been previously advertised and catalogued. The bankrupt attended the sale, and became the purchaser of the wool in question, which, however, remained in Mr Whitaker's possession until the 12th December, when it was delivered to the bankrupt's carter. On the 19th ult. Mr Whitaker was surprised to find Shackleton's bankruptcy advertised, and he at once consulted his solicitors, who gave notice to the registrar of the court, acting for the time being as trustee, not to dispose of the wool. It transpired that a debtor's summons was served upon the bankrupt on the 23d November; that he committed an act of bankruptcy on December 1st; that a petition in bankruptcy was filed and served upon him on December 3d; that he attended Mr Whitaker's sale on the 5th; that the wool was delivered on the 12th, and that Shackleton was adjudicated a bankrupt on the 14th, two days after the delivery. The debtor had given no notice of any intention to dispute the petition as was required by the Act, hence Mr Jubb contended that at the time he purchased the wool, Shackleton had committed an act of bankrupty, and that goods coming into the possession of a bankrupt after a bankruptcy, were not in the order and disposition of the trustee. Mr Smith maintained that as Mr Whitaker had parted with the possession of the wool, and had failed to take any steps to regain its possession, the bankrupt was entitled to it. Mr Jubb repeated that Mr Whitaker knew nothing about the bankruptcy until the 19th December. His Honour ordered the wool or its value to be given up to Mr Whitaker.

Hard Hearted Creditors.—As a sequel to the paragraph under the above heading which appeared in our last issue, it may be stated that the doctor appointed to examine the bankrupt submitted a certificate setting forth that the state of his health was such that he would incur great danger in attending the Court, and it was consequently resolved that the examination should take place at the bankrupt's residence.

The *Law Times* is requested to state that any suggestions to the Bankruptcy Committee appointed by the Lord Chancellor, may be addressed to them at the Treasury.

A petition for the winding up of the Teplitz Colliery and Coal Oil Company (Limited) is to be heard before the Master of the Rolls on the 23rd inst.

COURT OF BANKRUPTCY.

January 9.

(Before Mr. Registrar Pepys, *sitting as Chief Judge.)*

Re Wustenfeld and Siedenberg.— The debtors, described as merchants and commission agents, of Dunsterhouse, Mincing-lane, have filed a petition for liquidation, with liabilities returned at £10,000, and assets, comprising stock-in-trade, book debts, and furniture, about £4,000. It appeared that the debtors had been extensively engaged in the cotton trade. Claims to portions of the assets had been made, and in order to guard against fluctuations in the market, it was necessary that the cotton now on hand should be realized. Mr. W. A. Crump now applied that Mr. Shubrook, accountant, Gracechurch-street, should be appointed receiver and manager. He stated that contracts were pending which rendered the appointment desirable. His Honour granted the application.

January 11.

This being the first day of Hilary Term, the sittings in Lincoln's-inn-fields were resumed. The morning's list was unusually short, two cases only being entered for hearing before Mr Registrar Hazlitt, as Chief Judge.

Re Ernest Scott Jervis.—This was a sitting for public examination. The bankrupt, described as of 54, Queen's-gate, Hyde Park, of no trade or occupation, had been adjudicated upon the petition of M. Rudolphe Helbronner, embroiderer, of Regent-street, a creditor for £261, for goods supplied to the bankrupt. The debts are estimated at £150,000, with assets of doubtful value. At a former meeting the bankrupt was ordered to file his accounts, but he had not yet done so. Mr Brough, for the trustee, asked that a peremptory order should be made requiring the bankrupt to file his accounts within a period to be named, and that in the meantime the sitting for the public examination should be adjourned. Mr Lumley, for the petitioning creditor, concurred in the application. His Honour made a peremptory order that the bankrupt should file his accounts within one month, and adjourned the examination until the 22d of February.

(Before Mr. Registrar Hazlitt.*)*

Re Dean, Gilbert and Elderkin.—Application was made to continue the interim injunction granted against several sueing creditors until the further order of the Court. The debtors are woollen warehousemen, Little Britain, and 4, Carr's Lane, Birmingham, who failed in December last for £4,000, the assets being about £3,000. An application was made to the Court last week for the appointment of Mr James Waddell as receiver and manager of the estate, in the place of Mr J. Jordan, who had tendered his resignation at the first meeting, at the request of the creditors—he having been a clerk in the employ of the debtors. Mr H. Wright now applied to his Honour to continue the injunction granted against five of the creditors until the further order of the Court. In reply to a question from the learned Registrar, Mr. Wright stated that he applied on behalf of the late receiver, Mr Jordan, on whose behalf he had given notice of the present application previous to the appointment of Mr Waddell. His Honour continued the injunction against all the creditors until the further ordering of the Court.

January 12.

(Before Mr. Registrar Roche, *sitting as Chief Judge.)*

Re Francis Godrich, jun.—The bankrupt was the defendant in the late divorce suit of "Godrich v. Godrich." He had been adjudicated upon the petition of Mr A. Beddall, solicitor, a creditor for £253 10s. 6d., being the petitioner's costs directed to be paid pursuant to an order of Sir James Hannen. There have been several adjournments of the sitting for public examination, and at the last meeting, held on the 24th of November, the bankrupt was ordered to file a full account of his transactions with his father, to whom, it was alleged, his property had been transferred A statement of affairs showed debts of £2,081, and there were no assets. Mr Beddall appeared for the trustee; Mr Bagley for the bankrupt. It was stated that since the last sitting the bankrupt had filed an account of his transactions with his father, but the trustee, who still opposed, pointed out that the statement rendered was defective in several material parti-

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culars. On behalf of the bankrupt, and in opposition to any further adjournment, it was urged that the case had been before the Court for more than a year, and the facts had been fully investigated. The bankrupt was described as the not very careful son of a very indulgent and liberal father; he had been engaged in unfortunate litigation, which had led to his ruin, and in the absence of books no better accounts could be rendered. His Honour thought the bankrupt was bound to furnish specific details respecting the payments made by his father on his behalf. He regretted that much perverseness had been shown throughout the case, and said that one of the parties had acted very improperly in writing a letter to him privately. Mrs Godrich said she did not intend to prejudice the mind of the Court in any way. She had been most cruelly treated. His Honour said that if Mrs Godrich had any complaint to make she could bring it forward in the usual way. The matter was then adjourned, Mr Paget, the official assignee, undertaking to assist the bankrupt in the preparation of the further account desired.

January 13.

(Before Mr. Registrar MURRAY, *sitting as Chief Judge.)*

RE VON HAFEN.—The question in this case was whether a joint creditor, who had obtained an adjudication againt one of two members of a firm, was entitled to prove upon the separate estate for the purpose of receiving a dividend. Mr De Gex, Q.C., and Mr Bagley were counsel for the petitioning creditor, and Mr Davey and Mr F. O. Crump for the trustee. It appeared that on the 2nd of May, 1874, Sir Thomas Pasley, being a creditor of Messrs Von Hafen and H. Pasley for the sum of £3,186, filed a petition against Von Hafen, under which, on the 19th of May, adjudication was made. On the 7th of May the same creditor presented a petition against H. Pasley, and on the 27th adjudication resulted, but an order was afterwards made, by consent, that the two bankruptcies should be worked separately. No claim had been made by Sir Thomas Pasley to rank against H. Pasley's estate in respect of his joint debt, but, as petitioning creditor, he sought to prove and receive dividends under the separate estate of the bankrupt Von Hafen. His Honour held, however, that the petitioning creditor could not receive any dividend out of the separate property of Von Hafen until all the separate creditors had received the full amount of their debts.

RE LAURANCE VAN PRAAGH.—The debtor, who is a diamond merchant and jeweller, carrying on business in Oxford-street, has filed a petition for liquidation, with liabilities of £6,000, and assets, consisting of stock in trade, £1,500, and book debts £200. Upon the application of Mr C. Harcourt, for the debtor and two of the creditors, the Court appointed Mr T. H. Wintle, accountant, Coleman-street, receiver of the estate.

January 14.

(Before Mr. Register BROUGHAM, *as Chief Judge.)*

IN RE GRANT, BRODIE, AND CO.—The debtors, who traded as commission merchants in East India-avenue, failed in June last, and their affairs are now under liquidation by arrangement, in pursuance of resolutions come to by the creditors. The liabilities were returned at £167,556 and assets £23,755. The case now came before the Court on the hearing of a motion made on behalf of Messrs J. C. im Thurn and Co., agents for Messrs L. C. Stagg and Co., of Guayaquil, for an order that the trustee do hand over to Messrs J. C. im Thurn and Co., as such agents, remittances amounting to £1,760, subject to a slight deduction, and which remittances had been cashed by the debtors at the date of their suspension of payment.—Mr Nicol appeared in support of the motion; Mr Winslow, Q.C., and Mr Morley were counsel for the trustee.—It not appearing for what purpose the remittances in question had been made, his Honour said this was very material, and allowed the motion to stand adjourned for further evidence on the point.

January 15.

(Before Mr. Register PEPYS, *as Chief Judge.)*

IN RE HENRY BRINSLEY SHERIDAN, THE YOUNGER.—This was an adjourned meeting for public examination. The bankrupt was described as of George-street, Westminster, and Garway-road, Bayswater, contractor, trading under the style of Sheridan, Kemball, and Co.; and adjudication against him was made on the petition of Messrs D. McStephens and Co., discount brokers, Manchester.—Mr Baker, who appeared for the trustee, said he understood that the bankrupt had been prevented by illness from filing his accounts, and desired further time for the purpose; also to enable him to annul his bankruptcy upon payment by instalments of a composition of 10s. in the pound.—Mr E. Lee represented the bankrupt.—A further adjournment for a month was taken by consent.

IN RE VINCENT CHARD.—The bankrupt, who was a stockbroker, of 31, Threadneedle-street, late of Austen-friars, was allowed to pass his public examination without opposition on a statement of affairs disclosing liabilities to the amount of £4,938, and assets £150.—Mr Lumley appeared for the trustee, and Mr. Rooks for the bankrupt.

ACTION AGAINST A LIQUIDATOR.

(before Baron BRAMWELL *and a Common Jury.)*

January 14.

COULSON V. ROBERTS.—Mr Garth, Q.C., and Mr Israel Davis were counsel for the plaintiff; Mr Grantham, Mr Fullerton, and Mr Kildare Robinson for the defendant. The plaintiff was a book-keeper to the Co-operative Croydon Brewery Company, now in liquidation, and the defendant was the liquidator of the company. The action was brought for an alleged slander, imputing dishonesty and embezzlement to the plaintiff, and evidence was called to prove the terms of the slander; but upon the defendant denying that he had ever cast any imputation on the plaintiff's moral character, although he had complained of the negligent manner in which he kept the books, the jury stopped the case, and found a verdict for the defendant.

COURT OF SESSION, EDINBURGH.

JAN. 7.

(Before Lord YOUNG.)

GOURLAY (PINKERTON AND SONS' TRUSTEE) V. HODGE.—In this case the trustee on the sequestered estates of John Pinkerton and Sons, merchants, Glasgow, sued William Hodge for reduction of certain delivery orders, &c., of pease, beans, and oats sold and delivered by the bankrupts to the defender, the value amounting in all to £238 5s. The pursuer alleged that the parties were conjunct and confident, the defender being father-in-law of one of the bankrupts, and that the transaction was struck at by the Act 1621, cap. 18. The pursuer further alleged that at the date of the transaction, which was within sixty days of the bankruptcy, the bankrupts were insolvent, and were largely indebted to sundry persons who have since ranked on their estates, and that the same fell under the statute 1696, cap. 5. In defence it was maintained that the goods in question had been delivered in partial implement of a contract of sale, under which the price had been paid to the defender; that the action, so far as founded on the statute 1696, cap. 5, could not be maintained, in respect the deliveries were made not in satisfaction or security of prior delivery, but in fulfilment *pro tanto* of the bankrupts' obligations under the contract between them and him; that the deliveries not having been made to a conjunct or confident person without a just, true, or necessary cause, to the prejudice of pursuer's creditors, they were not challengeable under the Act 1621, cap. 18; and that the defender having under the transactions in question paid the sum of £500 to the bankrupts within sixty days of the bankruptcy in consideration and on the faith of performance of their counter obligations as to delivery, and the deliveries made in pursuance of the contract having been of much less value than said sum, the defender ought to be assoilzied. The Lord Ordinary decided that the deliveries of the goods referred to in the summons and on the record were not in contravention of the Act 1696, and therefore assoilzied the defender from the conclusions of the summons, with expenses.

January 9.

THE SCOTTISH HERITABLE SECURITY COMPANY (LIMITED) V.

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Watson and Son.—This is an action of poinding the ground against John Watson and Sons, coalmasters and oil manufacturers at Bathville, near Bathgate, and in Glasgow, and the individual partners thereof, and William Mackinnon, accountant, Glasgow, trustee on their sequestrated estates. Watson and Sons obtained an advance from the pursuers of £6,500 in 1871, in consideration of which they granted an absolute conveyance in favour of the pursuers of the farm of Harestanes, now called Bathville, belonging to them. A personal bond was also granted at the same time, in which it was stipulated that, notwithstanding the absolute conveyance in favour of the pursuers, they were to allow the defenders to possess, manage, and draw the rents of the subjects thereby conveyed, so long as the instalments stipulated in the bond were regularly and punctually paid. The defenders having failed to make any payment to account since Whitsunday, 1874, the present action has been raised. The estates of the defenders were sequestrated on November 24, 1874, and the trustee has lodged defences, in which he pleads that the pursuers being, at the date of instituting the action, heritable proprietors infeft in the subjects in question, and the bankrupts being in the lawful occupation thereof with their consent and not in virtue of any real contract or other heritable right or title, their effects are not liable to be attached by the diligence of poinding the ground; that the debt due by the bankrupt to the pursuer not being *debitum fundi*, the same is not a sufficient ground and warrant for the issue of the diligence of poinding the ground; and that the present action is not a habile or effectual mode of attaching the bankrupt's effects; that under the Bankruptcy Act, 1856, the right of the defenders, as trustee to the whole of the effects situated in said subjects, is preferable to that of the creditor poinding the ground after the date of sequestration; that in the circumstances the pursuer's preference is limited to the specific subjects conveyed to them under the *ex facie* absolute title; and that in any view, the subjects ought to be attached, and particularly the machinery, coals, &c., are not subject to the diligence of poinding the ground at the instance of an heritable creditor.

January 13.

Petition – Blair Official, Liquidator of Southern Bank of Scotland. – This is a petition at he instance of Hugh Blair, C. A., Edinburgh, official liquidator of the Southern Bank of Scotland, for winding up the affairs thereof, in terms of the Companies' Acts, 1862 and 1867. The bank in question was established in Dumfries in the year 1838. It was formed on the footing of a joint-stock company, under an order contract of copartnery among the shareholders, but without any charter or Act of Parliament. The Company commenced business on the 11th June, 1838, and after about four years its business was transferred to the Edinburgh and Leith Bank. It was part of the arrangement and transfer of the business that the Southern Bank should realize its assets and discharge its liabilities. The petitioner was appointed by the Court in November, 1873, and he made up a list of the contributories, and now presented the present petition for the purpose of having the said list settled, and for further purposes, with a view of winding up said bank. A revised list of contributories has now been settled, and the Court to-day ordered claims to be lodged within eight days.

COURT OF BANKRUPTCY, DUBLIN.

January 12.

(*Before the Hon. Judge* Miller.)

Re Edmond O'Beirne.—The bankrupt had been manager of a branch of the National Bank at Kells, county Meath. He had left the country, having first executed a deed, vesting his property in trustees. The liabilities were considerable. The present sitting was for the examination of witnesses, to whom the bankrupt had been indebted—Mr Francis Chadwick, Mr Joseph Marley, solicitor to the Crown Assurance Company; and Major John Leslie. These gentlemen denied having any knowledge of the deed executed by the bankrupt, and stated that the latter before leaving the country, went to them stating that arrangements had been made for the payment of these debts, and the promised payment was never made afterwards. Mr Carton (instructed by Mr Larkin) appeared for the assignees; Mr Foley, Q.C. (instructed by Mr Foley), for the bankrupt; and Mr Eaton, solicitor (Oldham and Eaton), and Mr Fitzgerald (D. and T. Fitzgerald) for witnesses.

Re O'Toole and Son.—The bankrupts were printers carrying on business in Great Brunswick-street, and the meeting was for examination of witnesses. Evidence was given in reference to a bill of sale of their premises to a Dr Gordon in 1873, and also in reference to certain contracts for the printing of books not yet completed Mr Scallan appeared for Miss Cusack, of Limerick; Mr Heron, Q.C., appeared for Mr Duffy, publisher, Wellington-quay; and Mr Samuel Walker, Q.C., for Mr Wyley. It was arranged that the bankrupt should be permitted to complete the works at present in hand, after which the case was adjourned. Mr Perry (instructed by Mr Davoren) was for the assignees.

CREDITORS' MEETINGS.

The following meetings of creditors have been held during the week :—

Kelly, Hill, & Co. (Glasgow)—At a meeting of the creditors of Kelly, Hill, & Co., merchants and colonial agents, St. Vincent-street, Glasgow, held on Thursday, in the Faculty Hall, Mr Wm. Brown (of Moore and Brown, accountants, Glasgow) was elected trustee. The liabilities were stated at £12,417 12s. 8d., and the assets at £9,317 12s. 8d.

Thos. Brown (Bingley).—A first meeting of the creditors of on Mr T. Brown, bobbin maker, Beechfoot Mill, Bingley, was held Thursday afternoon at the office of Messrs Lees. Senior, and Wilson, solicitors, at Bradford. From a statement of affairs produced by Mr Buckley, accountant, it appeared that the debtor's liabilities were £1,621, and the assets £1,817, which were more than equal to the payment of 20s. in the pound. Some difference on the matter of insurance had involved the debtor in difficulty. It was resolved to liquidate by arrangement, and the debtor received his discharge, and Mr C. J. Buckley was appointed trustee, with a committee of inspection.

E. T. Wood (Manchester). –The first meeting of creditors of Edward Thos. Wood, 49, Ashton New-road, Beswick, and Hyde-road, Manchester, baker and flour dealer, was held on Thursday at the Manchester County Court, before Mr Registrar Kay. The statement of affairs produced showed liabilities £1,937 14s. 5d., assets £1,487 9s. 4d. Mr Cobbett (Messrs Cobbett, Wheeler, and Cobbett), solicitor, appeared on behalf of the principal creditors. Resolutions were passed appointing Mr Wm. Butcher, of 73, Princess-street, public accountant, the trustee, with a committee of inspection.

David Davis (Carmarthen).—An adjourned meeting of creditors of David Davis, ironmonger, Carmarthen, was held Jan. 11 at the offices of Messrs Lomas, Harrison, and Starkey, accountants, Cannon-st., Birmingham. Mr Parsons, Bristol, presided. After a long discussion, Messrs Parsons, Kemp, and Harrison, who represented creditors, succeeded in obtaining a composition of 12s. 6d. in the pound from the debtor, who was represented by Mr Lloyd. It was resolved that the composition should be payable—5s. at three months from the 22nd January, 5s. at six months, and 2s. 6d. at nine months from the said date. It was also agreed that the money should be paid by the joint and several promissory notes of the debtor and another person to the satisfaction of Mr Parsons.

Robert Lumgair (Arbroath).—At the Forfar Sheriff Court, on Monday, Mr R. Lumgair, export merchant and manufacturer, Arbroath, was examined in bankruptcy. He said he had been in business since 1847, as a partner in the late firm of David Lumgair and Sons, Millgate. That firm was dissolved in 1860, when the bankrupt commenced business on his own account—his capital amounting to £2,700, to which had been added £3,000 which he had received from the estate of his father and sister. Some of his books were "back" for two years. His last balance was made in December 1870, when his assets amounted to—freight consignments, without advances, £10,989 15s 6d; with advances, reversion after deducting advances, £11,737 10s 3d; cash, £12 9s 6d; flax stock, £927 13s 8d; manufactured stock, £3,400; heritable property, £2,549 13s 8d; an expected sum from his father's estate, £1,000; and sundry small sums, amounting in all to £113 4s 8d—total, £30,750 7s 3d. His liabilities at that date amounted to £15,676 19s 1d, leaving a reversion in his favour at that time of about £15,000. The state of affairs he made up for his first meeting of creditors showed a deficiency

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of £1,640, which he now amended by making the value of his household furniture £1,000 instead of £500. He believed, however, that he had overstated the reversion by about £840. This arose from an omission on the part of his clerk. He attributes his losses to laying out money on the factory to the extent of £1,500 beyond its value; on the mill to the extent of £500; on Greenbank House to the extent of £1,000, and the depreciation on foreign consignments. About two years ago he also made a bad debt of £1,000. His average annual expenditure was £900, and he paid £2,500 a year for commission and discount. He had latterly entered into a partnership in the firm of Lumgair and Son, the partners being his son and himself. The usual oath was administered.

J. MELROSS AND CO. (GLASGOW)—At a meeting of the creditors of Jas. Melross and Co., commission merchants, Hutcheson-st., Glasgow, held on Monday, Mr David Black, Hutcheson-street, Glasgow was appointed trustee; and Messrs Roger, Watt, and Paul Glasgow, law-agents in the sequestration. The liabilities of the firm amount to between £600 and £700, and the assets *nil*.

CHARLES QUERNER (LIVERPOOL).—At the County Court, on Wednesday, before Mr Registrar Watson, a meeting of creditors was held under the bankruptcy of Charles Querner, of Lombard-chambers, Bixteth-street, commission merchant. The accounts disclosed liabilities £4,364 19s 8d, and assets £470, consisting of book debts £6,073, estimated to produce £440, and office fixtures £30. Debts amounting to £1,600 were proved, and Mr Bolland chosen trustee, with a committee of inspection. Mr W. Morris and Mr Lyon represented the creditors. The public examination was appointed for the 12th February.

ROBERT TAYLOR HARDING.—The debtor, described as a packing-case and paper-box maker, of 21 and 22, Caroline-street, and Victoria-cottage, Hunter's-lane, Birmingham, has filed a petition for liquidation, with liabilities estimated at £2,000, and assets at £500 or thereabouts. Upon the application of Messrs Saunders and Bradbury, solicitors for the debtor, Mr Registrar Chauntler appointed Mr Charles Wm. Elkington, the High Bailiff of the said Court, receiver of the estate.

A petition has been presented to the Court of Chancery for the winding-up of the Peat, Coal, and Charcoal Company (Limited).

Sir Sydney Waterlow, Bart., M.P., has been appointed by the Union Bank of London a duly qualified proprietor, to fill the vacancy caused by the death of Mr W. W. Arbuthnot.

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The Accountant

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N.B.—Subscriptions and advertisements will now be received at the Branch-office of the Accountant, 127, Strand.

The Accountant.

JANUARY 23, 1875.

The pamphlet of Mr. Knott, which the Prudential Assurance Company has so kindly advertised for him, will be of good service, if it draws the attention of insurers to the varying positions occupied by the many offices which compete for their patronage. Till the Board of Trade compelled Insurance Offices to publish their accounts, there existed no means of ascertaining whether an office was solvent or not, except to those initiated into city mysteries. And, even now, the published accounts are hard to understand. Facts and figures are proverbially fallacious, and we suspect that to the vast majority of the world a balance-sheet might as well be a piece of blank paper for all the information which it conveys to them. What the proportion of assets to liabilities ought to be, what is and what is not an extravagant percentage of working expenses, can hardly be decided by any general rule, as it depends on many things—on the age of the company, on its constitution, whether mutual or proprietary, or on its system of division of profits, and, it may be added, on its practice of selecting lives carefully, or of admitting old and young, strong and sickly, with equal want of discrimination. Nor is it easy to know where to turn for advice and information. Few persons can dissect the mass of figures, and those who can are seldom wholly disinterested. Almost everybody who likes can become an agent for some office or another. His duties are confined to filling up a few forms and answering a few questions, while his remuneration is dependent on the amount of business he does. Go into a solicitor's office. It is decorated with an almanac containing much information about the affairs of some insurance office. Ask the solicitor's advice. He is probably an agent for that very office, and his opinion, though genuine, can scarcely be disinterested. He may know literally nothing about the position of the office; indeed he has seldom any opportunity of ascertaining it. But to say so would be fatal to his chance of gaining his commission. He will probably strongly recommend the office for which he is concerned. All may turn out well; the office may meet any claim on it punctually and honourably. But if anything goes wrong, the agent shields himself under the plea that he really knew nothing about the state of the company's affairs.

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It is, perhaps, wise to choose an [illegible] for which a solicitor is agent. The law offices are numerous [illegible] well managed, and a professional man has a character for prudence and caution in business matters, which is generally justified by facts. His investigations may not be very profound, and his knowledge of accounts still less so, but he has means of forming an independent judgment, and it would be damaging to his reputation to be connected with anything which was not tolerably substantial. But, unfortunately, agents are of all classes, and the lower their social status the more pushing they are. The commission allowed is a nice addition to the returns of their business, it is earned with but little trouble, and, the insurance once secured, it is regularly paid. The statements of agents for any particular office should, therefore, be very carefully sifted, and treated merely with the amount of respect due to the recommendations of interested persons.

An intending insurer therefore is driven to rely mainly upon his own observation, and, perhaps, his best course is to apply to one of a class of men which is not very numerous, but of extreme utility. There are firms who make it their business to advise on all questions of insurance, and whose advice is generally straightforward and of some practical value. They can set before him the terms of various offices, and point out to him which offices charge the lowest premiums, and which, while charging apparently high rates, make up for it by their additions to the value of a policy. This plan might well be extended, and many accountants in provincial towns might devote some attention to this branch of their business. An insurer must, in most instances, be guided by considerations peculiar to himself. He may look upon insurance not so much as a means for providing against loss to his family by a sudden death, but as a judicious system of saving money, and his attention will be naturally directed towards the question of large bonuses and a full division of profits. He may be a poor man, to whom it is a matter of extreme self-denial to lay by the due amount of premiums. He chooses, therefore, an office in which the rates are low. Decision must in each case be the result of a close comparison of relative advantages; and to afford the means of obtaining this comparison is a beneficial and lucrative branch of business, which might, with advantage to all concerned, be far more developed than it is at present.

We have left to the last the all-important question: how can a man make certain that the money he has invested in insuring his life may not after all be wasted? In the first place, a few simple rules may guide him. A young office is always more or less uncertain. The strain is seldom felt till after five and thirty y[illegible] existence. Then an office doing a large amount of business [illegible] necessarily safer than a smaller one. So long as enough [illegible] is transacted to afford a proper average of profit and sufficient security is given, the true test being the ratio between the assets and liabilities. But, as to these points, the best advice will be given by men who make a profession of giving it, and whose status is a guarantee for their responsibility. They will be bound down to serve no particular masters, whose wishes they must promote at all hazards; but they will feel that their duty is to their clients, and that duty need not clash with their own interests. Besides such, a keen watch would be set on the doings of various companies. This seems a duty that accountants as a body might well perform. How much business is done through agents the vast sums paid for commissions sufficiently show. If accountants, as a rule, acted on the principles we have indicated above, all parties would be gainers. Insurers would be protected from loss, and companies would gain not only in business but in experience of what the public really desires. The ideal system of life assurance has yet to be devised.

The little note as to the Cheque Bank which we quote from the *Pall Mall Gazette* does more credit to our contemporary's sense of wit than its knowledge of the practical working of the institution in question. For its rules clearly provide that the suppositious "Smith," on showing his counterfoil duly filled up with the amount of one pound only, shall be credited with the balance. But there is another point which is not so clear, and that is the course which the Cheque Bank would take in case of forgery. Their cheques are analogous to a circular note. The amount must be lodged before the cheques are issued, and is retained till the cheque is presented for payment. By this means the payment of a Cheque Bank cheque is absolutely certain. But supposing that a depositor loses his cheque-book or has it stolen, and that the new possessor determines to utilize the cheques. He may fill them up with any name he pleases and in any kind of signature, and the forgery cannot be detected by a person to whom they are paid. In such a case, will the bank pay the cheques, and if so, on whom will the loss fall? It is obvious that to cast upon the casher of the cheque the duty of inquiring whether the signature is genuine would destroy that perfect negotiability of their cheques

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which is essential to the success of the system of operations of the bank. And if the cheques are to be [illegible] about available as bank-notes, they must [illegible] the inevitable result of loose in the pocket[illegible], and a consequent loss to the bank. We do not know how this difficulty is solved, but we would suggest to the directors that they might, if they think the point worth consideration, still further assimilate their practice to that of bankers when issuing circular notes, and give each customer a paper on which he may write his usual signature, to be formally attested and sealed with the seal of the bank. This document can be produced whenever a cheque is signed, and would afford an easy mode of testing the genuineness of the signature. Of course if it was not asked for, the person neglecting the precaution would have to bear the loss, in the event of his cashing a forged cheque. In country towns and abroad, the genuineness of the signature is, according to our own tolerably varied experience, the subject of considerable investigation. Unless some such plan is adopted, it is possible that some ingenious gentleman may turn his attention to the reproduction of cheque bank cheques. To imitate the cheques of any ordinary bank, would not be a very profitable speculation, but if the cheque bank cheques are taken without inquiry in every quarter, a sure fortune might be reaped by a successful forger. We commend these observations to the consideration of the directors.

It is rash for persons south of the Tweed to comment upon Scotch law, but the case of *Ritchie v. Balgarnie and Ritchie* seems to bear rather hard by upon the trustee. The point is simply this. The trustee rejected a proof as insufficient, but allowed the creditor eight days within which to adduce more satisfactory evidence. This the creditor failed to do, and he also took no steps to appeal against the trustee's decision within fifteen days, the time limited by the Scotch Bankruptcy Act. The creditor however, when the trustee was proceeding to distribute the assets, applied for an injunction to restrain him from so doing, on the ground that the trustee ought to have informed him that any appeal must be lodged within fifteen days, a theory which was supported by the Court. In England the answer to such a claim would have been, that every man is supposed to know the law thoroughly, and that it was not the trustee's business to inform him of it. In conformity with this doctrine, we find that in *ex parte Hinton* Sir James Bacon summarily dismissed an appe[al] which was not lodged within due time, though the appellan[t] [illegible] some show of technical justice on hi[s] [illegible]. It is certainly strange doctrine [th]at a trustee should be bound to act not only as an officer of the Court to manage and distribute the estate but also as legal adviser to the creditors. It is satisfactory to find that we are more technical and, indeed, more practical in England.

A case reported from the Birkenhead County Court, and which follows a decision of the Chief Judge, is worth noting for practical guidance. The stamps to be affixed to a special resolution for liquidation, are to denote a duty computed at the rate of five shillings per cent. on the gross amount of the estimated assets, such duty not in any case to exceed £200. This rule has been further modified by the Chief Judge in a manner which is only fair. Where the assets exceed the liabilities, duty is to be paid upon them only to the amount of such liabilities, and not according to the strict wording of the rule. It will be necessary for trustees to exercise due care in estimating both assets and liabilities, before the resolution is presented for registration, or they may have to pay heavier stamp duties than the case warrants, as the Court may hold as it did in the present instance, that as there is a possibility of further claims coming in, the assessment of the stamp duty was premature.

We call attention to the Lord Chancellor's judgment in the Prudential Assurance Company's case, as it confirms most strongly the view we took last week, and as to which there has hitherto existed some difference of opinion among lawyers. The doctrine we laid down that the Court of Chancery would not interfere to prevent the publication of a libel, has been called in question by one or two correspondents, who maintained that where there was danger of injury to property the Court would interfere. This opinion was, however, summarily disposed of by Lord Cairns, who referred to the very decision of Lord Eldon's in *Gee v. Pritchard*, which we cited. The liberty of the press is surely sufficiently curtailed by the growth of criminal informations, and the extension of the doctrine of contempt of Court, without adding to these checks the terrors of a possible injunction, especially as the question of what is a libel is mainly one for the consideration of a jury.

Sir Charles Domvile's case shows that the Court of Bankruptcy in Ireland is as determined to oppose any attempts to restrict its jurisdiction, as the Court of Bankruptcy in England. Such a question as the

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validity of a lease would be clearly within the province of the Court to determine, if any question of fraud was raised, and it was contended that the lease was merely colourable or amounted to a fraudulent preference, and the case may now be tried before a jury in the same way as in a Court of Common Law. Both simplicity of procedure, and limitation of expense, are promoted by construing, as widely as possible, the powers of the Courts of Bankruptcy in dealing with the contracts and engagements of any bankrupt.

Correspondence.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—It seems that notwithstanding all the legislation of the last 300 years, the Law of Bankruptcy is not yet satisfactorily settled. What can be the reason? I think it is because no proper basis has been fixed. I do not wish to notice the various complaints made from time to time by creditors and others as to this or that particular part of the Law of Bankruptcy, or rather I would pass by all the grievances of both creditors and debtors, and endeavour to discuss the matter in something like a scientific manner; for I am persuaded that the dissatisfaction evinced with respect to the Bankruptcy Acts is almost entirely, if not altogether, owing to the absence of a proper consideration of the subject. I am, however, quite aware that to treat of the subject as it requires would demand a small volume rather than a letter, and I shall endeavour as much as possible to compress my remarks, and give, as it were, only hints and heads of thought, that others may work out my ideas. The first statute made concerning English bankrupts appears to have been the 34 Hen. VIII., c. 4. Then Statute 1 Jac. 1, c. 15, and 21 Jac. 1, c. 19, with subsequent statutes until 5 Geo. II., c. 30, and so on to the last Act of 1869. Now, a bankrupt was at first considered merely as a criminal offender, and his punishment was transportation. To realize this fact we may perhaps do well to revert to the ancient Roman law of the XII Tables, by authority of which the creditors might cut the debtor's body into pieces, and each of them take a proportionable share; and although some learned men have doubted whether the law, "*de debitore in parte secundo*," is to be understood in so very butcherly a light, I am mistaken if one or more of the Latin poets do not favour the more literal interpretation. Be this as it may, our own laws in the time of James I. treated a bankrupt as a criminal, and, to be very short, it is equally clear that subsequent legislation has pared down the horror of opinion as to bankruptcy until we have now come to such a pass that the *creditors* may be thankful if they escape the condemnation which formerly awaited the bankrupt. I must not be sentimental, but keep to my task. What, then, is the true state of things in a bankruptcy, looking at the matter in a strictly scientific manner? or, rather, what should be done in a bankruptcy, judging philosophically, and with a view to the fair settlement of the law in any state concerning it? It appears to me, at the outset, that taking the case of a debtor and creditor, in which by any evident and plain sign or testimony the debtor is not able to pay his creditor 20s. in the pound, the estate of the debtor belongs to his creditor, and that it is contrary to all true principles of statesmanship and legislation for any State, by its own action, and through the instrumentality of the law, to meddle with the matter unless it be to empower the creditor to take possession of the effects of the debtor; for, to put the case in the simplest form, if A obtains from B goods to the amount of £10.000, and then avowedly is made to pay for these goods, surely B ought to take back those goods, or so much of them as is left on the failure of A, and the case is just the same if B represents 100, 500, or 1.000 creditors; the whole business is evidently their own business, and the only question is how far legislation is to intervene in the realization of the bankrupt's estate. The first consideration is that the whole matter lies between the debtor and his creditors; the public and the State at large have nothing to do with the matter, and as, by the necessary terms of the question, A cannot pay 20s. in the pound, the whole matter is with the creditors, it follows that legislation should be applied only; first to protect A, if necessary, from his creditors, and secondly, to protect the creditors from one another but any interference of *public* courts, *public* trustees or assignees, and machinery like the old Bankruptcy Courts, &c., is altogether out of the question; the creditors, the estate being altogether theirs, ought to please themselves how they dispose of it, without any interference from without, whether Parliamentary, legal, or otherwise, subject only to an appeal to some court, and to the law, if they do not right, either as between the debtor and themselves, or as between one another. If this view be correct, then it is plain that there ought to be no Bankruptcy Court that is *as hitherto constituted*, and only for decision of legal points and questions, no Official Assignee, no Comptroller, &c., &c., but that the creditors, *whose the estate avowedly is*, should be at liberty to make the most for themselves of that which, by the very terms of the proposition, is their own property. And this brings me to observe that, in my opinion the Bankruptcy Act, 1869, is, in the main, a good Act; it recognises all I have said in its provisions for liquidation and composition; it seems to say "the estate belongs to the creditors, let them do as they please with it"; whilst it makes provision for appeal both by debtor and creditors to a court if any injustice is complained of. With respect to complaints by creditors of expenses and small dividends, it surely is evident, without any proof that in all these cases expenses must be incurred and that dividends must depend upon realization of assets. As to the first, a very sensible rule has been adopted in one or more districts of making a trustee's remuneration the same as that fixed by the bankruptcy rules for the Registrar when acting *ex officio*, and such further remuneration, if any, as the committee of inspection—or if no committee, the registrar—shall allow. Nothing, surely, could be fairer than this, at least for the creditors! As to the latter, it is quite clear that *if the remuneration lie on this footing*, it is the interest of the trustee not only to get in as much of the estate as he can, but also to keep down expenses, so as to pay as large a dividend as possible; indeed, this admirable arrangement simply makes the whole matter the business of the trustee to do the best he can for himself by doing the best he can for the creditors. I cannot now work out the question, but a reference to and consideration of the

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rules will show that I am right in my argument. Then as to the parties to be appointed trustees. In the first place, it may be remarked that by the law, as it now is, solicitors MAY act as trustees. I suppose that none will contend that the law should be that none but solicitors shall so act; for it would be obviously impossible to pass such an *obligatory* enactment; and I know from extensive experience that solicitors, after having had a little trial of the thing, shun the office and will not have it. The same reasoning applies to creditors; it could not be that any section of a bankruptcy act should declare that none but a creditor should be a trustee; a creditor *can* be a trustee now, but he cannot either now or hereafter be *compelled* to be trustee; and here also I remark that I have known creditors determinedly refuse the office; it does not suit them to leave their regular business, in which they are making, not perhaps cent per cent, but some per centage, to look after the dilapidated affairs of a bankrupt for the benefit, not of themselves alone, but it may be of a hundred other creditors. There remains, therefore, unless the office of trustee is to be, as at present, in the choice of the creditors, as it is contended it ought to be, the whole affair being theirs—only the old official trustee or assignee. Surely we have had enough of him. The commercial world, suffer as they may from small dividends, will never consent to restore him; is there any one so bold as to propose his reinstation? If permitted to offer a recommendation, I should, on the whole, propose that there should be no longer any such thing as simple bankruptcy, and that liquidation or composition should be the only modes of winding-up an estate; then I think the Bankruptcy Act, 1869, along with the Debtors' Act, 1869, would, with some slight but effective alterations, put the Law of Bankruptcy on a sound basis. What those alterations ought to be, so far as my opinion goes, I may endeavour to show in a subsequent letter: in the meantime, I would beg all who take an interest in the matter to take a comprehensive view of it and go to the root of it. The old principle was "bankruptcy is criminal," just as burglary, &c.; the modern principle is, "bankruptcy may result from unforeseen and even unavoidable consequences"—that is, considering the course of modern trade and commerce, and the bankrupt ought not to be punished as a criminal unless he has been fraudulent, but under any circumstances it is recognised by the provisions in the Act of 1869 for liquidation and composition that when a debtor cannot pay 20s. in the pound his estate evidently is the estate of his creditors, and that they must, subject to certain conditions and restraints *as amongst themselves*, be at liberty to appoint what trustee they like, and to do as they like with what is in fact their own property.—I am, Sir, &c.,

B. J.

MESSRS. OVEREND, GURNEY, AND CO.—Messrs. Turquand and Harding, the liquidators of Overend, Gurney, and Co., have published a statement of the affairs of the company as they stood at the end of the year. From this we learn that the assets realized £41,496 13s. 6d last year, allowing a further 10s. to be distributed to shareholders. There are still considerable sums to be realized, but those assets of which the liquidators feel satisfied that the value will come up to their estimate only reckon for £38,471 9s. 4d. The doubtful assets left to be realized (Class B in the account) are nominally worth £224,425 18s. 2d., but what they will yield cannot be stated. It is some satisfaction, however, to find that so far as the liquidation has gone, the properties of the firm have realized £1,515 odd more than estimated. £20,248 5s. 11d. was received from the life interest last year, and some insignificant sums have come in on account of calls upon shares.

ACTION AGAINST A LIFE INSURANCE COMPANY.

In the Court of Exchequer, on Tuesday, (Barons Cleasby, Pollock, and Amphlett sitting in banco), judgment was pronounced in the case of "Beake v. the British Imperial Insurance Company." It was an action arising upon an insurance policy effected by the late Dr. F. B. Beasley with the insurance company for £1,000. The plaintiff was the widow of a man to whom the policy had been assigned, and who was killed by a railway train passing over his body at the Battersea Station. Dr. Beasley, who had been a medical officer of the defendants', was drowned while attempting to ford a stream or river in New Zealand. The action was tried before Baron Pollock at the after-term sittings in June last, and resulted in a verdict for the plaintiff for the sum claimed. Subsequently a rule *nisi* for a new trial was obtained, on the application of the Solicitor-General, on the ground that the deceased had voided the policy by going to New Zealand without the leave and license of the company, and without paying for the additional risk incurred, as required by the conditions of the policy. It appeared that Dr Beasley had made two voyages to New Zealand within the period of 12 months. On the occasion of the first voyage the premium for the additional risk of such voyage, amounting to 1 per cent. had been duly paid. Returning to England within the period of about five months, he undertook a second voyage to New Zealand, but met his death in the way described about a day or two before the expiration of the twelve months from the date of his certificate of leave, and the payment of the £10 for the additional risk. Before the news of his death reached England the plaintiff applied for, and ultimately obtained, from the defendants the cash value of the policy in accordance with a clause in the policy. The facts of his death, and the circumstances attending it, having arrived in this country a few days afterwards, the plaintiff, through her solicitor, tendered back to the insurance company the money she had received from them, and demanded the entire amount of the policy on the ground that the death of Dr Beasley had taken place on the 27th of September, 1873, before the expiration of the year from the date from which the policy ran. The company having refused, on the ground that the policy had been put an end to, the action was the result. The chief point to be determined was whether the leave and license granted to Mr. Beasley was only for one voyage or whether it was for one year. The Court made the rule absolute on the ground that it was only for one voyage.

WORKMEN UNDER A SCOTCH SEQUESTRATION.—Sheriff Fraser has issued an interlocutor in the case of the workman, Rodgers, against the trustee on the sequestrated estate of the firm of Macfadyen and Co., shipbuilders. The action was to recover wages due, and payment of which was refused by the trustee, on the ground that the pursuer was earning wages beyond £60 per year, that being the limit fixed by the Bankrupt Act for the preferable payment of wages to servants and others on sequestrated estates. The case was decided adversely to the pursuer by Sheriff-Substitute Smith, and the pursuer lodged a reclaiming petition, the case being a test one, raised on behalf of the other unpaid workmen of the late firm. Sheriff Fraser dismisses the appeal, and adheres to the interlocutor of Sheriff Smith, finding the respondent entitled to expenses. In a note, his Lordship says he has great doubts as to the competency of such a petition. If there be a good claim against the trustee, the mode of making it effectually is by summons in the ordinary way, which, it appears, has been already tried in the Summary Court ineffectually, and if the amount of wages in dispute be of the importance stated in the reclaiming petition, the question should be tried in such a form as will enable the petitioner to get a judgment on behalf of himself and his fellow-workmen, without the risk of the case being shipwrecked upon a technicality.—*Glasgow Daily Mail.*

The Lords Justices have confirmed the order made by Vice-Chancellor Malins ordering the secretary of the Emma Mining Company to produce all the books and documents of the Company before the special examiners.

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COURT OF CHANCERY, LINCOLN'S INN.

January 15.

(Before the LORDS JUSTICES *of* APPEAL.*)*

EX PARTE SYDNEY.—IN RE SYDNEY AND WIGGINS.—This was an appeal from a decision of Mr Registrar Hazlitt, acting as Chief Judge in Bankruptcy, and it involved a question of some general importance with regard to the power of a debtor who has instituted proceedings under the Bankruptcy Act, 1869, to institute fresh proceedings before the first have come to an end. Messrs Edgar Sydney and Edward Joynes Higgins were ship-brokers in partnership, carrying on business at Greenwich and in Great Tower-street. On the 19th of July, 1873, they filed a liquidation petition. They stated their debts as being £39,023, and their assets as £779. Their creditors agreed to accept a composition of 2s. 6d. in the pound, payable in three instalments of 6d, 1s, and 1s, at periods of three months, six months, and twelve months from the date of the registration of the resolutions. The resolutions were registered on the 9th of September, 1873. The debtors then resumed their business and incurred new debts. On the 26th of August, 1874, before the third instalments of the composition became due, they filed a second liquidation petition, stating their debts to be £42,682, and their assets to be £81. Meetings of the creditors, old and new, were held, at which it was resolved by the proper statutory majority to accept a composition of 6d in the pound. The registration of these resolutions was opposed by some of the old creditors, and Mr Registrar Keene refused to register them, on the ground that the composition accepted under the previous petition had not been fully paid. Mr Registrar Hazlitt affirmed this refusal. The debtors appealed. Mr Davey and Mr F. O. Crump, in support of the appeal, argued that the sole duty of the Registrar was to see that the resolutions had been duly passed in compliance with the provisions of the Statute. It was admitted that this had been done in the present case, and therefore the resolutions ought to have been registered. M. De Gex, Q.C., Mr Finlay Knight, and Mr J, Linklater, for the opposing creditors, were not called upon. Lord Justice James was of opinion that the decision of the Registrar was right. The real question was, whether there could be in truth two compositions subsisting at the same time; whether when there was a composition which was capable of being enforced by this Court against the debtor, he could get another composition resolved upon so as to interfere with the rights of creditors under the first. His Lordship thought that when a debtor had once placed his affairs under the Court he could not summon a meeting of his creditors as if he had not done so. Until the proceedings first commenced were at an end he was not a free man capable of entering into a new arrangement with his creditors, so as to interfere with the rights of the creditors under the previously existing arrangement. The Registrar was, therefore, right in holding that these debtors were not in a position to make a new composition, and, in refusing to register resolutions which were inoperative as regarded the old creditors, and, therefore, inoperative as regarded the new creditors also. The appeal must be dismissed, with costs. Lord Justice Mellish concurred.

January 18.

RE BARNED'S BANKING COMPANY.—This was an appeal on behalf of the Joint Stock Discount Company from an order of the Master of the Rolls, directing, in accordance with what is technically known as the rule in "*Ex parte* Waring," 19 "Ves." 345, that the proofs against Barned's Banking Company in respect of certain bills of exchange endorsed by the Banking Company, and now held by the Joint Stock Company, ought to be reduced by the amounts paid to them out of the realized proceeds of certain securities for the bills in question. The bills had been endorsed by (among other parties) Barned's Banking Company, and payment thereof had been secured by mortgages of certain ships. All the parties to the bills had become insolvent, and the bills had been proved against the estates of all of them by the holders, whose claims had been satisfied, partly out of the proceeds of the sale of the ships and partly by dividends paid by the liquidators of Barned's Banking Company. The Joint Stock Discount Company (which was in liquidation) had endorsed the bills subsequently to Barned's Banking Company, and had now become entitled to the benefit of the proofs against the drawers, acceptors, and prior endorsers of the bills. The liquidators of Barned's Banking Company insisted that the proofs in respect of the bills now held by the Joint Stock Discount Company ought to be reduced by the amounts paid to the bill-holders out of the proceeds of the sale of the ships; and dividends had been paid to the Joint Stock Discount Company on the amounts of the proofs so reduced. The Joint Stock Discount Company, on the other hand, claimed to be entitled to receive the dividends on the full amount of the proofs, and the question was raised by an adjourned summons taken out for the purpose of enforcing their claim. The Master of the Rolls refused the application, holding that the proofs must be reduced by the amounts actually received, according to the order made in "*Ex parte* Waring," when, according to the view taken by Sir G. Jessel of that most complicated and abstruse decision, Lord Eldon treated the matter as if the securities had been already realized at the moment of bankruptcy and the proceeds actually applied at the time when they ought to have been applied (*i e.*, as soon as the bills became due); so that the holders could not prove in bankruptcy for more than the difference between what they were thus supposed to have received, and the amount actually due. From the decision of the Master of the Rolls the Joint Stock Discount Company had appealed. Mr Romer (Mr Roxburgh, Q.C., with him), in support of the appeal, contended that the case was not governed by the rule in "*Ex parte* Waring," but by the doctrine prevailing in Chancery and in winding-up cases, according to which, where both drawer and acceptor became insolvent, the proof of the bill-holder was not affected by any payments made to him out of the realized proceeds of securities given for the bill. Mr Southgate, Q.C., and Mr Kekewich, for Barned's Banking Company, were not called on. The Lords Justices concurred in the view taken by the Master of the Rolls—that the case was governed by the rule in "*Ex parte* Waring," and that the holders of the bills were not entitled to the benefit of the realized securities without having their proof against the estates of the insolvent parties to the bills reduced to that extent. The appeal would be dismissed, with costs.

January 20.

(Before the LORD CHANCELLOR *and the* LORDS JUSTICES.*)*

THE PRUDENTIAL ASSURANCE COMPANY V. KNOTT.—This was an appeal on behalf of the company from an order of Vice-Chancellor Hall, refusing an interlocutory injunction to restrain the publication and circulation by the defendant of a pamphlet entitled "Solvent Life Offices and others; or What Becomes of Ten Millions a Year." This case was before the Vice-Chancellor at the beginning of the present Term, and was reported in the last issue of the ACCOUNTANT. It will be sufficient to state that the case made by the bill was that the effect of the defendant's pamphlet was to represent that the plaintiff company (together with other companies, the statistics of which were appended to the pamphlet in a tabular form) was being managed with reckless extravagance, and was practically insolvent and unable to fulfil its engagements. These statements were met by the company with an unqualified denial, and evidence was produced that the company had been for many years past, and now was, in an exceedingly prosperous and thriving condition, perfectly solvent, and earning large profits. The Vice-Chancellor was of opinion that the pamphlet, being a mere expression of the writer's opinion as to the solvency and mode of conducting the business of the plaintiff company and other insurance companies, the matter of his pamphlet was not libellous, and that the case was not one in which the plaintiffs were entitled to the protection of this Court by injunction. From this decision the plaintiff company appealed, and the case having been argued, the appeal was dismissed with costs.

The late Mr. William Milner, a safe manufacturer, of Liverpool, has in his will bequeathed to the charitable institutions of Sheffield about £4,000. The charities of London, Liverpool, and Manchester will also receive a similar amount—about £4,000 to each town.

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ROLLS' COURT, CHANCERY-LANE.

(*Before the* MASTER *of the* ROLLS.)

January 16.

THE LLANGENNECH COLLIERIES COMPANY (LIMITED).—Mr Southgate, Q.C., and Mr Dixon appeared in support of a shareholder's petition for continuing the voluntary winding up of this company under the supervision of the Court. Mr Badnall, for the debenture holders' trustees, supported the petition. Mr Roxburgh, Q.C., and Mr Caldecott, for the miners employed by the company, to whom a large arrear of wages was alleged to be due, said they had no confidence in the liquidators nominated by the directors, and contended that there ought to be a compulsory order, having regard to the circumstances under which the company was launched; but the Master of the Rolls granted the prayer of the petition.

COURT OF BANKRUPTCY.

January 16.

(*Before the Hon.* W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE T. S. WEBB.—The debtor, Thomas Stammers Webb, a colliery proprietor, having offices at 85, Gracechurch-street, has filed a petition for liquidation, with liabilities estimated at £94,000, and assets £80,000. Upon the application of Mr Morley, his Honour appointed Mr H. J. Walter, accountant, 24, Gresham-street, receiver of the estate, and granted an interim injunction to restrain proceedings under an execution for £500 levied at the private residence of the debtor.

IN RE WILLIAM FINNEY.—The bankrupt was a coal merchant carrying on business at the Coal Exchange. His accounts disclosed unsecured debts of £13,293; creditors holding securities (of no present value), £5,000; other liabilities, £7,000; with assets returned at £3,803. This was a sitting for public examination. Mr Crump appeared for the trustee; Mr Bagley and Mr Finlay Knight for opposing creditors; and Mr Bush Cooper for the bankrupt. The bankrupt's transactions had been of considerable magnitude, and a cash account required by the trustee had been filed very recently. The opposing creditors asked that further time should be allowed for investigation. The Court ordered an adjournment for one month.

IN RE WILLIAM JAMES CROOK.—The bankrupt was a merchant carrying on business at 77, Gracechurch-street. He now applied to pass his examination on a balance-sheet which showed debts amounting to £7,539, of which £5,469 was due to unsecured creditors, with assets £350. Mr Digby appeared for the bankrupt; the trustee appeared in person. It was stated that the bankrupt intended to submit a proposal to his creditors with a view to the annulment of the adjudication. He passed his examination.

January 18.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE HINTON, RE HINTON.—This was an appeal from an order of the County Court of Stoke-upon-Trent refusing to register a resolution in favour of liquidation by arrangement. Mr Bush Cooper appeared for the appellant. Mr De Gex, Q.C., and Mr Cracknell, for the respondent, took a preliminary objection on the ground that the appeal was too late. Although the order under appeal was dated the 27th of November, the decision of the Court was pronounced on the 3d. The 143d rule provided than an appeal from an order of a Judge of a County Court should be entered with the Registrar of Appeals within, and not later, than 21 days from the decision or order. The appeal in the present case was not lodged until the 12th of December. The Chief Judge held that the appeal was too late. The reason of the rule was obvious, and it was the duty of the appellant to have drawn up the order before. The application was made to the County Court on the 3d of November, and was then disposed of. The appeal must be dismissed.

EX PARTE THE EXCHANGE AND DISCOUNT BANKING COMPANY OF LEEDS AND BRADFORD, RE TOPHAM.—This was an appeal from an order of the Bradford County Court directing the payment by the appellant to the trustee under the bankruptcy of Moses Topham of sums amounting to £1,605. Mr West appeared for the appellant, and Mr De Gex, Q.C., and Mr Wilberforce for the respondent. The bankrupt formerly carried on business at Bradford as a stuff merchant. He had a banking account with the Exchange and Discount Banking Company of Leeds and Bradford, which he had been allowed to overdraw in consideration of certain securities held by the bank and a guarantee from a gentleman named Tattersall. In the spring of last year the bankrupt got into difficulties, and at his monthly pay-day on the 16th of April he was unable to make his customary payments to creditors, his banking account being then overdrawn to the extent of £2,000. Between the 18th and the 29th of April the bankrupt, for the purpose, as it was alleged, of protecting the surety, made payments to the bank amounting in the aggregate to £1,695. The manager of the bank was aware that in the early part of the same month the bankrupt had dishonoured a bill of exchange, and he knew or suspected that he was in difficulties. On the 1st of May the bankrupt was adjudicated upon the petition of a creditor served on the 27th of April, and his liabilities then amounted to £18,000, with assets £711. The trustee under the bankruptcy afterwards brought the matter before the County Court Judge, and his Honour decided that the payment to the bank constituted a fraudulent preference, and ordered the sum of £1,695 to be refunded to the trustee. From that order the bank appealed. Without calling upon the learned counsel for the respondent, Sir J. Bacon held the evidence to be clear and distinct that the bankrupt at the time of the payment being made was unable to pay his debts as they became due from his own moneys, and that he intended to prefer, and did prefer, the bank to his other creditors. The manager of the bank knew that the bankrupt was insolvent, and that proceedings in bankruptcy were going on against him. The appeal must be dismissed.

(*Before Mr Registrar* HAZLITT.)

IN RE VALNAY AND PITRON.—The bankrupts, Messrs Ernest Valnay and Alexis Pitron, were formerly the proprietors of the Princess's Theatre, Oxford-street. They had been adjudicated upon the petition of Mr Edouard Ambrosetti, theatrical agent, Rue Chabannais, Paris, a creditor for £106, money lent to the bankrupts and paid for them; and at the first meeting Mr James Waddell, accountant, was appointed trustee, to act with a committee of inspection. A statement of affairs disclosed debts of £2,087, and there were no assets. The bankrupts came up for public examination in November, when an adjournment was taken for the purpose of submitting a proposal to the creditors. This was an adjourned sitting. It appeared that negotiations were still pending with a view to the annulment of the adjudication, and a further postponement *sine die* was arranged. Mr G. Lewis represented the trustee.

January 19.

(*Before Mr. Registrar* ROCHE, *sitting as Chief Judge.*)

IN RE WHITE AND HART.—The bankrupts, Messrs George White and David Hart, were wine and spirit merchants, carrying on business at 1, 2, and 3, George-street, Tower-hill, under the firm of Lemon Hart and Son. A joint statement of affairs showed the following items:—Unsecured creditors, £36,137; creditors partly secured, less value of securities held, £37,563; creditors for rent, rates, &c., £4,632; liabilities on bills discounted, of which it was expected would rank against the estate for dividend, £4,736. The assets consisted of stock-in-trade at Tower-hill, estimated at £3,400; at the cooperage, £596; and in bond, £8,527; book debts, £23,084, estimated to produce £12,284; bills of exchange, £41; and surplus from securities in the hands of creditors, £3,659. The separate debts of the bankrupt Hart were returned at £360, and those of White at £4,000, without assets in either case. This was a sitting for public examination. Mr Hollams, jun., appeared for the trustee, and Mr Harvie Linklater for the bankrupts. On behalf of the trustee an adjournment was asked for, in order that the accounts, filed only on the previous day, might be investigated. The bankrupts had carried on a very large business, and inquiry was necessary, particularly as to the stock-in-trade and the book debts. An adjournment was not resisted by the bankrupts, but their solicitor stated that the accounts were identical with those which

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were prepared under a petition for liquidation in October last. His Honour granted an adjournment until the 23d of March.

(*Before Mr Registrar* KEENE.)

IN RE M'EWEN AND M'EWEN.—The debtors, Messrs Alexander M'Ewen and Lawrence Thomson M'Ewen, were financial agents carrying on business in George-yard, Lombard-street. Their liabilities were returned at £132,490, and assets £24,623, securities being also held by creditors to the extent of about £190,000. At the first meeting the creditors passed resolutions to wind up the estate by arrangement, Mr S. L. Price, accountant, 13, Gresham-street, being appointed trustee to act with a committee of inspection, and the discharge of the debtors being also granted. Upon the application of Mr Munns, registration of the resolutions was ordered.

Ex parte JARDINE *re* M'MANUS.—This was an appeal from the decision of the judge of the Blackburn County Court, who had ruled that certain stock-in-trade mentioned in an inventory attached to an indenture of mortgage, but not included in the deed itself, did not pass with the other effects contained in the mortgage. After lengthened arguments the appeal was dismissed with costs. It was stated that the liquidating debtor in this case failed for £18,900, the creditors being chiefly Manchester, Sheffield, Blackburn, and Liverpool firms.

January 21.

(*Before Mr. Register* BROUGHAM, *sitting as Chief Judge.*)

IN RE LEWIS BRODZIAK.—The bankrupt, described as a merchant of 68, Coleman-street, applied to pass his examination. He had been before the Court since December, 1873, and his amended statement of affairs showed liabilities of £16,875, with assets £200. Mr Phelps appeared for the trustee; Mr Emanuel for the bankrupt. The bankrupt passed his examination.

LIVERPOOL COUNTY COURT.

January 15.

(*Before Mr.* J. F. COLLIER, *Judge.*)

IN RE HOLDEN AND PERRY.—This was an application on behalf of Mr Bolland, the trustee of the property of the bankrupts, coal merchants, in Liverpool, to expunge a proof of debt for £123, which it was alleged had been improperly admitted. The circumstances aptly illustrate a line of Shakspeare—"That striving to do better, oft we mar what's well." It appeared that Holden and Perry, with three other persons, were engaged in an adventure which had resulted in a loss, and that an action by those who had paid the loss against Holden and Perry for their proportion, had been referred to Mr Fleet, who found that Perry and Holden were individually liable for their share of the loss. They subsequently became bankrupts, and thereupon proofs of debt were tendered for Holden's proportion against his separate estate, which has yielded 20s. in the pound, and for Perry's proportion against the joint estate of Holden and Perry, it being contended as a point of law that Perry, in taking part in the adventure, was merely the agent for undisclosed principals, viz., his firm of Holden and Perry, and that on the discovery of the principals the claimants had a right to elect to rank upon their estate. There was no separate estate of Perry, and but a few shillings in the pound in that of Holden and Perry. The trustees admitted the proof against the separate estate of Holden, but rejected that against the joint estate, on the ground that he was bound by the award of the arbitrator, Mr Fleet. From his rejection of the proof the parties appealed to the court, and it, after an investigation of the books of the bankrupts, by which it appeared that the co-adventure had been on partnership account, notwithstanding the award of the arbitrator, decided that the proof against the joint estate had been improperly rejected. Under these circumstances the trustee now moved as a necessary sequence that the proof he had admitted against the separate estate of Holden might be expunged. Mr Potter, instructed by Messrs Barrell and Rodway, appeared for the trustee; and Mr Kennedy, instructed by Messrs Duncan and Co., for the creditors. Mr Kennedy took exception to the motion, proceeding on the ground that the trustee had not given his reasons for wishing to have the proof expunged, but the Court ruled that although it was a convenient practice for the trustee to state his reasons, and one that should be adopted, it thought, under the circumstances of this case, it might be dispensed with. Mr Kennedy then submitted that the Court ought not to entertain the motion of the trustee unless it was satisfied other information bearing upon the claim had come to his knowledge than that possessed by him when he admitted the proof. Here all the facts were before him on its admission, and it was too late now to ask the Court to expunge. He further urged that the proof now sought to be expunged from Holden's estate was for a sum which was in a different category to that dealt with by the court previously; and finally, he contended that, assuming it was not so, Holden, who signed the contract in his own name, could not rid himself of his liability because he happened to be contracting for principals of his firm. The creditors had a right to claim either from him or his firm. Mr Potter argued that the decision of the Court as to the admission of Perry's proportion of loss against the joint estate governed the present claim. Perry and Holden were precisely in the same position with respect to this co-adventure, and as the Court had found that Perry's loss, although apparently on individual account, was for partnership purposes, and could only be allowed to rank on the joint estate, it followed as a sequence that Holden's loss must rank similarly. As to laches on the part of the trustee, the reverse had been proved. On the proofs being tendered he considered himself bound by the award of Mr Fleet, and was prepared to admit them against the individual estates; but the claimants were not satisfied, they accepted the offer to rank on the estate of Holden, which shows 20s. in the pound, but declined to rank against the estate of Perry, which is *nil*, and successfully asserted their right to rank on the joint estate. The court having decided that the co-adventure was on partnership account, the trustee would have been guilty of laches if he had not moved for the proof he admitted against Holden's estate to be expunged. With respect to the question of principal and agent, it did not apply to a case like the present. His Honour said he must accede to the application. This conclusion, he said, necessarily followed his decision in the former case. The costs of the trustee would come out of the estate.

IN RE J. S. EDGAR.—This was an application to the court for an order upon Mr Bolland, the trustee, and the committee of inspection, to proceed with the investigation of the affairs of the debtor, who formerly traded as a wine merchant in Liverpool, under the style or firm of "R. P. Stainton and Co." It appeared that the proceedings in liquidation were instituted so far back as August, 1873, and at the first meeting of creditors it was resolved to wind up the estate in liquidation, to appoint Mr Bolland trustee, to nominate a committee of inspection consisting of five creditors, and to grant the debtor his discharge, on the trustee and committee certifying that they were satisfied with his disclosure of his estate. An investigation of his affairs took place shortly afterwards in presence of the committee, and although the debtor's explanations were not considered satisfactory and not altogether borne out by his books, the committee, with the exception of one of their number, whose debt was twelve times in excess of all the rest, expressed their opinion that there had been a full disclosure of the estate. They, however, at the instance of the dissentient committee-man, agreed to withhold their assent to the discharge until he and the debtor had met and further investigated the affairs. From various causes no such investigation had up to the present time taken place, and the Court was now asked to force the inquiry forward or to grant the debtor his discharge. Mr Segar, instructed by Bimson, appeared for the debtor, and Mr Bellringer for Mr Bolland. Mr Bellringer took exception to the jurisdiction of the court over the committee of inspection and trustee in liquidation cases, and cited several authorities on the point. His Honour, after hearing Mr Segar, said he had considerable doubt on the point, and would prefer, until he had further considered the matter, not to make any order. A long discussion followed as to the jurisdiction of the court, the proper course to be pursued under the circumstances, and the duty of the trustee, and

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finally, after several ineffectual attempts on the part of Mr Segar to enter upon the merits of the case, it was agreed to allow the motion to stand over for the debtor to supply the trustee with a deficiency account, and for the trustee within a fortnight afterwards to call the committee together and report to them the result of his investigation.

BIRKENHEAD COUNTY COURT.

January 15.

(Before Mr GILMOUR, *Deputy-Judge.)*

IMPORTANT BANKRUPTCY CASE.—An important decision was rendered by the judge, in reference to an application from Mr Goldney (instructed by Mr Isham Gill), acting for the trustee of the estate now in liquidation of Mr John Dickson, of Hamilton-square, Birkenhead, contractor. The application was that the judge would order the registrar, Mr Wason, to register the creditors' resolutions under the circumstances set forth in the judgment. His Honour, in delivering his decision, said:—An appeal has been made to me, from the decision of the registrar of this court, who refuses to register the resolution of the creditors of the debtor, at their meeting held on the 30th December last, that the affairs of the debtor should be liquidated by arrangement and not in bankruptcy. The registrar is of opinion that the stamp duty impressed of £40 5s. is insufficient, because the statement of the affairs of the debtor shows an estimated gross amount of assets of £114,125 15s., which would require, if no cause to the contrary were shown, a stamp duty of £200. It appears also that the local liabilities, exclusive of disputed claims, amount to £16,008 7s. 3d. The trustee, in his affidavit, says that to the best of his knowledge and belief, the amount of the assets to be distributed amongst the creditors does not exceed £16,100; but the difficulty of the registrar seems to have been this: looking at the filed statement of the affairs of the debtor and the affidavit of the trustee, how to determine the duty. The disputed claims being neither ascertained nor satisfactorily estimated, it may be doubtful whether the liabilities are only £16,000, or whether they may not exceed the £114,125 of estimated assets. It appears to me that the trustee's affidavit, made from the necessarily slight information afforded him at this early stage of the proceedings, is based on unreliable materials. What time has he had? Having been appointed so recently as the 30th of December, he has only had a few days to inform himself of the facts and conditions of a large estate like this. The scale of fees annexed to the bankruptcy rules, table A, provides that "Every special resolution presented to a registrar for registration under section 125, par. 4, shall bear stamps denoting a duty computed at the rate of 5s. upon £100, or fraction of £100, on the gross amount of the estimated assets, not exceeding a total duty of £200." Following this table, the registrar would probably have had no difficulty in settling the duty, were it not for the decisions of the Chief Judge in Bankruptcy which have been brought before me in the argument of Mr. Goldney, and which, as I gather from the language of the registrar's memorandum of refusal, have been present to his mind in his consideration of this matter. In *ex parte* Murray the Chief Judge in Bankruptcy held that "where the assets of a liquidating debtor exceed his debts, stamp duty upon the registration of the special resolution of the creditors is not payable upon any amount exceeding the sum estimated as necessary to pay all the creditors in full. His Lordship said: "I think the intention was that in a liquidation the duty should be payable upon no larger amount than that which is necessary to satisfy the debts." *In re* Berger a debtor filed a liquidation petition, and in his statement he estimated his assets at £4,660. The creditors resolved on a liquidation. When the trustee presented the resolution for registration he had made an affidavit in which he stated that he believed the assets would not realize more than £1,000. It did not appear that the value of the assets, as estimated by the debtor, would be more than enough to pay the creditors in full. His Lordship held, in that case, that stamp duty must be paid on the amount of the debtor's estimate. He said: "It would lead to almost uncontrolled abuses if I were to adopt the view which has now been pressed upon me, if the trustee's mere guess as to the value of the assets were to be necessarily adopted." Following the order of the Chief Judge in *ex parte* Murray, I apprehend the registrar would have had no difficulty had the liabilities of the debtor in this case been ascertained, and not have been, as they are, in considerable doubt and uncertainty; for it is possible, as I have already observed, that they may even exceed the estimated gross assets, and, applying the language of his Lordship *in re* Berger, I think "it would lead to almost uncontrolled abuse if I were to adopt the view which has been pressed upon me; if the trustee's mere guess" of the liabilities of the debtor, derived under the peculiar circumstances of this estate, as revealed by the filed statement of the debtor, were adopted. I think the registrar was right in refusing to register the resolution, and this application must therefore be refused.

THE AFFAIRS OF A RATE COLLECTOR.—FORD V. EARP.—Mr A. L. Ford, trustee of the estate of James Moseley, formerly rate collector of Liscard, whose affairs are now in liquidation, sued Joseph Earp, of Church-street, Egremont, for £2 18s 4d, money paid for rates. Mr Pugh for plaintiff, and Mr Parkinson for defendant. Mr Moseley stated that he paid the money in 1872, in order to close the rate. It was now observed by Mr Ford that this was but one out of many similar cases, and it was a test for the rest. The overseers' books were put in, showing that Moseley had entered the amount to his own debit, and that the counterfoil receipt book showed the absence of the receipt. Moseley said he had never been requested to pay the amount. He admitted the defalcations arose in his office and led to his dismissal, and that he had paid the money out of his own pocket. The defence was that defendant was quite willing to pay to the proper authority when called upon to do so. Mr Pugh argued that the plaintiff was entitled to recover, inasmuch as the law held him responsible for the accounts in his book, and liable to a surcharge by the auditor. Mr Parkinson said he was assistant-overseer only, and not personally liable to a surcharge.—His Honour nonsuited.

COURT OF SESSION, EDINBURGH.

JAN. 14.

RITCHIE V. BALGARNIE AND RITCHIE.—The estates of Ritchie and Co., wholesale tea, wine, and spirit merchants, Leith-walk, Edinburgh, and of John Ritchie, sole partner, thereof, were sequestrated on 3d December, 1873, upon the application of the bankrupt, with concurrence of his father, Malcolm Ritchie, residing in Blackness-road, Dundee, who claimed to be creditor to the extent of £406 16s. 10d., in respect of two bills granted by the bankrupt to him, the one being for £210, dated January 16, 1873, payable twelve months after date, and the other being for £200, dated 13th August, 1873, payable six months after date. Mr J. H. Balgarnie, C.A., Edinburgh, who was appointed trustee in the sequestration, rejected Mr Malcolm Ritchie's claim as not being sufficiently vouched, he being the bankrupt's father, and therefore conjunct and confident with him. But the trustee allowed him eight days within which to lodge corroborative evidence of his claim. Mr Ritchie not having submitted any further evidence to the trustee, and not having appealed against the deliverance within fifteen days of the date of its publication, the same became final in terms of the 127th section of the Bankruptcy (Scotland) Act, 1856. Some correspondence thereafter took place between Mr William Stiven, accountant, Dundee, on behalf of Malcolm Ritchie, and Mr Balgarnie, in the course of which the latter refused to delay payment of the dividend which he proposed to pay to Ritchie and Company's creditors. Malcolm Ritchie thereupon presented a note of suspension and interdict, praying that the trustees should be interdicted from paying said dividend until he had a proper opportunity of establishing his claim. In that suspension he alleged that he had acted in the matter on the advice of Mr Balgarnie, the trustee, who failed to inform that it was necessary to lodge further information within fifteen days from the date of the deliverance; and that payment of the proposed dividend would exhaust the whole bankrupt estate, whereby the complainer would be deprived of any share thereof. He pleaded, *inter alia*,

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that having been throughout the proceedings misled by the respondent as to his claim, the interdict ought to be granted. The respondent maintained that no appeal having been presented against his deliverance within the fifteen days in question, the same became final and conclusive; that as regards the dividend the said deliverance was a valid objection to the claim in question, notwithstanding the allowance therein of further evidence; and that the complainer not having taken advantage of the opportunity allowed him to produce further evidence within the time specified, the rejection became absolute and final, and no appeal having been presented against the deliverance, the same is now final and conclusive. After proof, the Lord Ordinary (Young) repelled the reasons of suspension, refused the note, and found the complainer liable in expenses. The complainer reclaimed. After hearing counsel, the Court to-day recalled the interlocutor reclaimed against, sustained the reasons of suspension, and interdicted, prohibited, and discharged the respondent from proceeding to divide said estate or any portion thereof until he has disposed of the complainer's claim, either by rejecting or admitting the same. They also found the respondent liable in expenses.

JAN. 15.

(*Before Lord* SHAND.)

GLENDINNING (ROBERTSON'S TRUSTEES) v. LESLIE AND OTHERS. —This is an action at the instance of the trustee on the sequestrated estate of Wm. Robertson, farmer, Whitekirk Mains, Haddingtonshire, and residing in Glasgow, against the trustees under the marriage contract between his son George Bishop Robertson, some time farmer at Whitekirk Mains, now at Berwick-on-Tweed, and his wife, concluding for reduction (1) of a minute of agreement entered into between the said Wm. Robertson and G. B. Robertson, whereby the said Wm. Robertson became bound to grant a bond and disposition in security in favour of his son's marriage trustees for £1,000, being, as alleged, a sum which had been lent by said trustees to the said G. B. Robertson, and had not been repaid by him; and (2) of a bond and disposition in security granted by the said Wm. Robertson in implement of that agreement, whereby he conveyed to the said trustees certain heritable subjects in Dunbar then belonging to him. The bankrupt, Wm. Robertson, carried on business for many years as a clothier in Glasgow. In 1862, with the view of setting his son up in life, he took for him a lease of said farm of Whitekirk Mains for a period of nineteen years, the rent of which was £1,800 per annum. Mr. G. B. Robertson, the pursuer alleges, had no means of his own, and the farm was stocked and the necessary improvements executed at the expense of his father, William Robertson, the cost of these improvements for the first six years of the lease amounting to upwards of £6,000. William Robertson was at and prior to 1862 in good circumstances, being possessed of a considerable sum of money realised from his business in Glasgow. The pursuer further alleges that, owing to the extravagant habits and reckless management of the said farm by G. B. Robertson, the speculation proved ruinous to his father; that demands for large sums of money to meet obligations and debts contracted by G. B. Robertson were from time to time made, until the whole means and estate of the said Wm. Robertson were squandered; that the liabilities thus incurred by him rendered him insolvent, and the large cash advances to meet obligations undertaken by him on account of his son were the sole cause of his insolvency, which resulted in the sequestration of his estates. The pursuer also alleges that in December, 1869, Mr G. B. Robertson importuned his father to advance him a further sum of £1,000, to save him from the diligence of his creditors; that Mr Wm. Robertson declined to lend his name further, knowing that he was then unable to meet the liabilities already undertaken by him; that he ultimately sent to his son's marriage trustees a bill held by him for a deposit, but declined to become security either directly or indirectly for his son. Mr William Robertson thereafter took over the lease of the farm to himself, to terminate further liabilities, and a minute of agreement was entered into between him and his son's trustees with that view, being the minute now sought to be reduced. The bond and disposition in security also sought to be reduced was subsequently granted in terms thereof. The pursuer pleads that the said minute of agreement and bond and disposition in security, having been granted by William Robertson when he was in solvent circumstances, without any consideration having been paid therefor in favour or for behoof of a conjunct or confident person, and the same having operated to the prejudice of the pursuer as trustee aforesaid, is null and void in terms of the Act 1621, cap. 18, and ought to be reduced. The defenders plead that the pursuer had no title or interest to sue, that all parties are not called, that the reduction sought by the pursuer is incompetent, being without restitution of the consideration given for the said William Robertsons' obligations under the agreement, and of the defender's position at its date; that the said William Robertson and his sequestrated estate having taken and retained all the benefits which formed a consideration for granting the deeds.

BANKRUPTCY PROCEEDINGS IN SCOTLAND.

THE LOWTHER HEMATITE CO.—At the Sheriff Court, Glasgow, on Tuesday, the adjourned examination in regard to the affairs of this company took place. There were present Mr Andrew Paterson, C.A., Edinburgh, trustee; Mr Robert Ross, writer, Glasgow, law agent in the sequestration; Mr D. W. Paterson, S.S.C., for the bankrupt Barclay; Mr Duncan Macfarlane, writer, Glasgow, for creditors; Mr J. A. Bryson, writer, Glasgow, for a creditor and a number of creditors. David Geo. Hoey, accountant, Glasgow, one of the partners of the company, stated: When Mr Barclay and I resolved to build first, before the formation of the company, the first estimate of the cost of the works then to be erected, consisting of one small furnace, was £15,000. I cannot say that it was, in the proper sense of the word, an estimate, but it was a jotting. The outside cost of one furnace was stated to me at about £30,000, and never higher. The £6,000 of capital contributed as my share was in cash, which belonged to myself, and I did not borrow any of it. Mr Barclay's share of capital was £4,000, consisting of two bills for £2,000, drawn by James Wilson Barclay, and discounted by us. The capital to be outlaid at the highest estimate ever given to me was £60,000, and I saw my way clear enough in the circumstances to finance sufficiently for the purposes of the company. The advance of £35,000, which we raised on the works in the beginning of 1874, was procured from the Heritable Investment Association. I think the security took the form of an absolute conveyance, qualified by a back letter. The advance was to be repayable in eight years by half-yearly instalments. We were to pay interest at the rate of 6 per cent. In July last I received a further advance of £35,000 from a gentleman in Glasgow. The advance was contained in his acceptances to another person, and the proceeds after the bills were discounted were received by our firm. These bills were all granted at one time. As a security to the acceptor, I granted him a conveyance and bill of sale to our reversionary interest in the heritable subjects previously conveyed to the Heritable Association. That deed was executed in July last. It was executed on the same day as that on which I received the acceptances, and, in fact, it was one transaction. At the time that these bills were accepted for our accommodation, I did not exhibit to the acceptor any balance-sheet showing the state of our affairs. He was, and has for a long time been, well acquainted with the state of our affairs, and I have no doubt he saw our balance-sheet of May, 1874. He was also a creditor at that time to our firm. Our books were balanced as at 30th May, 1874. The balance-sheet is engrossed in our business books. My attention is called to the state of the company's affairs, and to an asset, the Wolborough Mine, upon which no value has been put by me. This was a mine which was purchased by the company in midsummer last from Mr J. F. Harrison, M.P. for the Kilmarnock burghs. The price was to be £6,000, payable two years after the date of purchase. Mr Harrison drew a bill on us for the £6,000, which was discounted by the Credit Foncier Company of England (Limited). This was the only transaction we ever had with the Foncier Company prior to that date. There was a

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further arrangement under which we were to pay £4,000 additional, provided the ore of the mine was found to produce first-class Bessemer iron in our works. On the faith of the mine turning out, and as part of the arrangement, we gave the firm's acceptances to Mr Harrison for the £4,000 additional. Mr Harrison was to renew these bills from time to time, and this was expressed in a formal agreement or letter which passed between us, and which is now in the hands of the trustee. None of these bills for £4,000 have been paid, and to the extent of £3,000 these appear in the list of bills payable. With reference to the remaining £1,000 of the £4 000, I explain that on one occasion, when a £1,000 bill fell due, Mr Harrison asked me to discount the acceptance with his firm of Harrison and Son for that amount instead of his discounting another acceptance by my firm. This was done by bills discounted on the Scotch bank, and the discount was included in the bills. The discount of the £4,000 was payable by Mr Harrison as arranged. Mr Harrison stated to me that he had spent £4,000 in working the mine in addition to the purchase price paid by him, which he stated to be £6,000, and it was in consequence of this that he asked us to pay £10,000 for the mine, and we having refused to do so, he then asked the acceptances under the arrangement. We had ore brought from the mine to our works, but in my opinion it was an utter failure. Before effecting the purchase Mr Harrison produced an analysis of the ore, and Mr Barclay inspected the mine twice, and it was upon these reports that I consented, very unwillingly, to the purchase of the mine. I had been all along against such transactions as the loans and the purchase of the mine. My partner and I frequently differed on that point. I urged him to agree to the introduction of a money partner; indeed, from the time that the original cost of £15,000 was mentioned I was in favour of a money partner being assumed. I named several persons who were willing to become partners; but Mr Barclay would never come to the point, and when it came to the point he positively refused, and said he would rather become bankrupt than assume a money partner. The sequestration was rendered necessary owing to our inability to meet certain bills which he had discounted for Andrew Barclay and Son. Andrew Barclay, the other partner, having been examined, the statutory oath was administered to both bankrupts.

ANDREW BARCLAY AND SONS.—In the sequestration of Andrew Barclay and Sons, engineers and ironmasters, Kilmarnock, Andrew Barclay, the senior partner of the firm, stated.—In 1871 when I made arrangements with my creditors, Mr Clinkskill, consulting engineer, Glasgow, valued my works at Kilmarnock at £24,115 19s. 10d. I think my works are now worth £30,000; that is the reason I have put them down at that sum in my state of affairs. That is my own estimate. I estimate the work in progress at about from £4,000 to £5,000. I cannot be certain, as that is a very difficult thing to estimate; and I have been a good deal away from home for some time. Mr Clinkskill, at the date of his report, valued the work in progress at £9,000 odd. Except a depreciation of tools and tear and wear I consider the works quite as good now as they were in 1871. I consider an allowance of 7½ per cent. a reasonable deduction for such depreciation. These works of mine have been conveyed to the Heritable Security Society as security for the loans, but no letter was passed stating the terms on which the loans had been got. I wanted to get one, but it was never got. James Wilson Barclay, the junior partner, concurred in the deposition of his father. He had made up and handed to the trustee a state of his affairs as one of the partners of the firm and as an individual. According to it the liabilities were stated to be £1,205. and the assets £4,500. He explained that the entry of £4,000 in the state of affairs as against the Hematite Iron Co., was for money advanced by him, and for that amount he was a creditor on the estate. Nothing was arranged as to what this money was advanced to the Hematite Iron Co. for. I got in a letter from Mr Hoey relative to that £4,000, and dated 19th Sept., 1874. No interest had been paid on that money. The statutory oath was administered to both bankrupts at the close of the examination.

John Steel, corn and commission agent, Royal Exchange, Edinburgh, was examined in bankruptcy before Sheriff Hamilton on Thursday. The bankrupt deposed he commenced business as a corn and commission agent in September, 1873. At that time he was a partner of George Steel and Co., grain and manure agents, Montrose. He had no capital and no property at that time. The only property possessed by said company was a store with ground attached at Laurencekirk, the value of which was about £400; but there was a security over it for £200. His father died on 15th December, 1873. Besides the property at Laurencekirk his father left a policy of insurance and some household effects, which were realized by bankrupt in payment of his father's debts, the result being that the estate owed him £200. In March, 1874, a new company was formed in Montrose under the name of Steel and Company. That company had a capital of £165, advanced by bankrupt's wife to his mother, one of the partners. He was not aware that his wife got any acknowledgment of the debt. His interest in that company was half the profits. The business of said company paid well enough while it was in existence, but like his own business, it suffered through the insolvency of Spier, Woodgate, and Company, Newcastle, the amount of loss being £60. The furniture in bankrupt's house was the property of his wife. It had been bequeathed to her by her mother under her settlement. A portion of his wife's estate secured to her by her mother's settlement was still unrealized. Besides the furniture, his mother-in-law left his wife a house in Montrose and four shares in a Patent Slip Company. He knew of no other property to which his wife had succeeded. By Mr. Sutherland—When did you first find yourself in difficulties? Bankrupt—When I commenced business. The liabilities were stated as £3,127 16s. 3d; the assets, £565 16s. 4d; deficiency, £2,561 19s. 11d.

COURT OF APPEAL IN CHANCERY; DUBLIN.

January 18.

(Before the LORD CHANCELLOR *the Lord Justice of Appeal and Mr Justice* LAWSON.*)*

In the matter of Sir CHARLES DOMVILE, Bart., a bankrupt.—This was an appeal from an order of Judge Harrison, restraining Mr Robert Roberts from prosecuting an action at law against the messenger of the Court of Bankruptcy. The case had been partially heard last term. It appeared that on the 23rd of May, 1874, the bankrupt executed to Mr Robert Roberts, who had been his steward, a lease of Santry-place and demense for his own life at the yearly rent of sixty pound. On the 14th of July following a notice was served on behalf of the assignees for an order that this lease might be set aside as fraudulent and void against the assignees. The action in question had been brought against Mr Freeman, the Messenger of the Court, for an alleged trespass on the lands comprised in the lease, and in the affidavit of Mr Roberts' attorney, it was submitted that he (Mr Roberts) was entitled to have the validity of his lease tried at common law, and, as he declined to submit to the jurisdiction of the Court, the judge had no jurisdiction to declare the lease invalid. A motion was made on behalf of the official assignee for an injunction to restrain the proceedings at law, but Mr Roberts again protested against the jurisdiction of the Court. The judge held that he had jurisdiction to hear and determine the question as regards the lease, and made an order restraining Mr Roberts from further prosecuting the suit commenced, from which order the present appeal was brought. The arguments occupied the day. On the following day the Court gave judgment in favour of the order below, and dismissed the appeal, with costs.

IN THE MATTER OF RICHARD WARING, AN ALLEGED BANKRUPT.—This was an appeal from an order of Judge Miller, made on the 6th of October, 1874, when he adjudicated the appellant, Richard Waring, of Ligoniel, near Belfast, a bankrupt. The petition was presented by the Provincial Bank of Ireland against Mr Waring, who had dealings with the firm of Lowry, Valentine, and Kirk, and he mortgaged to them a policy of insurance to secure the general balance which might be due from time to time by him to them. Messrs Lowry, Valentine, and Kirk deposited this mortgage and policy, with other securities, with the

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Provincial Bank, to secure the balance due on their account with the bank. The bankrupt contended that this deposit made the Provincial Bank secured creditors of his within the meaning of the Bankruptcy (Ireland) Amendment Act, 1872. The bankrupt had shown cause against the adjudication, which cause was disallowed by Judge Miller, and it was against the order disallowing the cause that this appeal was brought. The Court gave judgment affirming the adjudication.

CREDITORS' MEETINGS.

The following meetings of creditors have been held during the week :—

W. WILEMAN (LIVERPOOL).—A statutory meeting of the creditors of Wilmot Wileman, of Cable-street, Liverpool, wine and spirit merchant, was held at the office of Mr J. Carruthers, solicitor, on Friday. The debtor's statement showed liabilities to creditors secured and unsecured, £3,273 0s 7d, with assets £845 16s 6d. After considerable discussion, the meeting was adjourned, to enable the debtor to amend his accounts and to produce a deficiency account. Mr Etty, solicitor, and Mr T. H. Sheen represented several trade creditors.

HIGGINBOTTOM AND WILLIAMS (SOUTHPORT).—A meeting of the creditors of Messrs Higginbottom and Williams, of Southport, wine and spirit merchants, was held on Friday, at the office of Mr Quelch, Dale-street, Liverpool. A statement of the affairs of the debtors prepared by the receiver was produced, showing liabilities £1,054 3s 7d, and assets £170. No offer of a composition being made, the creditors resolved to wind up the estate in liquidation, and appointed Mr Thomas H. Sheen (Sheen and Broadhurst) the trustee, without a committee of inspection.

JOHN TOMLINSON (BLACKBURN).—A statutory meeting of the creditors of John Tomlinson, tailor and draper, King William-street, Blackburn, was held on Thursday. Mr J. H. Tattersall, solicitor, attended on behalf of the debtor. Mr Hutchinson (of the firm of Broadbent and Hutchinson, accountants, Blackburn) presented a statement of affairs. After very little discussion, the creditors resolved to accept a composition of 10s. in the pound, in satisfaction of their debts, to be paid by several instalments, extending over a period of eighteen months. Mr Hutchinson and Mr Barrow (of the firm of Barrow and Gate, accountants, London) were appointed trustees.

WILMOT WILEMAN.—The meeting of the creditors of Mr W. Wileman, adjourned from the 15th inst. in order that the debtor might amend his accounts and produce a deficiency account, was held on Monday at the offices of Mr J. Carruthers. No offer of composition being made, liquidation by arrangement was resolved upon, and Mr Hayes Sheen (Sheen and Broadhurst) was appointed trustee, with a committee of inspection.

N. D. CARANDREA (MANCHESTER).—At a meeting of the creditors of Mr N. D. Carandrea, Bond-street, Manchester, a merchant in the East India and Levant trade, it was stated that Mr Carandrea having left the country, his position with his Constantinople correspondents could not be ascertained. The statement presented showed his liabilities to be £6,627. The creditors formed a committee of three of their number to decide upon the course to be pursued in the interest of the creditors.

R. D. RUSDEN (MANCHESTER).—A meeting of the creditors of Richard Dunn Rusden, of 56, Dale-street, Manchester, merchant, who suspended payment in July, 1873, and whose affairs are being wound up in liquidation, has been held, and a resolution granting the debtor his discharge duly passed.

D. PRESTON (COLNE).—At the first statutory meeting of the creditors of Daniel Preston, cotton and worsted manufacturer, of Bunker's Hill Mill, Colne, the statement presented showed liabilities to unsecured creditors, £2,239 12s. 5d.; to fully secured creditors, £2,245; other liabilities, £87. Assets—machinery and stock, &c., £1,053; book debts, £93; surplus for securities, £55. Liquidation by arrangement was resolved upon.

J. KNOX (PAISLEY).—A meeting of the creditors of Messrs J. and J. Knox, saddlers, Paisley, was held on Tuesday, Mr James Winning, accountant, Paisley, being elected trustee. The liabilities of the bankrupt are stated to be about £1,000, and the assets have not been ascertained.

RE J. C. LEE (BIRMINGHAM).—On Thursday a meeting of the creditors of James Christopher Lee, draper, Birmingham, was held at the offices of Mr East, 9, Colmore-row. It was resolved to liquidate the estate by arrangement, Mr Joshua Crowther, of York-street, Manchester, public accountant, being appointed trustee. The liabilities were stated to be £1,453 14s. 7d., and the total assets £411 16s.

RE THOMAS HAWKES (ALCESTER.)—A meeting of the creditors of Thomas Hawkes, of Haselor, near Alcester, innkeeper and farmer, was held at the office of Mr Edward Eaden, solicitor, 21, Bennett's-hill, Birmingham, yesterday. The statement of accounts showed the liabilities to be—unsecured creditors, £919 5s.; creditors for rent, taxes, &c., £154 14s. 2d.; total £1,073 19s. 2d.; assets—stock-in-trade at farm, £240; furniture, &c., at the Crown Inn, £100; total, £340. Deducting payments in full—£154 14s. 2d.—the available assets for the benefit of unsecured creditors were £185 5s. 10d. The meeting which was largely attended, passed a resolution for liquidation by arrangement, authorising the trustee, Mr Alfred Eaden, accountant, the receiver, to sell the business to the debtor or any other person for a sum sufficient to pay a dividend of 2s. 6d. in the pound. It was also resolved to grant a discharge to the debtor.

WALTER JOHN NEWBY (BIRMINGHAM.)—A meeting of the creditors of W. J. Newby, stone manufacturer, Birmingham, was held on Thursday, at the office of Mr John Boraston, solicitor, 55, Ann-street. The liabilities were estimated at £3,518, and the assets at £1,033. Mr. Boraston, on behalf of the debtor, offered a composition of 5s. in the pound, which was rejected, and ultimately it was decided that the estate should be wound up in liquidation, with Morris as trustee, and a committee of inspection.

R. MAXWELL AND CO.—At a meeting of the creditors of Robert Maxwell and Company, held on Thursday, a statement of affairs prepared by Messrs Broad, Broad, and Paterson was submitted, showing liabilities to the amount of £102,833, of which about £42,000 were fully secured; and assets of small amount. Liquidation by arrangement was resolved upon, and Mr H. Evans Broad was appointed trustee, to act with a committee of inspection. The debtors' discharge was also granted.

J. MALAINGRE (SHEFFIELD).—A meeting of the creditors of James Malaingre, manufacturer of fancy inlaid work, Broomspring-lane, was held on Thursday, at the offices of Mr. Charles Godfrey Esam, solicitor, George-street, Sheffield. Mr. John Neal occupied the chair.—Mr. Shuttleworth, as receiver, read a statement of the affairs, which showed—unsecured creditors, £490 10s 2d.; creditors fully secured, £822 14s.; (estimated value of securities, £1,200;) creditors partly secured, £575, holding securities valued at £377 6s; creditors for rents, rates, and taxes, £45 11s., showing total liabilities (unsecured) £733 13s. 2d. Assets, £389 16s. 5d. After a considerable discussion, it was resolved to liquidate the affairs by arrangement and not in bankruptcy, Mr. T. G. Shuttleworth being appointed trustee, with a committee of inspection.

FAILURES.

The following failures have been announced during the week :—

ENGLAND.—The failure of Thomas Webb, a South Wales colliery proprietor, is announced; liabilities, £90,000.

AMERICA.—Advices from America report the failure of Messrs Roe Brothers, wholesale grocers, with liabilities of £38,000. Messrs Schwerin and Blum, Philadelphia, in the boot and shoe trade, had also suspended, with liabilities of £5,000. Messrs Evans, Webster, and Co., in the dry goods trade, Boston, had stopped. The suspension of the dry goods house of Messrs J. and D. S. Saulsbury, at Providence, with liabilities of £36,000, had been announced. New York advices received on Tuesday announce the failure of Messrs Chas. T. Goodwin and Sons, bakers, 226, Front-street. Liabilities estimated at £20,000.

AUSTRALIA.—Melbourne advices announce the suspension of Messrs Wilson, Crosbie, and Co., wholesale grocers, with liabilities close on £24,000. An offer of 14s. in the pound had been accepted. The failure of Messrs William Mitchell and Co., brewers, Richmond, had also transpired; liabilities, £4,500.

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NOTTINGHAM COUNTY COURT.

January 19.

(*Before Judge* WILDMAN.)

RE JOHN FEATHERSTONE.—In the case of John Featherstone, Mansfield, grocer, Mr. Hind, on behalf of the trustees, made an application to the Court against Joseph Greenwood, of Mansfield, for the delivery of a sewing machine and a piano, which the bankrupt had given to Greenwood on the eve of his bankruptcy. Mr. Belk appeared for Greenwood, and Mr. Hind for the trustees. From the evidence of the bankrupt's wife, and of Greenwood, it appeared that the Act of bankruptcy was the absconding of the debtor on the eve of his bankruptcy. The evidence of the bankrupt's wife went to show that in September last, a day or two prior to the absconding of the debtor, the piano and sewing machine had been given in satisfaction for a debt. Greenwood said the defendant owed him money, and he pressed him for payment. His Honour held that it was a fradulent preference, and ordered the piano and sewing machine to be surrendered. Mr. Hind also examined the bankrupt's wife as to an equitable mortgage security which she and her husband gave to Mr. John Adlington, for securing £200. Mr. Smith, of Mansfield, appeared for Adlington. From the examination of the bankrupt's wife, it appeared that a day or two before the bankrupt absconded, her husband signed a memorandum charging their property with the payment of £200. It transpired in the evidence that this was given after Mr. Adlington had issued a debtor's summons against the bankrupt. His honour held that the charge was not a voluntary one, as it was given under pressure. He, therefore, refused to recognize it, but would not give Mr. Adlington his costs.

RE PALLISER.—In the matter of Palliser, bankrupt, who failed for nearly £1,000, Mr. Hind appeared for the trustees, and applied for the public examination of the bankrupt to be postponed until the 18th February. The application was granted.

NEW COMPANIES.

The *Investors' Guardian* gives the following list of companies registered during the week :—

Abbey Mill Spinning—Capital £50,000, in £5, shares.
Albert Bowling Club—Capital £2,000, in £5 shares.
Buxton Stone, Brick, and Tile—Capital £10,000, in £1 shares.
Calder Chemical—Capital £7,750, in £5 shares.
Cardigan United Lead Mining Capital £40 000 in £5 shares.
Chaudler's Patent Self-Lighting System—Capital £5,550, in £5 11s. shares.
Cromer Waterworks—Capital £10,000 in £5 shares.
Derbyshire Steam Cultivation—Capital £6 000, in £50 shares.
Drysaltery, Chemical, and Sanitary Capital £60,000, in £5 shares.
Garnswllt Colliery—Capital £2,500, in £100 shares.
Grimsby Laundry—Capital £3,000, in £10 shares.
Hummums' Hotel (Unlimited)—Capital £28,000, in £100 shares.
Joseph and Robert Dodge—Capital £10,000, in £20 shares.
Liverpool Northern Loan and Discount—Capital £5,000, in £5 shares.
London Provincial Carriage Insurance—Capital £25,000, in £5 shares.
Longridge Coal and Cannel Capital £6,000, in £1 shares.
Mottram Lighting—Capital £2,000, in £1 shares.
Ryde Pavilion—Capital £5,000, in £5 shares.
Southsea and South of England Co-operative Supply Association—Capital £10,000, in £1 shares.
Thetford Temperance Hotel and British Workman—Capital £500, in £1 shares.
Vosper Patent Sewing-Machine Capital £5,000, in £10 shares.
Warrington Lion Hotel Capital £12 000, in £10 shares.
Weston Point Steam Towing Capital £10,000, in £10 shares.

LIQUIDATIONS.

The following are amongst the petitions for liquidation filed during the week, with the appointments made, &c. :—

JAMES CHAPLIN, licensed victualler, of the Red Lion Inn, Smallbrook-street, Birmingham ; liabilities estimated at £1,300. Mr Luke Jesson Sharpe, public accountant, receiver.

CHARLES LYONS, licensed victualler, of Knowle, Warwick; liabilities estimated at £1,200. Mr Wm. Lomas Harrison, public accountant, receiver.

HAMILTON GERRAND, draper, of 2, Anderton-street, the Sandpits, Birmingham ; liabilities estimated at £2,500. Mr Luke Jesson Sharp, public accountant, receiver.

In the so-called *Times* libel case—Mr. M. B. Sampson, the late City editor of that paper and Baron Grant being parties to the suit—the jury, on Monday, found, firstly, that the articles were libellous ; and secondly, that plaintiff was not guilty of the charges imputed to him. They assessed damages at £500; and found that Baron Grant was not a party to the publications. The jury deprecated further legal proceedings as threatened.

CHECK-MATED.—A correspondent, adopting the signature of "Jones," writes to us :—"I am a shareholder in the Cheque Bank, and I owe Smith a grudge which I have long declared I would give a sovereign to gratify. Smith has just been fool enough to pay me £1 that he owed me by a Cheque Bank draft covering £10. I have put the said draft into the fire, thereby enriching the bank to the full amount of £10, which Smith cannot touch while the draft is outstanding, and leaving my friend Smith and his heirs £9 out of pocket for ever."—*Pall Mall Gazette.*

BRAZILIAN LOAN.—Messrs. N. M. Rothschild and Sons have issued the prospectus of the new Brazilian 5 per cent. loan, which is for the nominal amount of £5,000,000. The price is 96½ per cent., and, allowing for the discount on payment in full, the net price is reduced to 94¾ per cent. Redemption is to be effected by a 1 per cent. sinking fund, to commence on the 1st January, 1877. No reference is made to the object for which the loan is required.

AN ABSCONDING BANKRUPT.—On Wednesday, at the Birmingham Police Court, Mr. John Wood, a bankrupt, who has been "wanted" for several months, surrendered himself under a warrant. Mr. Wood had carried on the business of a pork butcher and provision dealer, and occupied extensive premises in Great Hampton-street, Birmingham. He filed his petition for liquidation of his affairs on the 3d March last, at the Birmingham County Court, with liabilities amounting to about £14,000, and assets about £1,000. Several examinations of the debtor took place. Mr. Wood, however, absconded, and in July last a reward of £50 was offered by the trustee for his apprehension.

Mr. Johann Treuttman, merchant, of Great St. Helen's, was charged at the Mansion House, on Thursday, with conspiring to defraud the Stock Exchange Committee and others by means of false allegations respecting the Illinois, Missouri, and Texas Railway Company. The prosecutor in this case was a Mr. Burkett, who had supplied the defendant with a large quantity of goods, and taken the bonds of the company in part payment. The summons was adjourned after the prosecutor had been partially examined.

THE COUNTY COURTS BILL.—A deputation from the Associated Chambers of Commerce waited on the Lord Chancellor on Wednesday on the subject of the County Courts Bill, which provides for the appointment of a commercial assessor. The Lord Chancellor declined to give the assessor the rank of a judge. Other points were discussed, but the interview was private.

At the annual meeting of the Birmingham Law Society, on Wednesday, a resolution was carried to the effect that in the opinion of the meeting, the rules requiring bankruptcy processes and summonses to be served by the bailiff of the Court was inconvenient.

We are requested to state that Mr. William Wainwright, junr., has joined Mr. Henry Nottingham, accountant, 1, King's Arms yard, Moorgate-street. The business for the future will be carried on in the name of "Wainwright and Nottingham."

In the Rolls Court, on Saturday, in the case of the Ipswich Public Hall Company (Limited), the usual compulsory winding up order was made with the assent of the company.

An order to wind up Dando and Company (Limited), under supervision, was made in the Rolls Court on Saturday.

Vice-Chancellor Malins has granted an interim order, restraining Messrs. Bischoffsheim, contractors for the Honduras Loan, from destroying documents relating to the loan. The application was made on behalf of the holder of a £1,000 bond, who has filed a bill in Chancery against the contractors.

The *Bombay Gazette* says:—"Our readers may be interested to learn that the Mr Alex. M'Ewen, whose failure in London for £200,000 has just been announced, is the man who came out here and established that pretty speculation the London, Bombay, and Mediterranean Bank. Perhaps some of the "grateful" shareholders in that concern in Bombay might get up a subscription for poor M'Ewen in his hour of need.

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WINDING UP PETITIONS.—A petition for the winding-up of the Mutual Society Trust Fund is to be heard before Vice Chancellor Malins on the 29th inst.—A petition has been presented to the Court of Chancery for the winding up of the Catherine and Jane Lead Mining Company.—A petition for the winding-up of the Hart's Pure Whole Meal Bread and Biscuit Company (Limited), is to be heard in the Court of Chancery on the 30th instant.

REVENUE RETURNS.—The receipts on account of revenue from the 1st April, 1874, when there was a balance of £7,442,854, to the 16th inst. were £55,038,606; against £55,732,608, in the corresponding period of the preceding financial year, which began with a balance of £11,992,705. The net expenditure was £60,942,171, against £63,289,182 to the same date in the previous year. The Treasury balance on the 16th inst. amounted to £1,649,031, and at the same date in 1874 to £1,256,156.

A FAMILY ARRANGEMENT.—At the Colchester County Court the Judge heard an appeal to the court from a decision arrived at in bankruptcy by the Registrar, in the matter of Mr. Popham, a tambour-worker, of Coggeshall. It would seem that the debtor called together his creditors in London, and the proceedings partook so much of a family or friendly arrangement that Mr Goody, who appeared for creditors, protested, and objected to the resolutions being filed. Some informality having been proved, the Registrar refused to file the resolutions, and Mr Aird now appealed against the decision. His Honour, after a long investigation, upheld the decision of the Registrar, and strongly censured the proceedings taken by the debtor and his advisers.

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The Accountant

NOTICE TO SUBSCRIBERS.

The Accountant is now Published Weekly: a change dating from the commencement of the present year, and which, it is hoped, will enhance the value and usefulness of the paper, and also tend to promote one of the main objects for which it was started—viz., the advancement of the interests of accountants throughout the United Kingdom. The proprietor ventures to hope that his efforts in this direction will meet with the appreciation and satisfaction of the subscribers, and be deemed deserving of increased support on their part, particularly in regard to advertisements, a valuable aid to a newspaper which accountants especially can render in the ordinary course of business. It may be added that the publication of the paper weekly will constitute the Accountant a "newspaper" within the meaning of the Bankruptcy Act, and members of the profession will thus have the opportunity of contributing towards the success of their own organ by the insertion of statutory notices required to be advertised under this and other Acts of Parliament. The Weekly Paper is Published every Saturday in time for the early morning mails; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being, annual subscription 24s. (post free); half-yearly do., 13s. (post free.) Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62, Gracechurch-street, E.C. to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the Accountant at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation. and with the entire concurrence and hearty support of the leading members of the profession, the Accountant may fairly hope for a large measure of success in a wide field hitherto unoccupied by any professional organ. The Accountant thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Subscriptions and advertisements will now be received at the Branch-office of the Accountant, 127, Strand.

The Accountant.

JANUARY 30, 1875.

A legal contemporary, in noticing our issue, raises again the old cry that accountants are infringing the privileges of solicitors, and gives as an instance that our columns are to a considerable extent filled with reports of bankruptcy decisions and of comments on the points of law raised therein. For our own part, we can only say, that we have scrupulously sought to define the limits that separate the two professions. We are, of course, not liable in any way for the doings or pretensions of the so-called accountants, who profess to transact every style of business from bankruptcy to conveyancing, and from advising on simple points of law to carrying through a law suit. The men who frame these announcements are not in reality accountants at all. They are mere outsiders doing all sorts of work, and seeking to obtain credence in their professions of professional knowledge by usurping the title of accountants. "Captain" is, we all know, a good travelling name, and possibly "accountant" may be considered a good business name, but it is as absurd to consider the eminent body of men who form the backbone of the profession as responsible for the vagaries of their self-styled associates, as it would be to consider the whole military service disgraced by the acts of a swindler who styles himself a captain.

In truth the lines of demarcation which separate the professions of solicitors and accountants are not so easy to trace exactly, though there are certain well defined limits which no accountant could overstep. Our contention is, that there is business habitually transacted by solicitors which belongs in all strictness to accountants. Questions of account, of investigation of the state of business of insolvent firms, of the value of assets, belong to the domain of accountants. And these are questions which arise in cases of bankruptcy, of composition, and of liquidation. If points of law arise, if legal measures have to be taken to enforce payment of debts, then comes the time for the intervention of the solicitor. Of course, an accountant, if appointed a trustee would take upon himself to write such letters and transact such business as the bankrupt himself would have done. A letter enclosing an account and asking for payment would be properly written by an accountant. If the

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debtor refuses to pay, and a writ has to be issued, the matter is removed from the province of the accountant and placed in the hands of the solicitor.

We have said that, bankruptcy and the liquidation of companies should be ruled by the same guiding principles. In both the object is the same—to realize and distribute the assets to the best advantage. The duties of the official liquidator, and the solicitor, are as distinct and clearly defined as possible; and surely no man would raise the cry of unprofessional conduct if one of the well-known men, whose names are seen in connection with the winding up of so many companies, were to purchase, and carefully study all the textbooks and reports which would help him in his business, and enable him to form a clear opinion, on the various points which arose. If either trustee or liquidator relied too strongly on his own judgment, and made mistakes, he would be personally responsible; and the liability to be fixed with heavy costs, would ensure his taking steps to procure proper professional advice when it was needed.

What the liquidator may do cannot be wrong for the trustee. Our object in giving these reports and comments, which have so grievously vexed the spirit of our contemporary is, merely to afford a simple code of rules for the guidance of accountants in cases of any doubt. It can be no disadvantage to any man to be thorough master of his profession, and it is a decided advantage to those who employ him. It is a *trifle* ungracious in a class journal to twit us upon seeking to advance the interests, and improve the professional knowledge of the class to whose support we appeal. If our contemporary will point out and expose the devices of the so-called "accountants," it will be doing a service to both professions, and in pursuing this course, at least, solicitor and accountant will work together with hearty cordiality.

The stringency of winding up orders is being much modified, and the Court of Chancery has shown an increasing disposition to consult the wishes of the vast body of shareholders or contributories, instead of making a winding up order in the petition of a single individual. In the case of the *British Timber Company*, Vice-Chancellor Malins, who has always shown a strong desire to check the scandals which winding-up cases so frequently present, carried out this doctrine, and refused to make an order for the compulsory winding up of a company at the instance of one creditor, when the majority were in favour of a voluntary liquidation. The Vice-Chancellor drew the analogy we have so frequently insisted upon between liquidation of the affairs of companies and the affairs of individuals, and seemed to intimate that the statutory majority of three-fourths ought to decide the fate of companies. The practice of winding up a company compulsorily at the request of a single creditor, is likely to be injurious to the safety and stability of any concern.

The system of deferred payments is being so widely adopted that the decision of the Chief Judge in Bankruptcy, in *ex parte* Marston, may usefully be studied by many persons. The Judge considered the practice of the trade as to hire to be clearly proved, and he possibly attached some importance to the peculiar wording of the alleged condition, which makes the transaction a loan, with an option of purchase at the end of a certain time. But in the case of a piano bought on what is termed the "three years system," the question of ownership must frequently arise. Here there is not the case of the hire of an article with an option of purchase, but a distinct provision that the piano shall become the property of the hirer at the end of the three years, if the instalments are duly paid. It is true that these agreements usually contain stipulations that any failure to pay an instalment shall cause a forfeiture of all preceding payments; but it is doubtful how far such a clause could be legally enforced. Certainly the three years system, and the variety of documents by which it is carried out, must cause some embarassment to trustees.

A correspondent who sends us the report of a case in the Barnsley County Court in which the executors of a surgeon brought an action to recover a sum of money from a debt collector, enters a complaint against "the race of debt collectors who unblushingly style themselves 'accountants,' and not infrequently bring discredit upon a profession to which they do not belong, and into which they would not be admitted." There is, no doubt, reason in the charge: but, as we have pointed out several times of late, the remedy rests with accountants themselves, and the work is one quite worthy of joint action on the part of the various accountants' societies throughout the Kingdom. It is quite time that accountants of respectability and standing showed themselves alive to the necessity of erecting a strong and palpable barrier between themselves and men who, however honest and respectable their calling, have no right to a place in the professional ranks. Accountants must set their own house in order, and the sooner they do it the better.

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The attention of trustees should be called to the case of *exparte Leonard*, in which it was decided that the "representation" to be made by a creditor or inspector, that the debtor has been guilty of any fraudulent act, in order to induce the Court to order a prosecution, must be in writing. It is to be noticed that Section 16 of the "Debtor's Act" sets the power of the Court to order a prosecution on the "report" of a trustee, or the "representation" of a creditor. A report, obviously means a report in writing, and the proceedings are now assimilated. It would have been as well if this had been distinctly stated in the Act.

DRAPERY "LIMITED."

Our attention has been called to the balance sheet, dated December the 23d, 1874, of the *Bayswater General Drapery and Mourning Warehouse, Limited*, of Westbourne Grove. A capital consisting of 1,446 shares, at £5 per share, should naturally produce £7,230, but when 500 shares, announced as having £4 paid upon them, become, in accordance with arrangement, the property of the vendor, and sundry debtors on shares to the extent of £4,546 10s., have not the good-feeling to "pay up" the remaining "cash" capital at disposal, amounting to £683 10s., would appear barely sufficient, even to the most sanguine of enthusiastic promoters, to carry out the beneficent objects, whatever they may have been, of the *Bayswater Company*. Its transactions, of a more than ordinarily *limited* nature, and, extending over a by no means lengthened time, have resulted in a deficiency of £1,088, 5s., for a portion of which sum "debtors on goods account," to the extent of £730, 2s. 7d. are held to be responsible. On the other side, creditors appear in a rather formidable array to the amount of £5,468 3s. 10d., the sum total of the whole statement, embracing everything, reaches £16,686 2s. 10d. *Salaries due*, and *Directors' fees*, would seem to have but a small chance against an available cash balance of a shilling in the pound, and it may be said that but little scrutiny of this company's affairs would have sufficed to establish the absurdity of its formation. On one side at least, the Bayswater Drapery concern is a success, and although the benefits expected to be enjoyed by its supporters may or may not be looming in the distant future, they have certainly cause for congratulation at having their affairs laid before them in so open and straightforward a manner; but it would, perhaps, not be amiss to warn sentimental or susceptible investors that there are, judging, at least from the present instance, better ways of making money than "going into mourning."

At the Mansfield County Court Judge Wildman has decided that a £5 note of the Southwell Banking Company, which had been paid after the bank had stopped, but before it was known, was not sufficient payment.

BANKRUPTCY LAWS.—No. 4.

TRUSTEES CONTINUED.

In the preceding article we recommended the trustee, in dealing with disputed claims, to consult the solicitor to the estate. It is as well to point out that although the trustee cannot employ a solicitor without the sanction either of the creditors or of the Committee of Inspection, when such consent is given, the nomination rests *solely* with the trustee who is entitled to select any one he chooses. This fact is of importance, as, although it is customary to consult the wishes of the inspectors, there may be, and occasionally are cases in which it is desirable that this option should be exercised; as for example when inspectors have interests distinct from those of the general body of creditors, or are known to be strongly biassed towards, or related to, the bankrupt. In the event of such sanction being withheld, and the trustee considering that legal advice is necessary, he has the right to go to the Court, and the Court, if satisfied that the circumstances of the case warrant it, will make the required order. As a rule, however, the necessary permission is asked for, and obtained, at the first meeting of creditors.

The trustee having made such examination into the bankrupts' affairs as the materials he has been able to get together afford him the means of doing, should be in a position, prior to the date of the public examination, to consult his committee as to the course to be then adopted. Assuming that the bankrupt has complied straightforwardly with what has been required of him, and that the trustee and Committee of Inspection are satisfied as to his disclosures and dealings, (no opposition being offered,) the bankrupt is allowed to pass; but if on the other hand he has neglected to comply with the requisitions served on him (and which requisitions should be approved by a resolution of the Committee of Inspection) the solicitor should be fully instructed (in preference in writing) as to the grounds for opposing the bankrupt's passing, with a view to obtaining such order thereon as the circumstances of the case may justify; but, inasmuch as the interpretation of the Act is the reverse of hostile to bankrupts, it behoves the trustee to be very accurate in his complaints and requirements. Under the old Act a bankrupt who had passed his public examination was to all intents and purposes a free man, whereas under the present Act he is not released without the payment of 10s. in the pound, unless by a resolution of his creditors, and with the sanction of the Court. The learned Registrars, having, we suppose, this distinction in view, and bearing in mind that the trustee can always (even after the Bankrupt has passed his public examination) demand his attendance, and, if necessary, examine him on oath as to his dealings and transactions, appear to regard such passing as immaterial. The experience of trustees does not, however, accord with this view. In the first place, a certain dread of repeated publicity and possible censure, with the contingent risk of a

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committal for contempt, undoubtedly have an influence even over the most unscrupulous bankrupts, who are generally well enough versed in the act to know that when once they have *passed*, the trustee must pay travelling and other expenses either out of the estate (if there are assets), or out of his own pocket (if there are none). It is in connection with the bankrupt's accounts, and his public examination that, to our mind, one of the greatest defects of the present Act is to be found. It is true that "the freedom of the subject" is one of the greatest boasts of England; nevertheless a paternal form of government is gradually creeping onward. People are not allowed to be nuisances to their neighbours, sanitary defects are remedied compulsorily, and education is no longer a matter of choice. On what ground then should this paternal principle be ignored in connection with Bankruptcy Laws, upon which, to a great extent, the trade of the "first commercial country in the world" depends? Is it not a pecuniary wrong to the nation, as well as an indirect attack upon commercial morality, (which is certainly at a discount just now), that honest and industrious traders should have to compete with men who start in business unhampered by any scruples of conscience, and with the practical certainty that they may (except in very rare instances) perpetrate with impunity almost any degree of rascality. We have before urged, and we insist, that no Bankruptcy Laws will prove effective until we accept the principle, adopted almost without exception by continental nations, of making it compulsory for men who trade (or speculate) to keep books, therein recording every transaction, under, in the event of failure, a penalty reducible in the discretion of the judge, if the *insolvent* can adduce good reasons for a mitigation of his sentence. We would go even farther than this, and do away with the necessity for a public prosecutor (so far at least as Bankruptcy is concerned) by giving the Chief Registrars, aided if needs be by a jury, the power to imprison. There would be no danger in this, for if they have a failing, it is that of too much leniency towards "unfortunate bankrupts"; the creditors and trustees receiving far less consideration at their hands; thanks, perhaps to the tendency of the present laws.

To resume the duties of trustees which we left at the question of public examination. It must not be supposed that the trustee has no other duties to perform until that point is disposed of. As soon as he has by receipt of the Statement of Affairs (which should be produced at the first meeting of creditors, but which is often not forthcoming until compulsion is used), the bankrupts books, or by other means, —ascertained the particulars of the assets (if any), he should proceed to realize the same with all due diligence, consulting the views and taking the directions of the inspectors as to realization of stock in trade, freehold or leasehold property, reversions, &c., and applying for the book debts. If, after a second application, the debtors neglect to pay, a third courteous but firm notice should be sent intimating that unless paid on or before a certain date, the solicitor to the estate will be instructed to proceed.

A trustee should also, when assisted by a solicitor, invariably send him a notice to attend each committee meeting, for the recent decisions throw so much personal responsibility upon trustees, that unless acting under legal advice he may find himself directed by the inspectors in perfect good faith, to assume a false and dangerous position; and every trustee should bear in mind that any liability incurred is personal to himself, and cannot be passed on to his inspectors, although the result of their directions. The latter may, however, by resolution (duly stamped) jointly, or jointly and severally, indemnify the former against the consequence of any acts which they desire to have performed. It is in this respect that the greatest tact is often required. Inspectors are frequently ignorant of the first principles of the law, and regarding questions from a common sense point of view only, are apt to take umbrage at the objections of the trustee; and here the solicitor of the estate is often enabled to intervene and, by expounding the principles of the law, prevent misunderstandings and unpleasantness.

H. B., (LONDON.)

ACTION AGAINST AN "ACCOUNTANT."

A correspondent sends us the following:—At the Barnsley County Court, on the 19th inst., before Mr. Vincent Thompson, Deputy Judge, Messrs. Squire and Gill, executors of the late Mr. Allott, surgeon, of Hoyland Nether, near Barnsley, brought an action against Mr. Thomas Swaine, a rent and debt collector at Barnsley, to recover from him the sum of £49 6s. 11d. Mr. Ownsworth appeared for the plaintiffs, and Mr. Freeman for the defendant. Mr. Ownsworth said that the defendant had long practised in that court as an accountant. The money claimed was a sum which had been collected by the defendant as a rent and debt collector. He (defendant) had paid £22 into court, but they claimed £49 odd, less certain deductions. His clients had engaged Mr Swaine to collect the debts at 5 per cent., which was the usual rate of commission paid, but the defendant had charged 10 per cent., which, on being objected to, he had reduced, first to 7½ and then to 5 per cent. In addition to commission at 5 per cent., the plaintiff had allowed the defendant certain expenses, but not so much as he claimed. For instance, Mr. Swaine had the audacity to charge a shilling a letter for writing 117 letters. He (Mr. Ownsworth) did not know that an accountant had any right to charge for writing letters; he thought that was a right which belonged exclusively to the legal profession. His Honour said that writing letters was work which any man had a right to charge for. Mr. Ownsworth proceeded to say that the defendant had also charged commission on debts which he had not collected, but which had been taken out of his hands by the plaintiffs. His Honour thought it would be best to refer the matter to an accountant. Mr Ownsworth objected; submitting that it was not a question of account alone, as he contended that the defendant had no right to charge for writing letters, more especially after he had agreed to collect the debts for 5 per cent. commission. His Honour said he knew

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of no law which prevented a man charging for writing letters. Mr Ownsworth replied that his clients considered that 5 per cent. on the amount actually collected was quite sufficient without other charges and expenses. His Honour said that would be so if any agreement had been made to collect the debts for 5 per cent. without other charges, The defendant was then called, and said that he had been instructed by the plaintiffs to get in the debts, but he had never made any agreement as to what he was to charge for collecting them. Before he could begin to collect the debts he had to examine and make up the books, which was an accountant's, and not a collector's work. For collecting tradesmen's debts his charge was 5 per cent., but, in this case, owing to the greater difficulty of getting in doctor's bills, he had charged a higher rate of commission. Although some of the debts had been taken out of his hands, he claimed commission on the whole, because he had had as much trouble with the debts taken out of his hands, as with those he had collected. After having heard the evidence of Mr. Squire (one of the plaintiffs) and of a clerk lately in the employ of the defendant, examined on behalf of plaintiffs, his Honour went into a minute investigation of the case, and concluded by giving the plaintiffs' a verdict for £18 2s. 11d. in addition to the £22 paid into Court by the defendant.

LIFE ASSURANCE STATISTICS.

The following summary of the Revenue Account, Assets, and Liabilities of British Life Assurance Associations, reported in 1873 and 1874, is prepared by William White. F.S.S., compiler of the "British Life Insurance Chart":—

	Reported in 1873.	Reported in 1874.
Income.	£	£
Premiums after deduction of Re-assurance Premiums	10,538,317	10,845,266
Annuity Purchase-money	275,088	251,599
Interest on Investments	4,319,209	4,493,097
Other receipts, comprising profit realised, additional capital, fines, fees, and other items	402,967	269,131
Total income	15,535,561	15,819,053
Expenditure.	£	£
Claims under policies after deduction of sums re-assured	8,459,913	8,746,301
Surrenders	498,568	458,375
Annuities paid	446,083	451,492
Management and other expenses	1,552,282	1,637,879
Dividends and bonuses to shareholders	423,470	392,500
Cash bonus and reduction of premium	599,178	534,618
Other payments, comprising loss or depreciation, income tax, and other items	145,793	188,871
Total expenditure	12,125,292	12,410,036
Excess of income over expenditure	3,410,289	3,409,017
	15,535,581	15,819,053
	£	£
Life assurance policies in force (approximated)	352,667,453	362,233,534
Life and annuity funds	95,398,871	98,812,235
Share capital paid-up	10,483,600	10,511,243
Total accumulated funds, including fine, reserve, and other funds, but exclusive of sums for payment of outstanding claims and dividends, trade accounts, &c.	113,437,829	117,936,670
Ratio of management and other expenses to premium income	14·73	15·12

COURT OF CHANCERY, Lincoln's-inn.

January 23.

(Before the Lords Justices *of* Appeal.*)*

Lewis v. King.—This was an appeal from a decision of Vice-Chancellor Malins. In November, 1871, Mr John Vaughan Lewis was indebted for various creditors at Bath in sums amounting to £420. Some negotiations were entered into between his solicitors with a Mr King, one of the creditors, on behalf of himself and the others. A proposal was made that an insurance should be effected on Lewis's life by way of security and that the debts should be paid by instalments. On the 5th of February, 1872, Lewis's solicitors wrote a letter to King, in which they said:—"If you effect an insurance on Mr Lewis's life for £500, what would become of the money assured thereby when you were paid? If it should only stand as a security to you and those acting with you for the amount which might be due to you and them, and it is understood that the same shall be assigned to him or his representative on payment of what is due to you and your colleagues, and interest, then we see our way to advise Mr Lewis to accede to the same." In reply to this letter the solicitors of the creditors wrote on the 12th of February, 1872, to Lewis's solicitors as follows:—"The creditors who would join in payment of the premiums on the policy would assign it to Mr Lewis on payment of their debts, together with all premiums paid and interest on such premiums. The policy must be effected through us in the Law Life Office." This was acceded to, and Mr King and a Mr Mann, as trustees for the creditors, effected a policy on the life of Lewis for £500 with the Law Life Office. The policy was dated the 7th of March, 1872; the annual premium was £10 7s. 11d., Lewis being then aged 26. It was arranged that the debt should be paid in nine instalments, the first instalment being payable on the 31st of May, 1872, and the last on the 31st of May, 1874. Lewis gave promissory notes to the creditors for what was due to them, with interest. The creditors paid the first two premiums on the policy. All the instalments were duly paid. On the 25th of February, 1874, shortly before the third premium became due, the solicitors of the creditors wrote to the solicitors of Lewis, "Do you feel disposed to take an assignment of the policy on payment of the premiums we have paid, and interest, or are we to let it drop?" Lewis's solicitors declined this proposal, but afterwards offered on his behalf to give £10 for the policy. This offer was not accepted. On the 27th of May, 1874, Lewis's solicitors sent to the creditors' solicitors a cheque for the last instalment, and they, in acknowledging the cheque, wrote:—"As soon as we get in all the promissory notes we will send them to you. As to the policy, if none of the creditors will purchase it, we will let you know, in order that you may take it if you feel disposed. Under instructions from one of the creditors we paid the premium last due, so it is in full force." On the 19th of July Lewis died, having by his will given all his property to his widow, whom he appointed his executrix. She in August last offered to pay the three premiums, with interest, and demanded an assignment of the policy. The creditors refused to accede to this. This bill was then filed against King and Mann, and the Law Life Society to enforce the widow's claim and to prevent the society from paying the £500 to any one except her. The defendants King and Mann demurred to the bill for want of equity. The Vice-Chancellor overruled the demurrer and the defendants appealed. Lord Justice James was of opinion that the demurrer ought to have been allowed. He quite agreed that if this policy had been the property of Mr Lewis and had been pledged by him to the creditors, and they, though under no obligation to keep it alive, had chosen to do so, it would still have been the property of the pledger, and would have retained its original character of a redeemable pledge. But the policy in this case had no resemblance whatever to property of a debtor pledged to a creditor. The creditors effected it with their own money, without there being any obligation on the part of the debtor to repay them anything which they paid for it. They might at any time have dropped the policy if they pleased. Their only bargain with him was that when he had paid the whole of the debts, with interest, he should be entitled to the option of having the policy assigned to him on payment of the premiums which had been paid wtih in-

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terest. This was a right given to him, and it was his duty to ask for the policy. There was no obligation on their part to tender it to him. He was bound to exercise his option within a reasonable time. It was like a lottery ticket for which the creditors had paid, and it was his duty to have applied for the policy within a reasonable time after the 31st of May, 1874. He did not do this, but he waited till the chance had become a certainty—till the lottery ticket had drawn a prize. He was not entitled to do this. It could not now be averred in a Court of Law or in a Court of Equity that he had always been ready and willing to make the payment. The correspondence strengthened this view of the case. After the letter of May 27,1874, his Lordship thought it was absolutely incumbent on Mr Lewis, if he meant to insist on his right to the policy, to have written by return of post, and to have said, "Don't sell it at all; I am willing to pay the money; keep it for me." It was too late to make the claim now, after the accident had happened which had made the policy a valuable property. Lord Justice Mellish was of the same opinion. The first question arose upon the construction of the letters, whether the policy was to be considered as originally the property of Mr Lewis or of the creditors. As they were to pay the premiums, *prima facie* it would be their property; and this, his Lordship thought, was the true construction of the letters. Then came the question whether he had exercised his option in due time. There were some negotiations before the third premium became payable, and Mr Lewis might then have said, "I decline to exercise my option at all until all the instalments of the debts have been paid." But he did not. He declined to take the policy at the price asked. Then afterwards he offered £10 for it. This was not accepted, and one of the creditors paid the third premium. Perhaps even then Mr Lewis was not absolutely precluded from his option. But nothing was more natural than that the creditors should suppose that he had abandoned it altogether. Then came the letter of the 27th of January. The meaning of that plainly was,—"We take it for granted that you do not intend to exercise your option under the original agreement. But you have offered us £10 for the policy. If none of the creditors will give more for it, we will let you have it for that sum." On receiving such a letter he was bound to answer it at once, and if he meant to insist on his original option he should have said,—"I have changed my mind, and I am ready to take the policy on the original terms." He did not do so, and this amounted to an admission on his part that the policy was the creditors' property.

ROLLS' COURT, Chancery-lane.

(*Before the* Master *of the* Rolls.)

January 23.

The Agriculturist Cattle Insurance Company.—A curious question in the winding up of this company came before the Court by adjournment from Chambers. It appeared that a call of £20 per share, being the remainder of the share capital, was made by the official manager on the 11th of October, 1863. Other calls were subsequently made, and the question was whether the sums received by the official manager under compromise with a number of contributories ought to be taken as paid in respect of the first call, or to be apportioned rateably among all the calls. The question was of some importance to the remaining contributories, from the liability of the shareholders being unlimited as regards outside creditors, though limited to the capital as regards policy holders. The Master of the Rolls held, following a decision of Lord Justice James, when Vice-Chancellor, in the State Fire Insurance Company's case, that the sums in question ought to be apportioned rateably among all the calls.

Amateur Auditing.—In regard to the flight of Mr. Stiles, late cashier of the Melksham branch of North Wilts Bank, whose defalcations are estimated at £15,000 it is stated that "The accounts of the Melksham branch were regularly examined every half-year by two resident directors, and it was not until that duty devolved upon the manager at the end of the past year that the real state of the case was ascertained."

VICE-CHANCELLOR'S COURT.

January 22.

(*Before Vice-Chancellor Sir* R. Malins.)

In re The Eupion Fuel and Gas Co. (Limited).—This petition was presented *ex parte* under section 167 of the Companies Acts, 1862, by the official liquidator of the above company, now in course of winding-up, and by the prosecutors in the proceedings against the directors of the company, before the late Lord Mayor Lusk, who it will be remembered, committed the defendants, Messrs. Aspinall and others, for trial, the Grand Jury ultimately finding true bills against them. The petition asked that the official liquidator might be at liberty to conduct the prosecution on behalf of the prosecutors, and that the costs of the prosecution might be paid out of the assets of the company. The Vice-Chancellor declined to make any order on the petition, but without prejudice to any application being made to the Court of Appeal on the subject.

In re The British Timber Co. (Limited).—This was a petition for the winding-up of this company, presented by the executors of a shareholder and debenture holder. The company was formed in April, 1865, but having recently got into difficulties, a resolution was passed by a large majority of the shareholders, at a meeting held in November last, for a voluntary winding-up, and liquidators were duly appointed. Mr Higgins, Q.C., and Mr W. F. Robinson for the petitioners, contended that, being creditors, they were entitled to a compulsory order, or at least a supervision order. Mr Glasse, Q.C., and Mr North, for the company, opposed the petition on the ground that an overwhelming majority of the shareholders and also debentureholders were in favour of a voluntary winding up. Mr Rigby, for a debenture-holder, also opposed the petition. The Vice-Chancellor said that when the case was first presented to him he thought it was simply a petition by a creditor against shareholders, and was, therefore, inclined to make an order, as he did not see why the management of the affairs of the company should remain in the hands of the debtors instead of the hands of the creditors. But now it appeared that not only all the shareholders but also all the creditors, except the petitioners, or at all events an overwhelming majority of them, were unanimous in the desire that the Court should not interfere in the affairs of the company, but that they should be left to manage them themselves. Mr Higgins had argued that he was entitled to an order *ex debito justitiæ*; but, as he had already decided in the case of the "Langley Mills Steel and Iron Company" ("L.R." 12 Eq. 26), where he carefully considered the subject, the Court must, in deciding whether a winding-up order should be granted or not, have regard to the wishes of the majority of the contributories of the company. That was, in fact, laid down by the 91st section of the Companies Act. In the case of the "Brighton Hotel Company" he directed a meeting of the shareholders to be called, in order that their wishes might be ascertained, and if this were a doubtful case he should adopt the same course. But here it would be useless, as it was perfectly clear that the resolution would be in favour of a voluntary winding-up. Therefore, as he must regard the wishes of the shareholders and creditors, he found that there was an overwhelming majority in favour of a voluntary winding-up, and the majority must bind the minority. In bankruptcy, three-fourths of the creditors could bind the remaining fourth, but here the majority was far greater than three-fourths. He must, therefore, leave the matter in the hands of the majority and refuse the order asked for. With regard to the costs, the petition had been presented in good faith, and therefore, he should make no order, except that the costs of all parties on the petition be paid by the official liquidator out of the assets of the company.

Glasgow.—Institute of Accountants.—At the twenty-first annual meeting of this institute, held a few days ago in their own hall, the following gentlemen were appointed office-bearers for the ensuing year, viz.:—Wm. Anderson, president; Alex. Moore, George Robson, A. S. M'Clelland, John E. Watson, John Miller, Samuel Robertson, jun., members of council; with Walter Mackenzie, auditor; Robert M'Cowan, treasurer; and Alex. Sloan, secretary.

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COURT OF BANKRUPTCY.

January 22.

(*Before Mr. Registrar* PEPYS, *sitting as Chief Judge.*)

IN RE JOSEPH WARD.—The debtor, a surgeon of Heath-street, Hampstead, filed a petition for liquidation in July last, and at the first meeting the creditors passed a resolution accepting a composition of 8s in the pound, payable by instalments. Mr Ransford was appointed trustee for receipt and payment of the composition, and to him the debtor undertook to assign his furniture as security for his observance of the terms of the resolution. The debtor made default in payment of the instalments, and the trustee called upon him to execute an assignment of the furniture, but he refused to do so. He afterwards removed a portion of the furniture, which had been allowed to remain in his possession pending the liquidation petition; but upon criminal proceedings being instituted against him, he paid to the trustee the sum of £200. The matter was now brought to the notice of the Court by the creditors, who asked that the amount in the trustee's hands should be distributed rateably among them. His Honour was of opinion that as the debtor had made default in paying the composition, the creditors had a right to ask that the funds in the hands of the trustee should be distributed according to the terms of the resolution. Application granted.

January 23.

(*Before the Hon.* W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE T. S. WEBB.—The debtor, described as a colliery proprietor of 85, Gracechurch-street, had filed a petition for liquidation, with liabilities returned at £94,000, and assets of uncertain value. His Honour now granted an extension until further order of an injunction restraining proceedings under an execution levied at the debtor's private residence, but at the same time declined to direct the sheriff to withdraw.

IN RE ABRAHAM POWELL.—The debtor is a warehouseman, carrying on business at 79, Wood-street. He has presented a liquidation petition, the liabilities being estimated at £9,000, assets, consisting of book debts, £3,000, and stock-in-trade about £2,000. His Honour now appointed Mr J. D. Viney receiver of the estate, and granted an interim injunction to restrain action by creditors.

January 25.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE MARSTON, RE HILL.—This was an appeal from the Nottingham County Court, and involved a question of some little importance to carriage builders and proprietors. The appellant, Mr Marston, was a carriage builder at Birmingham, and he had been in the habit of letting out cabs upon hire to various persons upon the "deferred payment principle," or, in other words, upon the terms of payment of so much money by way of deposit and for hire, with a provision that at the expiration of a certain time the hirer should have the option of purchasing the cabs, the money paid to be taken as part of the price; and with a further provision that if the hirer made default in carrying out the terms of the agreement, the money paid should be forfeited. On the 20th of June, 1874, an agreement of this nature was made between the appellant and James Hill, a cab proprietor at Nottingham, for the hire of two Hansom cabs. Hill paid a deposit of £52, and the cabs were delivered to him, and his name appeared to have been painted in gilt letters upon both sides of them. The cabs remained in the possession of Hill until the 9th of October, when he filed a petition for liquidation without having made any further payment to the appellant; and the trustee subsequently took possession of the cabs, on the ground that they were in the possession of the debtor with the consent of the true owner at the time of the presentation of the petition. Mr Marston afterwards applied to the County Court for an order for the delivery of the cabs to him, but the learned Judge declined to interfere. Mr Marston appealed. Mr Finley Knight appeared for the appellant; and Mr Bagley for the trustee. On behalf of the appellant the evidence of carriage builders and others engaged in, or connected with the trade was adduced, which showed that there existed in the trade a well-known custom and practice to let out carriages and other vehicles upon what was known as the "deferred payment principle." On the other hand, evidence was given which went to prove that no such custom prevailed, and creditors of Hill stated that they were not aware of such custom, that they believed the cabs to be the property of Hill, and that if they had been aware of the circumstance that Mr Marston was the owner, they would not have supplied goods to Hill upon credit. The Chief Judge held that, dealing with the evidence as it stood, the custom contended for by the appellant had been proved, and that it could not be said the cabs were in the possession of the debtor with the consent of the true owner. So much of the order of the Court below as refused the delivery of the cabs to the appellant must be discharged, without prejudice to any application the trustee might be advised to make as to the deposit in the hands of the appellant.

EX PARTE LEONARD, RE LEONARD.—This was an appeal from an order of the County Court at Bury St Edmund's that the bankrupt, a cattle-dealer at Soham, in Cambridgeshire, should be prosecuted for offences under the Debtors' Act. During the opening of the appeal it transpired that the "representation" of the creditors made to the Court upon the hearing of the application for leave to prosecute was merely a verbal one, and that the evidence of the trustee had not been reduced to writing and filed with the proceedings. The Chief Judge expressed an opinion that the "representation," which the Act required, should be in writing and filed with and made a part of the proceedings, and that the evidence should appear upon the record. His Lordship discharged the order, without prejudice to any further application which the trustee might make to the County Court.

(*Before Mr Registrar* HAZLITT.)

IN RE A. P. STANFORD.—This was an adjourned meeting for public examination under the failure of Asa Philip Stanford, described as of 6, Great Winchester-street-buildings, and who had been engaged in large speculative transactions in mining and other shares. The bankrupt had filed accounts disclosing liabilities to the amount of £42,052, and assets £120 only. He had been adjourned on several occasions for the amendment of his accounts; and Mr Willoughby, who appeared for the trustee, said that the bankrupt had not complied with a former order of the Court, but proposed to submit the accounts to a meeting of his creditors. With that view he consented to a further adjournment. His Honour allowed another adjournment for a month.

IN RE JOHN CRUICKSHANKS.—The bankrupt, described as of Belgrave-road, St. John's-wood, commission agent for the sale of wines, was allowed to pass his public examination on a statement of affairs showing—Unsecured debts, £1,478; and assets, £120.

January 26.

(*Before Mr. Registrar* ROCHE, *sitting as Chief Judge.*)

IN RE FRANCIS GODRICH, JUN.—An adjourned public examination was held under an adjudication obtained against the bankrupt, who was the defendant in the protracted divorce suit of "Godrich v. Godrich." At the last sitting the trustee opposed, and the proceedings were adjourned until to-day in order that the bankrupt might file a further account in reference to his expenditure. Mr Beddall, for the trustee, referred to various items of the accounts which he considered to be unsatisfactory, but left it to the Court to decide whether the bankrupt should be allowed to pass his examination. Mrs Godrich, who appeared to oppose, pointed out that the bankrupt had not made a complete return of his professional earnings. She stated that he had at one time an income of £3,000 per year, and that up to 1871 he held a public appointment; and she reiterated in general terms her complaints in regard to the conduct of the bankrupt. Mr Bagley, in support of the application to pass, urged that the present was an exceptional case, and, even assuming that the bankrupt had been wrong throughout, the only question now before the Court was whether the accounts were reasonably sufficient. He deprecated these public displays, which had the tendency to provoke scandal. His Honour regretted the animosity which had been exhibited throughout the proceedings, and said he believed the bankrupt had given the best statement of accounts that was possible. He might now pass, but he would remain liable to answer any question that might be put to him.

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January 27.
(*Before Mr Registrar* MURRAY.)

IN RE B. F. H. CAREW.—The debtor, described as of 29, Duke-street, Manchester-square, gentleman, filed a petition for liquidation in July last, and a composition of 19s. 11d. in the pound was accepted, payable within 14 days from registration. It appeared that the debtor was the tenant for life of estates of the value of £6,000 per annum, which were settled under the Carew Estates Act. In order to satisfy his creditors he obtained a loan of £26,000 upon security of the estates from the Eagle Insurance Company. The composition was duly paid by trustees appointed to receive and distribute it, and the debtor now applied to the Court for the return of £4,123, which he alleged to be the balance in the hands of the trustees after satisfying the creditors. The claim was disputed by the trustees, who admitted that they had only a balance of £2,148 to account for, and they were also placed in a difficulty in consequence of having received notice of a claim from the plaintiff in the Chancery suit of "Pigot v. Stuart." Mr Winslow, Q.C., and Mr Bradford appeared for the debtor in support of the application; Mr De Gex, Q.C., and Mr Turner for the trustee; Mr Northmore Laurence and Mr E. C. Willis represented other interests. The case having been partly opened, his Honour said he presumed that the object of the motion was to obtain an account from the trustees of their dealings with the funds which had come into their hands. Mr Winslow said this was so, but he contended that before any such account was taken the trustees were bound to pay over in the first instance the admitted balance. The case had not concluded when the Court rose on this day.

January 28.
(*Before Mr Registrar* ROCHE.)

IN RE H. W. HEMSWORTH.—The bankrupt, described as of Stratford-place, Marylebone, gentleman, was adjudicated on the petition of the Rev. J. A. Giles, D.C.L., of the Rectory, Sutton, in respect of a sum of £3,132, due under a marriage settlement, and for which judgment had been recovered. The unsecured debts were returned at £6,905, and debts for which security is held £2,300; with assets, £4,502. Several proofs were tendered and discussed, and an adjournment ordered.

January 29.
(*Before Mr Registrar* PEPYS.)

IN RE N. KETTLE.—This was a novel application. The debtor carried on business as a bootmaker in Fulham-road, and a resolution to liquidate his estate by arrangement has been passed by the creditors. Mr. Michael, as representing the trustee, said that the resolution had been lost, and he applied for permission to file a duplicate resolution which was duly verified. There was no precedent for the application, but Mr. Michael said he would contend that the resolution was not a sheet of paper signed by the creditors—the paper being merely evidence of the wishes of the creditors—and not the resolution itself. He read an affidavit in support of the application, and it appeared that the creditors desired that a duplicate resolution should be filed and registered. His Honour thought that strong grounds had been shown in support of the application, and allowed a duplicate resolution to be filed.

IN RE L. A. DA COSTA.—This was also a singular application. The bankrupt, who was a merchant, of King-street, Cheapside, had filed a petition for liquidation, but the proceedings proved abortive, and an adjudication which followed, had also been annulled. It was now asked that the liquidation proceedings might be revived, and leave given to call a new meeting of creditors. His Honour suggested that the proper course in the first instance would be to apply for the dismissal of the petition for liquidation, the proceedings thereunder having become abortive. The Solicitor said that with his Honour's permission he would now ask for the dismissal of the petition; but the learned Registrar declined at present to deal with the application.

The Lord Mayor has dismissed the summons against Mr Johann Trautmann, a City merchant, who was charged last week with having obtained a large quantity of goods in exchange for some bonds of the Illinois, Missouri, and Texas Railway Company. The prosecution withdrew all imputations, and Mr Poland stated that the defendant had been summoned under a complete misapprehension, and that there was not the slightest foundation for the charge.

LIVERPOOL COUNTY COURT.
(*Before Mr.* J. F. COLLIER, *Judge.*)

IN RE JAMES FERRY SILBY.—This case incidentally involved a somewhat important point of practice. Mr Silby, the debtor, was formerly in partnership with Messrs J. and H. Keyworth, as agricultural implement makers. The partnership was dissolved by mutual consent in 1869, and upon the taking of accounts between the parties it was found that Mr Silby was indebted to the firm in a considerable amount, which was ultimately fixed at £1,500. The continuing partners, Messrs Keyworth, agreed to accept the sum of £750 as a compromise, payable by instalments secured by bills of exchange at long dates, without interest; but it was also agreed in writing that if default were made in payment of the bills, the debt or sum of £1,500 was to revive, less any sum that might have been paid in the meantime. The bills were regularly met until November of last year, when, £500 of the £750 having been paid, Mr Silby presented his petition under the arrangement clauses of the Act. At the first meeting of his creditors a resolution was passed to accept a composition, Messrs. Keyworth tendering a proof of debt for £1,300, being £1,000 the balance of the original debt, and £300 for interest. The proof was objected to on behalf of the debtor, on the ground that interest was not payable under the agreement. This objection was duly marked on the proof by the chairman (Mr Bolland), and on the resolutions being presented to Mr Registrar Watson for registration he ruled that in a case of composition where the question of the amount of the proof did not affect the passing of the resolution—*i.e.*, that, whether the objection was a valid one or not, where the resolution was assented to by the statutory majority of creditors—he had no alternative but to register, and leave the parties to seek the opinion of the court as to the validity of the objection. He ruled that rule 271 and subsequent rules must be read together. The matter accordingly now came before the court, on motion, to reduce the proof by the amount of interest charged, £300. Mr Rodway appeared in support of the motion, and Mr. Gill opposed on behalf of Mr. Banner, the liquidator of Messrs. Keyworth's estate. It was submitted by Mr Rodway that, inasmuch as the agreement did not actually provide for the payment of interest, no interest could be recovered. The intention of the parties undoubtedly was that on the original debt being revived no interest, was (as is usual on the dishonour of bills of exchange,) to be charged, but that the original debt should be merged in the compromise; and, in fact, until Mr Silby had made default in meeting his bills, the original debt was not revived. It was expressly stated in the agreement that the £750 was not to bear interest, and it could not have been intended that the £1,500 was to be chargeable during the currency of the bills. Further, it was necessary, as a matter of law as to interest, that it should have been inserted in the agreement, as no parole evidence was admissible that had the effect of adding to the written agreement. Mr Gill, in reply, urged that the original debt, with all its incidence, revived; if it was originally a debt that bore interest, such interest must be allowed. He further contended that evidence might be received to show that the debt was of such a nature. His Honour said he was of opinion that it was necessary the agreement should have provided for interest, to enable the parties to recover. He also considered it clear that it was not the intention of the parties that interest should be charged, or it would have been so expressed in the agreement. The order would be to reduce the claim by £300, the respondents to pay the costs of the motion.

MANCHESTER INSTITUTE OF ACCOUNTANTS.—The Council of this institute has prepared a series of suggestions for the improvement of the working of the Bankruptcy Act, 1869; and these suggestions have been forwarded to the Lord Chancellor's Committee for their consideration.

BANK RATE.—The Bank rate was on Thursday reduced from 4 per cent., at which it has remained for a fortnight, to 3 per cent.

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A BOGUS CREDITOR.

At the Manchester County Court, on Thursday, before Mr Registrar Kay, Mr Sampson (Messrs Grundy and Kershaw) moved the Court to rescind an order made by the Court on the 12th instant, directing certain resolutions to be registered. The motion was made on the ground that the passing of the resolution had been obtained by fraud. The debtor whose estate the resolution affected was Mr T. W. Whitchurch, a botanist in Tib-street. Previous to the filing of the petition on the 4th December last the debtor saw Mr George Melville, auctioneer, at his office at 28, Old Millgate, who also acted occasionally as an attorney's clerk. Affidavits filed in court by the debtor state that by Melville's directions a bogus creditor was inserted in the request and list of creditors in order to obtain the majority requisite to carry the liquidation. Melville's clerk, it was stated, was therefore entered. Resolutions were by this means passed, one of which appointed Melville trustee. The debtor, however, subsequently gave Melville notice not to proceed further with the liquidation proceedings, because his relations were about to pay all his creditors in full. The creditors were paid on 8th December; Melville's clerk, of course, excepted. This fact, it is stated, was made known to Melville by several creditors, but Melville persisted in his course, and applied to the Court for an order to register, and he placed three men in possession of the debtor's property. On the application of the debtor on the 13th Melville was directed to withdraw from possession by the order of the Court. The motion now before the Court was first heard on the 15th instant, when Mr Fleming appeared as counsel for Mr Melville. The motion was then adjourned to allow Melville to file affidavits. He now, however, withdrew opposition to the motion, and consented to pay the debtor's costs. The Registrar said it was well that such a course had been taken. Had the matter gone on, steps would have been ordered by him which would have been very serious to parties concerned; for it appeared to him that there had been an endeavour to play a gross fraud upon the Court, and at the time the fraud was attempted he feared the trustee knew more about it than he should have done.

An Insuring Bankrupt.—The estate and interest in policies of insurance of a bankrupt stockbroker's clerk have been put up for sale in Dublin. The details of the bankrupt's provident forethought in this respect, and the results of sale, are as follow:—Policy of insurance, with profits, dated the 3d of July, 1873, on the life of the bankrupt for £100, effected with the Masonic and General Insurance Company; annual premium, £2 10s.; sold for £2 10s. Policy for £100, with profits, Royal Exchange Assurance Corporation, January, 1871; annual premium, £5 13s. 6d.; sold for £9. Policy for £200, with profits, City of Glasgow Life Insurance Company, dated 21st February, 1873; annual premium for first five years, £3 5s. 4d., and thereafter £6 10s. 8d.; sold for £2 10s. Policy for £200, Provident Life Assurance Society, dated October, 1867; half-yearly premium, £2 12s.; sold for £15. Policy with the Scottish Provident Assurance Company for £300, dated November, 1866; half-yearly premium, £3 3s. 9d.; sold for £15. Policy for £200, Scottish Provident Assurance Company, dated December, 1861; half-yearly premium, £1 18s. 6d.; sold for £17. A debenture of five shares of £1 each on the British Imperial Investment Corporation, limited; sold for £1 5s.

The *Morning Post* says:—"The well-known Gog and Magog figures, striking the hours and quarters, in front of Sir John Bennett's Cheapside watch manufactory, have been sold to a nobleman, and will be immediately set to work at the castle to which they are to be transferred. In their places in Cheapside, we are informed, will forthwith appear a new and more remarkable set of figures."

SCOTCH COURT OF SESSION.

Jan. 26.

Duncan v. Middleton and Co.—The estates of William Milton, who sometime carried on business as an ironmonger and coal agent at Larkhill, were sequestrated in June last, and the pursuer, Thomas Duncan, banker, Larkhill, was appointed trustee on the sequestrated estate. Prior to the date of his sequestration Mr Milton supplied the defenders, D. Middleton and Co., timber and coal merchants, with certain quantities of coal amounting in value to £640 19s. 9d. The defenders made certain payments in cash to Mr Milton, and returned two waggons of coals supplied to them. They also furnished to Mr Milton a quantity of pit-props, and the pursuer alleges that the balance due to him, by the defenders on these transactions as trustee, amounts to £256 18s. 6d.; and the present action was raised to enforce payment of that sum. The defenders averred that Milton was in the habit of forwarding quantities of coal to them and other parties in the north without orders. When these coals reached their destination the parties to whom they were addressed, on various occasions, refused to take delivery; and demurrage, and other charges, were incurred to, and claimed by, the carriers. On those occasions Milton was in the practice of appealing to the defenders to relieve him of the coals on any terms, and to pay the demurrage and other charges on his behalf, and the defenders frequently did so, at the same time debiting him with the demurrage and other charges, which they paid on his account. They also forwarded, under contract, certain quantities of pit-props, part of which Milton refused to take delivery of, and the defenders aver that they have thus suffered loss and damage to the amount of £421 13s. 1d. They therefore plead that they are entitled to absolvitor. The record was closed to-day.

January 27.

(*Before Lord* Young.)

Glendinning v. Leslie and Others.—We reported the particulars of this case lately. The pursuer, Peter Glendinning, estate factor, residing at Leuchold, Dalmeny Park, near Edinburgh, trustee on the sequestrated estate of Wm. Robertson, farmer at Whitekirk Mains, Haddingtonshire, residing in Glasgow, sued the marriage contract trustees of George Bishop Robertson, residing at Berwick-on-Tweed, for reduction of a minute of agreement entered into between the bankrupt and the said George B. Robertson, dated 8th August, 1870, whereby the bankrupt agreed to grant a bond and disposition in security in favour of the defenders, as trustees under said marriage contract, for £1,000, being, as therein alleged, a sum which had been lent by the trustees to Geo. B. Robertson, son of the said Wm. Robertson, and had not been repaid by him, and (2) a pretended bond and disposition in security for the said sum of £1,000 said to have been granted by the bankrupt in implement of the obligations alleged to have been undertaken by him under said minute of agreement, whereby the said Wm. Robertson bound himself to pay the said sum of £1,000 to the defenders, and in further security he disponed to the defenders certain subjects at Dunbar then belonging to him. The defenders pleaded that the reduction sought by the pursuer was incompetent, being without restitution of the consideration given for the said Wm. Robertson's obligations under the agreement and of the defender's position at its date; and that the deeds sought to be reduced having been granted by Wm. Robertson when solvent, and for onerous considerations, and the action being otherwise unfounded in fact and law, the defenders were entitled to absolvitor with expenses. The case came up in the Procedure Roll to-day, and after hearing counsel for the pursuer the Lord Ordinary stated that he was satisfied without calling upon the defenders to reply. He found that the agreements libelled were not granted in favour of conjunct and confident persons, and he therefore assoilzied the defenders with expenses.

Vice-Chancellor Malins has appointed Mr. J. Wagstaff Blundell (Wagstaff Blundell, Biggs, and Co.), official liquidator of the Barry Railway Company.

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BANKRUPTCY PROCEEDINGS IN SCOTLAND.

KELLY, HILL, AND Co.—At the Sheriff Court, Glasgow, on Tuesday, in the sequestration of Kelly, Hill, and Co., merchants and colonial agents, St. Vincent-street, Glasgow, James Kelly was examined, and stated that he began business in partnership with Mr Hill in October, 1872, as merchants and colonial agents, with a capital of £1,000, which was put in by Mr Hill. During the first year, the business of Kelly, Hill, and Co., was profitable, at least he thought so, although they had not made a complete balance. They, however, made a trial balance, but it did not show their profits or losses. That was the only balance they ever made prior to their stoppage. Their business consisted chiefly of purchases from houses abroad to their order and consignments on their own account. They first found themselves in difficulties about the end of September last by the non-arrival of expected remittances, chiefly from the West Indies. They suspended payment on the 2d October last, and endeavoured to effect a composition arrangement with their creditors of 7s. per £, but they failed to carry out the offer, some of the creditors having declined to accept it. He had a difficulty in putting a valuation upon debts due by the foreign houses, but in his opinion they would realise the amounts at which they were set down. The liabilities of the firm amounted to £13,088 5s. 7d., and the assets to £3,100, showing a deficiency of £9,938 5s. 7d. The chief losses of the firm arose from bad debts and consignments.—At the close of the examination the statutory oath was administered.

At the Edinburgh Bankruptcy Court, on Friday, James Pattersen, farmer, Chapelhill, Hawick, appeared before Sheriff Hamilton for examination in bankruptcy. An amended state of affairs was produced showing debts and liabilities amounting to £10,414 19s. 2d. Of that sum there were preferable claims to the amount of £505. His assets were £2,427 1s. 3d. Bankrupt accounted for the deficiency of his estate and his present position by the following causes:—It had been more immediately occasioned by the liabilities under accommodation bills granted to Mr Sampson Langdale, of Newcastle, and relatives of that person, who appeared to have got bills with bankrupt's name upon them from Langdale to the extent of £3,391 2s. 6d. Secondly, he lost on farming when in Ireland, and which now formed part of claims against him, £400. Third, his farm had been carried on entirely on money got on credit, for which he had to pay a continuous large rate of interest. That interest could not be less during his possession of the farm than £3,000. Fourth, he expended considerable sums of money in draining and liming the farm, which had not been restored during the currency of the lease, and he calculated this expenditure at £1,000. On various recent occasions he had experienced losses by death of sheep and horses to the value of £350. All these losses amounted to £8,141 2s. 6d. The statutory oath was administered.

UNION BANK OF SCOTLAND V. TRUSTEE ON SEQUESTRATED ESTATE.—This was an action in the Glasgow Sheriff Court at the instance of the Union Bank of Scotland against a deliverance of the trustee in the sequestration of Messrs Watson and Campbell, iron merchants, Glasgow. It appears that the pursuers claimed to be ranked as creditors for the sum of £13,040 17s. 1d., but the trustee on the sequestrated estate deducted the sum of £980 10s. 4d. in respect that the claimants held security to that extent for iron belonging to the bankrupt, or that they had realized that sum by the sale of the iron. The Union Bank appealed to the Sheriff against the deliverance, and Sheriff-Substitute Guthrie has issued the following interlocutor on the subject:—"Having heard parties' procurators, &c., on the appeal for the Union Bank of Scotland, for the reasons stated in the note sustains the appeal and remits to the trustee to rank the appellants (the Union Bank of Scotland) on their claim without any deduction in respect of the sums received on account of the iron mentioned in the deliverance appealed against; finds the appellants entitled to expenses, &c." The note is as follows:—"The Union Bank is a creditor of the bankrupts as holders of certain bills current at the date of the sequestration (March 17, 1874), drawn by the bankrupts and accepted by Tyndall and Loudon, iron merchants, Dublin. The bills, which were discounted with the bank by the bankrupts, were drawn against certain quantities of iron shipped by them to Tyndall and Loudon. On the 7th and 8th of April, an agreement was made between the Union Bank and certain other banks holding bills of the same parties, on the one hand, and Tyndall and Loudon on the other, by which Tyndall and Loudon on the narrative that they would be unable to meet their acceptances when due, surrendered their estates, and particularly a quantity of iron lying in their store at Dublin, to the banks; and Messrs John Stewart and Sons were appointed to sell the iron and divide the proceeds among the banks. It was agreed that in consideration of doing so, Tyndall and Loudon should, subject to the consent of Watson and Campbell's trustee, receive a full discharge of their liabilities under the bills in question. The iron was sold, and it was admitted that Union Bank received in November last the sum of £980 7s. as its share of the proceeds. The trustee maintains that the Union Bank can only be ranked for the amount of their claim after deducting this sum of £980 7s.; and it was contended in a full and able argument that the agreement or the possession of the iron by Messrs Stewart for the bank (it does not clearly appear which) was a security over part of the bankrupt's estate, on which the bank in their oath for ranking were bound by section 65 of the statute to put a specified value, which should be deducted from their debt. The respondent's case was mainly rested on this clause of the statute, and he attempted from the proofs to show that the iron shipped by the bankrupts to Tyndall and Loudon, having been consigned to them as factors for sale, and not having been sold to them as merchants, was really part of the bankrupts' estate. The evidence on this subject is certainly loose and unsatisfactory, partly because the partners of the iron firm were not adduced as witnesses, and partly, perhaps, because the terms of the transaction were not very precisely defined as between the parties originally engaged in them. After considering the evidence, the Sheriff-Substitute is rather inclined to think that the transactions between the bankrupts and Tyndall and Loudon should be regarded as sales. They are so *ex facie*, and he thinks that the burden of proof must be on the party maintaining the reverse. There are certainly some probabilities arising from the circumstances of the parties, in favour of the trustee's contention; but these do not seem sufficient to counterbalance the considerations the other way, and particularly the fact that the trustee himself made a claim upon the iron in Messrs Stewart's hands as a simple creditor of Tyndall and Loudon's, so late as 9th and 21st July last, after he had the conversation with Mr Loudon, from which he appears to have got the information upon which the deliverance appealed against proceeds. Perhaps, however, it is not very material to determine whether these transactions were sales or not. Even if it be assumed that the iron was consigned to Tyndall and Loudon as agents for sale on behalf of Watson and Campbell, as the respondent contends, the case appears to fall within the operation of two well-established principles which lead to a different result from that embodied in the deliverance appealed against. The bank is holder of a bill, and claims in this case on the estate of the drawer. It is settled by a series of decisions that the rights of parties claiming on a bankrupt estate must be regulated as at the date of the sequestration, and that therefore a payment received from a co-obligant or his estate, *after* sequestration, is not to be imputed in extinction *pro tanto* of the debt. The Sheriff-Substitute apprehends that this rule must apply in the present circumstances, even if the iron had been consigned to Tyndall and Loudon as the agents of the bankrupts. For in this case Tyndall and Loudon were entitled, in accordance with the rule clearly expressed in Broughton v. Stewart, Primrose, and Co., Dec. 17, 1814, and ever since acted on in the law of Scotland, to sell the iron in their hands in order to relieve themselves of the obligations they had undertaken for their principals, Watson and Campbell. This they did in the present case by the agreement No. 43 of process, and no plausible reason has been suggested for holding that it was not competent for them to make effectual their lien as factors by applying it upon condition that the assignee

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should pay over the proceeds to the creditors on the bills drawn by the principals. The result may be shortly stated thus—if there was a sale to Tyndall and Loudon, the 65th section of the Bankruptcy Act does not apply, because the iron was no part of the bankrupt's estate. If there was no sale to Tyndall and Loudon, the iron vested in the trustee by section 102 of the statute, subject always to the factor's preferable right to sell or assign their right of sale, for relief of their obligations on behalf of their bankrupt principals. It was only in right of Tyndall and Loudon, the primary obligants in the bills, and in virtue of the lien which they possessed, and which their principal's bankruptcy entitled them at once to make good by sale; that Messrs Stewart could sell the iron, and the payment of the proceeds to the appellants must, therefore, be regarded in any view as a payment out of their estate after the sequestration, and not as one out of the bankrupt's estate. It is not, therefore, to be deducted from the amount of the appellant's claim before ranking."

CREDITORS' MEETINGS.

The following meetings of creditors have been held during the week :—

J. E. GALE (BIRKENHEAD).—A meeting of the creditors of Mr J. E. Gale, the defaulting manager of the London and Lancashire Insurance Company, was held on Friday, in the Birkenhead County Court. The bankrupt having absconded, there was no statement of accounts ; but debts amounting to about £15,000, principally due to loan societies, were proved, and a trustee was appointed.

ROBERT MAXWELL AND CO.—At a meeting on Thursday of the creditors of Robert Maxwell and Co., the statement of affairs shewed liabilities £102,833, of which about £42,000 was fully secured, and assets of small amounts. It was resolved to liquidate by arrangement.

A. LYNN, (GLASGOW).—At a meeting held in Glasgow, on Friday, of the creditors of Alexander Lynn, engineer (partner of the now dissolved firm of Lynn, Mann, and Louden, engineers, millwrights, and waggon builders, Irvine), Mr John Gourlay, C.A., was appointed trustee. The bankrupt's liabilities amount to about £7,000.

JOHN EDE, (BIRMINGHAM).—An adjourned meeting of the creditors of Mr John Ede, of Birchfield, Aston, the manufacturer of "Ede's Eye Liquid," was held on Friday morning. The proceedings were purely formal, the object of the meeting being to confirm the resolution passed at a meeting on the 8th inst. accepting a composition of 3s in the pound. It was resolved to confirm this resolution, and that the composition should be paid; 1s 6d cash in a month, and 1s 6d within six months, to be secured by the joint and several promissory notes of the debtor and his two brothers.

CHAS. SULLEY (MANCHESTER.)—At a meeting of the creditors of Mr Chas. Sulley, manufacturer, 7, Dale-street, Manchester, held on Tuesday, the resolution accepting a composition of 10s. in the pound, payable in four equal instalments at three, six, nine, and twelve months, was unanimously confirmed.

JOHN ASHTON (MANCHESTER.)—A meeting of the creditors of Mr John Ashton, of Hollinwood, contractor, was held on Tuesday in Manchester. The liabilities were estimated at £9,200, and the assets at upwards of £3,700. It was resolved that the estate should be liquidated, and terms of arrangement satisfactory to the creditors were accepted.

R. WILSON AND SONS (NEWCASTLE.)—A meeting of the creditors of Messrs. R. Wilson and Sons, provision merchants, of Newcastle, has been held. Their liabilities are put down at £79,589, with assets at £11,401.

CASTLE KELSEY (HULL).—At the Hull County Court on Wednesday a first meeting was held in the bankruptcy of Castle Kelsey, of Hull, merchant. The bankrupt stopped payment in September last. The gross liabilities at that time were £220,054 5s. 1d., and since then about £50,000 of liabilities on bills receivable have run off, leaving the gross liabilities of every kind at this date £170,000. The accounts have been in the hands of Mr Benjamin Pickering, the accountant, since the stoppage, and he now estimates the debts to be proved on the estate for dividend at £90,918 4s. 7d., and the assets to produce £10,005 9s. 9d. At the meeting the same day debts amounting to £40,000 and upwards were proved, and Mr Pickering was appointed trustee, with a committee of inspection.

MR. E. G. KEAY (BIRMINGHAM).—On Friday, at the office of Mr. W. H. Griffin, Bennett's-hill, a meeting of the creditors of Edwin George Keay, Vale street, Birmingham, boot and shoe manufacturer, was held. Mr. Barrow, of London (receiver), read the statement of affairs, showing unsecured creditors to the amount of £2,175 11s. 11d. ; creditors fully secured, £411 11s., less estimated value of securities, £590 ; surplus to *contra*, £178 9s.; total assets, £691 15s. 4d. It was resolved that the affairs would be liquidated by arrangement, that Mr A. Barrow and Mr L. J. Sharp should be appointed trustees, with a committee of inspection.

MR. G. B. BLOOMER (WALSALL).—On Tuesday, a meeting of the creditors of Mr. G. B. Bloomer, consulting engineer and machinery and general broker, Walsall, was held at the offices of Messrs. Duignan, Lewis, and Williams. Mr. Bissell, jun., occupied the chair. The creditors were represented by Mr. L. W. Lewis, who presented a statement of accounts, which showed that the liabilities amounted to £9,000 (£7,000 of which would rank against the estate), and the assets to £1,300. The majority of the creditors were in favour of liquidation, with the appointment of trustees. Mr. Griffin, of Birmingham, who represented a creditor for £4,000, would not agree to such a resolution, and no resolution was arrived at.

FAILURES.

The following failures have been announced during the week :—

ENGLAND.—Messrs. Benjamin Wilson and Co., plush manufacturers, 81, Southwark-street, London, have suspended payment. The liabilities are estimated at about £100,000, and the books have been placed in the hands of Messrs. Kemp, Ford, and Co., Walbrook.

SCOTLAND.—The failure is reported of Mr Malcolm M'Donald, the sole partner in the firm of Messrs Malcolm M'Donald and Co., merchants and manufacturers, of Glasgow and St Louis, United States. The liabilities amount to about £34,000, while the assets show only 4s. 5d. in the pound.

AMERICA.—The failure of Messrs. M'Bride and Williams, butter merchants, 333, Greenwich- street, New York, is announced with liabilities close on £20,0 00. The Allegheny Trust Company, of Allegheny City, have suspended payment, with liabilities put down at £25,000.—The suspension is reported of Messrs. Waring, Brothers, and Co, a well-known and extensive oil firm in Pittsburgh. They had a very extensive trade and stood high. Depression of trade and heavy investments are said to be the cause of their difficulties, which, it is thought, they may overcome. Mr. Walter M. Rice, of Montreal, has made an assignment of his estate with liabilities of about £40,000 ; his assets, it is said, will exceed that amount.—New York advices announce the suspension of the Union Bank of Jersey City. When the mail left the liabilities had not been definitely ascertained, but it was hoped the assets would meet all claims. The cause of stoppage was attributed to a large accumulation of suspended paper taken under the former management of the Bank. The present directors have only been in office six months.

The South African papers report the failure of Messrs. Benjamin Brothers, wool washers, of Graham's Town, with liabilities amounting to about £140,000.

"It is rumoured that a large wine merchant in Dublin and Armagh is arranging with his creditors, to whom it is alleged he owes £180,000. Serious losses will be incurred by several houses in Dublin."—*Glasgow Herald.*

WINDING-UP.—In the Rolls Court on Saturday the 23d inst., an order was made for the winding-up of the Teplitz Colliery and Coal Oil Co. (Limited); and an arrangement was made continuing the voluntary winding-up, under supervision of Joseph Lucke and Co. (Limited.)—A petition for the winding-up of the Hart's Pure Whole Meal Bread and Biscuit Company (Limited) is to be heard in the Court of Chancery to-day (30th). —Petitions for the winding up of the Morvale Consols Tin Mining Company (Limited), and the Treleigh Wood United Mining Company (Limited), are to be heard by the Vice-Warden of the Stannaries on the 6th proximo.

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THE EUROPEAN ARBITRATION.

Mr. C. J. Bunyon writes the following in Wednesday's *Times*:—

Sir,—Having seen the European Society's Arbitration come to a complete deadlock, from which the temporary acceptance of the office of Arbitrator by even so accomplished a lawyer as Lord Justice James can scarcely be said to have completely released it, we may find it not uninstructive to look back and retrace the steps which have led to this deplorable history. It is said that nothing is certain save the unexpected; but nothing that has happened has been unexpected in this case. Every false step, misadventure, and misfortune was foreseen and foretold in your columns, and the voice of warning was freely raised, though it met the fate of the voice of Cassandra. When Vice-Chancellor Malins made the provisional order for winding up the European, the Albert Arbitration was going rapidly forward, and it was at once proposed to follow that precedent. But the dangers of that course were very apparent to those who were then intrusted with the management of the liquidation, and by them a bill was prepared which received the cordial approbation of the Vice-Chancellor, which in the place of the violent remedy of an arbitration should enable the Court of Chancery to carry out the liquidation with rapidity and certainty. "The provisions proposed were, *inter alia*, to limit the right of appeal from the Vice-Chancellor's Court to the Court of Appeal alone; to prescribe the mode in which all contingent interests, such as policies and annuities, were to be valued; to throw upon the liquidators the duty of valuing all such claims, and settling the list of contributories according to the mode pursued in voluntary liquidations; and to provide for the winding-up of indemnifying and indemnified companies in such a manner that no disputed claims on the latter could delay the liquidation of the former." This bill was unfortunately lost in the Select Committee of the House of Commons without a witness being heard in its favour. "We prefer the Arbitration Bill," said the Chairman, on the principle, no doubt, of the dicta, "As little law as possible, if you please, gentlemen," and "Whatever you do, keep out of the Court of Chancery." An arbitrator in the eyes of our legislators was to be a *deus ex machinâ*, to descend from an exalted sphere, and set all things right by magic. They little knew that a legal arbitration without appeal or responsibility represented the legal disease in its most virulent form. The rejection of this bill did not, however, settle this controversy, the Arbitration Bill was only viewed with increased repugnance, and it was pointed out that, in addition to the objections arising upon constitutional and public grounds, the practical difficulties would be insuperable. "The same questions," it was said, "will be fought over and over again. There will be no binding precedent, since the opinions of successive judges are sure to vary in this as in all other branches of the law, and the result must be mere chaos and confusion. Not only will there be unseemly contests of opinion, but every unsuccessful suitor who would have obtained a decree in his favour from a previous arbitrator will feel himself wronged, and nothing but discontent can follow." In consequence of these objections (as prophecies since fulfilled to the letter) clauses were introduced by the Board of Trade, with the advice of the law officers of the Crown, into a bill then passing through Parliament, and which has since become law as the Life Assurance Companies Amendment Act, 1872, to enable the Court of Chancery to deal with compound companies like the European, and render Arbitration Bills unnecessary. When these clauses had become part of a Government measure it was not surprising that it was expected that they would supersede the Arbitration Bill, and that no further attempt was made to improve the latter by at least introducing a provision to give the suitor a limited right of appeal. I have reason to think that in the early part of the proceedings Lord Westbury would not have objected to some such provision, but it would have been a concession, and was not volunteered. It would, moreover, have greatly altered the character of the measure, which would have become little more than one to erect an additional Vice-Chancellor's Court to meet an extraordinary press of business. That the private Arbitration Bill and the public bill to render Arbitration Bills unnecessary should have passed the Upper House on consecutive nights might have been thought incredible. We have now seen the result, but I cannot doubt that if the liquidation had been allowed to proceed either under the original bill approved by the Vice-Chancellor, or under the Amendment Act of 1872, it would by this time have been far advanced towards completion, and an immense and profitless expenditure would have been avoided. What is of still greater importance, instead of the "mere chaos and confusion" into which the subject has fallen, we should have had a continuous and orderly series of decisions of the Court of Appeal, consistent in themselves and settling for the future the principles upon which such liquidations are to be conducted. It now remains to be seen whether any remedy will be proposed in the ensuing session of Parliament. Should the liquidation remain in the hands of the Lord Justice—and no abler hands could be found to direct it—it would not seem unreasonable that, with his consent, an Amendment Bill should be introduced giving a limited right of appeal for the very purpose of clearing and consolidating the law. Should he not propose to retain it, the Arbitration Court might be reduced to more modest dimensions as a mere additional Vice-Chancellor's Court, or the whole proceedings transferred back to the Court from which they were taken. In any case there need be no interruption to the work now in progress, and the officers of the Arbitration Court might become those of the new tribunal, and we need not have the scandal of seeing a new set of men paid to learn a lesson which had been previously mastered by others. There is another even more important cognate question upon which legislation is required, and that is how to prevent liquidations of this nature in future. They are wholly unsuited to the settlement of the affairs of an insurance office, unless it has reached the very depths of insolvency, and the true remedy is the reduction of the contracts and the reconstruction of the office, or the transfer of its business to another. This is far from impossible, and the principle is already recognized in the Life Assurance Companies Act, 1870, but in terms far too general to have any practical effect. The true application of the principle has, moreover, been only lately recognized even by actuaries. It is in the place of a dividend in cash, to give a reduced insurance for the sum provided in each case by the dividend, and also such an insurance as the premiums payable would provide at the advanced ages, and to reduce every policy to the addition of these two sums. If the calculations which gave effect to such a scheme were made upon sound principles, there would be little, if any, inducement to the more recent insurers to leave an office thus restored to a thoroughly safe footing, while the older insurers would be placed in a far better position, and there would be few, if any, cases of real hardship. Shareholders liable for a deficiency could not escape from their responsibilities, but even for them a very considerable relief might be provided. Such a measure as this might with advantage occupy the attention of the Board of Trade, whose authorities must be well aware of the dangers which beset the weaker offices—dangers which the events of every year prove to be intensified by the imperfect provisions of the Act of 1870."

The following is from a *Times* leader commenting upon this letter:—"In time to come, when the judicial system of this country has been brought into harmony with the dictates of plain good sense, the history of the European Assurance Arbitration will be regarded with amazement. Already the perpetration of a series of melancholy blunders has to be confessed, and at every turning-point in the process a fresh controversy arises. The mischief is, indeed, irreparable in the case of most of the unfortunate persons who were interested in the liquidation of the European Society. Hardly any exertion of legislative capacity, of judicial acumen, or of practical wisdom could now avail to improve their condition. But, at all events, the lessons of this painful experience may be condensed and made ready for future use. If they can be employed to mitigate the evils that were inflicted upon innocent persons by the original breakdown of our judicial arrangements, and by the mistakes made in the attempt to devise a makeshift, we shall be well pleased; but we confess we are not confident that a great deal

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can be done, either by Parliament or by any other power. The Arbitration, like everything else, must come to an end some time or other, and after a while its distressing incidents, its vexatious delays, and its disturbing vicissitudes will be forgotten; but it does not appear to be within the scope even of an omnipotent Legislature or of an infallible tribunal to accomplish what time alone can effectually achieve. By the time the affairs of the European Society were recognized to be so hopelessly involved that liquidation was inevitable, and the powers of the Court of Chancery were seen to be inadequate for the task, the embarrassments of the Albert Association had already been submitted to an arbitrator, and Lord Cairns was energetically carrying through the toilsome business of unravelling hundreds of intricate and disputed contracts. Arbitration, therefore, suggested itself to many people as the simple, swift, and efficient solution of the difficulty. Others foretold that the working of the Arbitrator's Court might produce results not so satisfactory to the suitors as were then anticipated, and an effort was made to substitute for the suggested arbitration a bill enlarging the powers of the Vice-Chancellor's Court and providing an appeal. This bill was promoted by the persons who were at that time intrusted with the liquidation, but there was a general feeling that any settlement, provided it was rapid and final, was better than the misery of prolonged suspense. The select committee of the House of Commons was unanimous in approving the bill which set up the Court of Arbitration, while the measure supported by those in charge of the liquidation was rejected, as Mr Bunyon reminded us, "without a witness being heard in its favour." Accordingly, the business of unravelling the intricacies of the European Society was given over to Lord Westbury with the same ample and irresponsible powers that Lord Cairns had received in the case of the Albert Office. In neither was an appeal provided, though a divergence of opinion between two Judges so different in character was seen from the outset to be probable. The natural result was that the suitors in both arbitrations became discontented; the shareholders on whom Lord Westbury's decisions in the case of the European Society bore heavily, appealed to the different measure which Lord Cairns was meting out to the shareholders of the companies that had been amalgamated with the Albert, while the policy-holders with whom Lord Cairns dealt, were envious of the more fortunate lot of those who came under the jurisdiction of Lord Westbury. Then came another turn of the wheel. Lord Westbury died, and was succeeded by Lord Romilly, who at first was inclined to follow the principles laid down by his predecessor, but who soon adopted the very different conception of the law on which Lord Cairns had acted. There was nothing to bind Lord Romilly to follow Lord Westbury's judgment more than that of Lord Cairns, and he soon broke away from the authority of the former. As if the scandal of the two co-ordinate tribunals deciding similar cases in different ways were not enough, we saw two successive arbitrators dealing with successive portions of the same proceeding upon different principles. The death of Lord Romilly has involved a further change, the effect of which upon the parties to this long and barren litigation can at present only be guessed at. Meanwhile, the utmost confusion and discontent are rife among the persons concerned in those proceedings. Suitors who have been disappointed by the decision of one arbitrator are tempted to agitate for a re-opening of settled questions by looking at the law laid down in some case analogous to their own by another arbitrator. If they have been unsuccessful in making their views prevail with Lord Westbury or Lord Romilly, they think, perhaps, that Lord Justice James, or somebody else who may succeed him, will do them fuller justice. This unsettled state of opinion is destructive, we need scarcely say, of all the public benefit that legal tribunals are intended to bring the community; nor is it much more consistent with the individual interests of the litigants. It has always been held to be for the advantage of the State that there should be an end of lawsuits, and this desirable finality relates not only to the time that is wasted and the passions that are roused in the course of litigation, but to the settlement of legal principles. But regrets are now unprofitable. With the appointment of Lord Justice James the policyholders and shareholders of the European and its amalgamated companies have every reason to be content, provided only they can be left to him. But, if it remain possible to reopen questions that have been apparently closed, the labour of the ablest lawyers will be thrown away, suitors will continue to look for changes in their fortunes, and the law will elude definition. The suggestion that a limited right of appeal might be provided by a short Act of Parliament does not appear open to objection if Lord Justice James is willing to retain charge of the business. If not, and if the Amendment Act of 1872 is a sound working measure, the Court of Chancery ought to be able to finish the work which it was formerly compelled to decline. But nothing that is now to be done can repair the waste of time and money, or compensate the sufferings of innocent litigants, or obliterate the discredit of a judicial conflict without an effective solution.

NEW COMPANIES.

The *Investors' Guardian* gives the following particulars of new companies, during the week:—

Anglo-Danubian Bank—Capital £800,000, in £20 shares.

Blackburn Discount, Investment, and Loan—Capital £50,000, in £10 shares.

Coventry Public Cattle Sales—Capital £7,500, in £5 shares.

Garw Valley Collieries—Capital £100,000, in £10 shares.

Harland's Patent Lock-Nut, Knob, and Handle—Capital £10,000, in £5 shares.

Huddersfield Incorporated Chamber of Commerce—Limited by guarantee to £5.

Industry Cotton-Spinning—Capital £60,000, in £5 shares.

J. M. Johnson and Sons—Capital £50,000, in £5 shares.

Lincoln and Lincolnshire Hide, Skin, Fat, and Wool—Capital £4,000, in £1 shares.

Lyttle's Iron Agency—Capital, £,7,000, in £5 shares.

Mitchell's Emery Composition Wheel—Capital £5,000, in £5 shares.

Moorfield Spinning—Capital £70,000, in £5 shares.

National Penny Bank—Capital £15,000, in £10 sharse.

Newcastle and Gateshead Chamber of Commerce—Limited by guarantee to £2.

Portable Printing Roller—Capital £10,000, in £1 shares.

Preston Cotton Spinning and Manufacturing—Capital £50,000, in £5 shares.

Rochdale and Rossendale Brewery—Capital £10,000, in £5 shares.

Royal Park and Belle Vue Gardens—Capital £15,000 in £5 shares.

Scott Brothers and Co.—Capital £20,000, in £20 shares.

Spon Lane Colliery—Capital £100,000, in £10 shares.

Thrapston Iron Ore—Capital £15,000, in £10 shares.

Wigan Rolling Mills—Capital £50,000, in £100 shares.

FRAUDS UNDER THE BANKRUPTCY ACT 1869.—The *Law Times* says:—"A solicitor, who has had a large experience of the working of the Bankruptcy Acts of 1849, 1861, and 1869, assures us that he is confirmed in his opinion by officials in the Bankruptcy Court and others fully competent to form an opinion that the percentage of cases under the last-named Act, which are more or less tainted with fraud, is far in excess of the number of similar cases under the two previous Acts, and moreover, so unsatisfactory does he consider the working of the present Act to be, that in the interests of creditors he would far sooner go back to the Act of 1849 and revive the office of official assignee. Save in the case of those who are dependent upon bankruptcy business alone for a livelihood, the present Act seems condemned on all sides.

FACULTY OF ACTUARIES IN SCOTLAND.—The annual general meeting of the Faculty was held in the Standard Assurance Office on Wednesday, Mr Spencer C. Thompson in the chair. A highly satisfactory report by the Council on the proceedings of the past year was read, in which it was stated that the membership consisted of 8 honorary fellows, 59 fellows, and 12 associates; that, of the 33 candidates for examination last April, 19 were passed through the several stages; and that the matriculated students now numbered 145. Messrs. Samuel Raleigh and A. H. Turnbull were elected to fill the vacancies in the council.

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THE EUROPEAN ASSURANCE ARBITRATION.—The Lord Chancellor has appointed the Right Hon. Sir William Milbourne James, one of the Lords Justices of the Court of Appeal in Chancery, to be arbitrator under the European Assurance Society Arbitration Acts, 1872 and 1873. The appointment of so able and astute a lawyer for the performance of the many onerous duties in connection with the arbitration of cases constantly arising under the above Acts, reflects as much credit upon the judiciousness of the selection as it does honour to the right hon. gentleman appointed, and will inspire confidence amongst the sufferers by this disastrous failure. The *Law Times*, referring to the appointment, says:—"It is generally understood that the new arbitrator will not at present enter upon the litigating part of the work, but will merely carry on the administrative portion, until an application has been made to Parliament to reconstitute the arbitration, with a view to allowing appeals from the arbitrator. At present the arbitrator is omnipotent, having power to settle matters "not only in accordance with the legal and equitable rights of the parties as recognized in the courts of law or equity, but on such terms and in such manner in all respects as he in his absolute and unfettered discretion thinks most fit, equitable, and expedient, and as fully and effectively as could be done by Act of Parliament. This uncontrolled power in the hands of Lord Cairns led to a speedy and satisfactory settlement of the affairs of the Albert Assurance Company. But in the case of the European Assurance Company, the unfortunate deaths of Lords Westbury and Romilly, and the fact that some of their decisions are conflicting, have led many to think it advisable that an opportunity of appealing should be established."

The Master of the Rolls has made an order to wind up the People's Coal and Colliery Company (Limited), and has made Mr John Smith, of the firm of Harding, Whinney, and Co., the official liquidator.

Mr John Peter Gassiot has retired from the board of direction of the London and Westminster Bank.

The office of Secretary of the Norwich Union Fire Insurance Society, vacated by the recent death of Sir Samuel Bignold, has been filled by the appointment of his son, Mr Chas. Edward Bignold, who was on Tuesday elected sole secretary of the society.

Vice-Chancellor Bacon has granted a sequestration against the South Metropolitan Tramway Company for breach of an injunction restraining them from so conducting their business as to cause a nuisance to the occupant of the Manor House, Brixton.

FAILURE OF A LAW FIRM.—On Monday an advertisement appeared in the newspapers calling a meeting of the creditors of Messrs Scarth and Scott, W.S., Leith. As the firm was an old-established one, standing high in public estimation, the circumstance took people by surprise. Much sympathy was felt for the partners of the firm, especially the senior one, Mr Scarth, who is far advanced in life. Strange rumours were afloat regarding the causes of the failure. It is supposed the liabilities are considerable—some say as much as £60,000. Fears are entertained that not a few clients and aged people, whose business was in the hands of Messrs Scarth and Scott, will lose heavily.—*Edinburgh Daily Review.*

The suspension of the Ohno Bank, the second in importance of the native banking establishments of Japan, has been announced. The unsecured liabilities amount, it is said, to about a million and a half of dollars, the secured being little short of ten millions.

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The Accountant.

FEBRUARY 6, 1875.

The discussion on the auditing of accounts which has been commenced in our colums will, we trust, lead to the remedying of a very serious and growing evil. Commercial integrity is limited and fenced in by so many "customs of trade" and secret understandings, that it has come to mean something very different from what the plain significance of the words would imply. Recent polemical discussions have taught us all something about the way in which casuists interpret such terms as "morality" and "conscience." But all have agreed in this: that a man who refers anything to the decision of his conscience or the precepts of morality, uses those words to express some higher authority than mere human laws, and is to be considered, so far as he is guided by them, as a good and upright, though possibly a mistaken man. But the adjective "commercial" is more qualifying even than adjectives generally are, and not only modifies, but actually changes the sense of the word with which it is united. Commercial morality and commercial honour are fine-sounding terms; too often in the present day they are like the tale,

> "Told by an idiot full of sound and fury,"
> "Signifying nothing."

There is perhaps scarcely anything more deceptive than a balance sheet, except to really practised eyes. The way in which items appear apparently twice over, the very multitude of the figures confuse an ordinary mind. The innocent shareholder gazes in amazement at the report of the company in which he has invested his money, and probably reads no more than the statement of the dividend, or of the absence of a dividend, and the dignified sentence in which the auditors certify their examination of the company's accounts, and testify to their correctness. The auditors are probably men of respectability and high standing, and he is satisfied with the fact that their names are appended to the balance-sheet. What their examination has been, and to what they really testify, he perhaps scarcely knows. They may have made the searching investigation which it was their duty to make; they may have vigorously disallowed every payment for which a voucher was not produced; they may have estimated each asset at its real and not its nominal value, or they may have gone through their

task in a perfunctory manner. Probably all has been regularly done. But the auditor can only certify to the correctness of the balance-sheet, *as it is made out.* To give a true statement of the affairs of the company they ought not merely to be audited, but to be actually sifted and set out by an independent and skilful accountant.

For the true method of auditing we can only say, that the more the subject is discussed in our columns, the more likely will be the arrival at some accurate decision. The practice widely differs, and possibly the reputation of the auditor may safely be taken as a guarantee for the thoroughness of his system. Directors of companies are generally chosen on the "*lucus a non lucendo*" principle, and their knowledge of the affairs of their company varies frequently in an inverse ratio with their confident assurance of its stability. There is one master spirit, be he secretary or managing director, to whom every particle of the concern is familiar, and in whose hands his nominal superiors are mere children. Too often the auditors are as simple as the directors, and are thus made the medium of still further deception. But a strong and resolute man can here be of immense service. If he considers himself, as he, in fact, is, the delegate of the shareholders, chosen to protect them and to act entirely in their interests, if he looks upon officials as his natural enemies and pursues his task of investigation with fearless thoroughness, no harm can arise. Possibly reports would be less pleasant reading, and general meetings less peacefully serene; but many insolvent companies would be exposed before they had time to do much mischief, and investors, apart from pecuniary saving, would be more at ease in their mind in knowing the worst at once, and have the satisfaction of reflecting that there had been no opportunities for crafty knaves to reap a harvest by reading between the lines of an apparently cheering balance-sheet.

There is another series of cases in which, after all, auditing is still more at fault than in the instances to which we have alluded. We mean in the accounts of hospitals and other charities. A man who invests his capital in financial companies, or foreign mines, is presumed to have the design of increasing his income, and must be supposed to know the risk he runs of receiving nothing in return for his money, except the benevolent one of having contributed to the maintenance in luxury of a class of men who could best benefit the world by quitting it. Such a man must take the consequence of his action. The charitable donor is really to be condoled with, who finds that his money is misapplied. And, unfortunately, charitable accounts receive far less scrutiny than they deserve. The auditing is too often confided to some liberal donor, who appreciates the "brief authority" comprised in the name. The spirit of charity has so thoroughly permeated his mind, that he "thinketh no evil" of the figures that are laid before him; he is afraid to make investigation, and he finally appends his name to a balance-sheet in which any practised person would find much to which to object. There can surely be no graver crime than to misapply the funds of benevolence, whether incapacity or a worse motive be the cause. The best security is unquestionably found in proper auditing. And there is a curious feeling, as the Hospital Sunday Committee can tell us, on the part of many charities against allowing any investigation into their affairs. This is strangely blind. Let the accounts of all charities be audited by a professed accountant, and those that were well managed would soon reap the benefit. His certificate would do more to promote a wise distribution of charity than any amount of sensational advertisements and piteous appeals for help. Many are now deterred from giving by the scandals of charity administration. Here is the remedy. Restore confidence, and the stream of giving will at once flow. There are many men who would give their professional services. Only let it be understood that the task of auditing is not the mere pastime of amateur accountants, but the serious work of men whose business it is to detect errors in accounts and test the proverbial fallaciousness of figures; and the duty would be placed in the proper hands. No better reform can be taken up by our charity organizers.

It is satisfactory to think that the Lords Justices have finally settled the law as to the discharge of sureties in all cases under the Bankruptcy Act. That the discharge in bankruptcy of a principal, does not discharge a surety has long been law, and though the case has not been formally decided in Bankruptcy, it has been held that in the case of liquidation, the surety still remains liable to the holder of the security for any balance due. The only question remaining for decision was as to the result of accepting a composition. There is a case now some fifty years old of *Lewis v. Jones* in the fourth volume of Barnewall and Creswell's reports, which decides that a creditor who has released the debtor, in consideration of a composition, loses his right of action against the surety. This decision proceeds in the well-known principle of law that where

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the position of a surety is altered by the act of the creditor, his liability at once ceases. Lord Justice James in giving judgment referred to this doctrine, but distinguishes such a case from those arising under the Bankruptcy Act by saying that the proceedings were governed by the desire of the majority of creditors, and that whether the holder of the bill voted or not he would still be bound. But it is conceivable that the statutory majority might only be obtained by the vote of such a creditor, and that he might be induced to accept a smaller composition from the knowlege that any balance must be paid him by the surety. Again is a surety, strictly speaking, a person "jointly bound with the debtor" so as to be within the 49th and 50th Sections of the Act. The decision is, doubtless, good law, but it certainly seems to confirm the theory which is now universally held, that the Act of 1869 opened the door to a vast amount of fraud.

The letter of J. H. C., though correct in saying that a trustee cannot himself examine a bankrupt on oath requires a little comment. The writer of the article is however right, though his language is a little liable to misconstruction. The entire sentence runs as follows:— The Registrars, bearing in mind that the trustee can always demand the attendance of the bankrupt, and examine him on oath, appear to regard such passing as immaterial. This refers obviously to the power given to the trustee to bring the bankrupt before the Court for examination, and would, we imagine, be so regarded by most persons. But we cannot understand the last part of our correspondent's letter. Surely all proofs of debts must be verified by affidavit made before some commissioner, and not by oath to the trustee. And the office of commissioner would not empower him to examine any human being on oath. A commissioner's duties are simply to swear a witness to the truth of his affidavit, and sign what is technically called the "jurat." Anything beyond this would be utterly *ultra vires.*

A review of bankruptcy legislation from the pen of Mr. George Wreford, of the Department of the Comptroller in Bankruptcy, will shortly be published. The pamphlet is dedicated by permission to the Right Hon. Sir Stafford Northcote, as President of the Exeter Chamber of Commerce.

The Scottish Widows' Fund and Edinburgh Life Assurance Companies, being assessed for inhabited house duty, sought to bar the claim by urging that their premises were used for trade purposes—the servants residing in them being there only to protect them. The Commissioners refused to entertain this appeal, and the companies having taken the case for opinion to the Court of Session, the Court has found the companies liable in assessment, holding that they are not engaged in trade within the meaning of the Act.

BANKRUPTCY LAWS.—No. 5.

(TRUSTEES CONTINUED.)

Circumstances alter cases, and no two trusteeships are exactly alike, but the general principles are identical, and the necessity for a *practical* accountant is daily proved. And when we speak of a practical accountant we no not mean simply a man who is versed in the question of debit and credit, but one who is well acquainted with trade customs, &c., which vary with every trade and every country. Considering that England boasts of her commercial supremacy, that her business relations extend over the major part of the habitable globe, and that scarcely one business estate out of twenty is without some amount of foreign transactions—we, as taking a very high view of the profession of accountant, would strongly and earnestly urge upon all its members the desirability of making modern languages, and the commercial laws and customs of the leading nations, their especial study. The position of an accountant has never been clearly defined. So far as Bankruptcy laws are concerned, we will endeavour to give our view of that position. Over and above the qualifications as to questions of account, he should be well versed in the various English and foreign trade customs and usages, and should make himself conversant with all the important decisions, thus constituting himself not a competitor of, but an adjunct to the legal profession. The professions should always run parallel and never "collide." They are or should be entirely distinct. *Figures* and *facts* are accountant's work, and if they go beyond this, both they, and their clients are likely to suffer for their temerity. The *interpretation* and *application* of the laws belong to the sister profession. The important point to trustees is the question of remuneration. This must be approached with much caution, for it is one of the most difficult questions to deal with. Various principles have been tried, such as a percentage on the liabilities and assets, fluctuating according to the magnitude of both, or either, but we believe the result of the application of this principle, although perhaps satisfactory in isolated instances, has not proved so when distributed over a series of cases. The amount of the liabilities is no certain guide—claims may be put in which the trustee feels bound to contest, and the legal disposal of which may entail a serious loss of time. On the other hand an estate may show a large amount of *paper* assets, and nothwithstanding the trustees exertions he may succeed in getting in but a small portion, and that at a heavy cost only. In many instances trustees have to run personal risks, in order to endeavour to get in assets, in which, if unsuccessful, the costs of the other side are payable out of the trustees own pocket if no estate is available —(see *re Angerstein,* also *ex parte Villars re Rogers,* and other cases)—and it would be unreasonable to deal with such cases as a question of percentage only. On the other hand, where no disputed claims exist and the assets come in readily, a small percentage would

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fairly remunerate the trustee for his services. We, however, are strongly of opinion that the fairest way both to the trustee and to the creditors, until by mutual understanding or an improvement in the law some more defined principle can be arrived at, is to make the time occupied the basis, and leave the rate to the appreciation of the committee of inspection. Trustees do not make the laws, and they are not even consulted in the framing of them; it is therefore hardly fair to throw all the responsibilities on a trustee, and then to base his remuneration on the unsatisfactory result. Trustees have of late been much abused, but one fact is generally forgotten, and that is that although the trustee has all the risk, responsibility, and trouble, of realising the estate, he is not entitled to any remuneration until all *prior* costs are paid, and therefore, even if there is an estate, he has to take his chance of being paid for his trouble. In fixing the percentage of profit in any business, the average of risk and bad debt must be taken into account, and professional trustees cannot deviate from this principle, which is too sound to be ignored. At the same time, it would be greatly to the advantage of all parties if some fair principle of remuneration could be arrived at and finally determined, in order that the present uncertainty may cease. H. B., (London).

AUDITORS AND AUDITING.

A correspondent writes to us as follows:—"I am glad to observe that this subject has been taken up by a writer in the Accountant, who promises two more articles thereon. I am sure it is one which demands attention, with the view to defining what the duties of an auditor really are, and the value of the service, when properly rendered. It would be well for Accountants' Societies generally to move in this matter, as also in that of accountants' charges, which like the duties of an auditor, require to be defined with the object of securing uniformity. I believe no dozen men would have the same view as to the said duties; nor do directors, or the public, appreciate as they ought, the immense value of them, if honestly performed. Many consider an audit has nothing more in it than certifying to the agreement of balances in a balance-sheet with those in the ledgers from which they are taken; and that cash at the bankers is stated conformably with the pass book, (cash in hand being in some cases absolutely ignored). An auditors' duties are much more important, and should embrace his right to have the accounts kept on such a system that he can *really* get at the essence of affairs; and that his supervision should extend *throughout* a year, and not merely at the end of it. His signature to a balance-sheet then would mean something, and responsibility in the shape of a guarantee, would rest upon him towards the shareholders, for which fees should be paid equivalent. See the various forms of certifying accounts, daily appearing on balance-sheets, and you at once detect how very vague are the views of the different parties signing the accounts on the subject. At any rate, whether I take a wrong view of the matter or not, it is certainly one which must sooner or later be discussed. The public as well as the profession (which would gain also in status very considerably), would be gainers by the duties of an auditor being properly understood, defined, and performed as a *bona fide* service, instead of, as it appears to be a mere sham, and as fees paid and various forms of certifying prove it to be at present."

Our correspondent adds:—"I am glad also to notice an article in the Accountant of 2nd inst., on those who style themselves accountants, professing at the same time to be Jacks-of-all-trades, and touters accordingly. What we want is a feeling of *esprit de corps*, in the profession, and a determination on the part of its respectable members to set their faces against anything of the sort. Touting should be denounced, and those descending to it should be shown up. I am in hopes that the profession of a P. A., may some day be looked upon as the most honorable of honorable callings.

Correspondence.

TO THE EDITOR OF THE ACCOUNTANT.

Sir,—The letter of your correspondent "B. J.," appearing in your issue of 23d ult., has much interested me. He is certainly not devoid of vigour, and would probably prove a doughty opponent in a tilt. It seems to me, however, that he would have done better to point out the particular defects of which he complains, rather than have gone in for sweeping changes. It would prove of little advantage to do away with the *bankruptcy* section of the Act, without at the same time so ameliorating the defects of the liquidation and composition clauses as well as the Debtors Act, so as to make *them* a perfect substitute for bankruptcy. On many points I agree with him. A bankrupt should not *per se* be regarded as a criminal. There are in modern trade many causes which might bring the most honest and industrious man to grief; and where a man's failure (and consequent deficiencies) is proved by *him* to be *bona fide*, the law should endorse the general feeling of creditors (who, as a rule, are far from hard upon their debtors), and leave the insolvent free to begin the world again. "B. J." is, however, right in saying that at present (like railway legislation, which has run from one extreme to the other) "creditors may be thankful if they escape the condemnation which formerly awaited the bankrupt." Theoretically, too, "B. J." is right in saying that where the debtor is not able to pay his creditors 20s. in the pound the estate *should* belong to his creditor, or rather to his *creditors*, if he have more than one; but in practice I do not agree with him that "it is contrary to all true principles of statesmanship and legislation for any State, by its own action and through the instrumentality of the law, to meddle with the matter unless," &c. "B. J.'s" theory is as good, *theoretically*, as that of a friend of mine who asserts that until we dispense with kings, priests, and lawyers, the world will not be happy; but my friend qualifies his remark by adding, that this can only happen when

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every man is his own king, his own priest, and his own lawyer, which will happen when the millenium arrives. "B. J," however, forgets that creditors sometimes require protection against each other. It is a sad thing to say, but nevertheless true, that there is about as much cohesion among a body of creditors, as among a parcel of jack tars—each tries to take care of himself, and will follow the dictates of human nature in that respect unless the law intervenes and prevents him from taking a preference over his co-sufferers. Why should not the continental principle be adopted? Compel a man to keep books, take out an annual statement of his position, and as soon as he finds himself deficient, render it obligatory on him to deposit a statement of his position at the Court, not necessarily with a view to bankruptcy, but in order that in the event of a subsequent adjudication the real commencement of his deficiency may be verified. "B. J." appears to be a ready writer, troubled only with a too great prodigality of ideas. Let him do violence to his feelings, and, *by degrees*, impart to his colleagues, through your columns, the benefit thereof. I for one will promise to read such communications with attention and gratitude.—Yours truly,

EXPERT COMPTABLE.

February, 3d, 1875.

BANKRUPTCY LAWS.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—In the article on "Bankruptcy Laws—No. 4," the writer says that the trustee can always demand the bankrupt's attendance, "and, if necessary, *examine him on oath*." I venture to submit that the statement which I have italicized is incorrect, and that a trustee has only power to administer oaths in connection with proof of debt (B. Act 1869, Sec. 25). Anything more than this would render a trustee liable to criminal proceedings, unless, of course, he held some authority independent of the above Act, such as being a solicitor who was also a commissioner, &c. I held a different opinion once, and my solicitors submitted a case for opinion of counsel, who enunciated the views expressed in this letter.—

Yours truly,

J. H. C., London.

SOCIETY OF ACCOUNTANTS IN EDINBURGH.—At the annual general meeting of this society, held on Wednesday, the following gentlemen were elected office-bearers for the ensuing year:—President—Mr. C. M. Barstow. Members of Council—Messrs. D. S. Peddie, J. M. Macandrew, Charles Pearson, Thomas Martin, Thos. Scott, Adam Gillies Smith, Kenneth M'Kenzie, and F. H. Carter. Examiners—Messrs. George Auldjo Jamieson, Samuel Raleigh, and William Wood. Secretary—Mr Jas. Howden. Treasurer—Mr. A. W. Robertson. Auditor—Mr David Pearson. Law Agent—Mr. J. Clerk Brodie, W.S. The society when electing Mr. Barstow as President, requested him to sit for his portrait as an expression of the esteem in which he was held by them, and their appreciation of the services rendered by him as President during the last six years.

Vice-Chancellor Bacon will for the future take opposed petitions every Saturday after the unopposed petitions, instead of on alternate Saturdays, as has been his practice hitherto.

Parliament was opened yesterday (Friday) by Commission.

COURT OF CHANCERY, LINCOLN'S INN.

January 29.

(Before Lord Justice JAMES.)

EX PARTE JACOBS, IN RE JACOBS.—In this case a question of considerable general importance with regard to the construction of the Bankruptcy Act, 1869, was raised, a question, too, upon which there have been conflicting decisions in the Courts of Common Law and Equity. It is well settled that the discharge in bankruptcy of a principal debtor does not operate to discharge his surety, and in the recent case of "Ellis v. Wilmot" the Court of Exchequer held that the discharge of a principal debtor in liquidation proceedings under sec. 125 of the Act does not release his surety. But the further question remained, whether, when the creditors of a debtor resolve, under sec. 126 of the Act, to accept a composition in satisfaction of their debts, the rights of the creditors against sureties are thereby put an end to. In "Wilson v. Lloyd" Vice-Chancellor Bacon decided that the acceptance of a composition from the principal debtor released the surety; but in the later case of "Mograth v. Gray" the Court of Common Pleas arrived at an opposite conclusion. In the present case the same question arose under the following circumstances:—An appeal was brought by Mr Sidney Jacobs, of Camberwell New-road, from an adjudication of bankruptcy made against him on the 17th of September last by Mr Registrar Spring Rice, acting as Chief Judge in Bankruptcy. The petitioning creditor was Mr James Martin, of Epsom, a trainer of racehorses. Martin was the holder for value of a bill of exchange for £100, dated the 13th of April, 1874, which had been drawn by Jacobs upon, and accepted by, one Samuel Phillips, and was payable two months after date. Phillips was a trimming manufacturer, carrying on business in Ely-place as S. Phillips and Co. On the 1st of June, 1874, he filed a liquidation petition. The first meeting of the creditors was held on the 30th of June. Martin, who was inserted in Phillips's statement as a creditor in respect of the bill of exchange, and who had made an affidavit on the 29th of June to prove his debt, attended the meeting by his solicitor as his proxy. The meeting was adjourned to the 14th of July, Martin's solicitor voting for the adjournment. On the 14th of July the creditors resolved by the proper statutory majority to accept a composition of 5s in the pound "in satisfaction of the debts due to them from Phillips." Martin's solicitor on this occasion voted against the composition. The resolution was duly confirmed at the second meeting on the 24th of July, and was afterwards registered. Martin's solicitor voted on his behalf in favour of the confirmation, but the majority would have been sufficient independently of his vote. Martin afterwards filed a petition in bankruptcy against Jacobs as the drawer of the bill, upon which petition the adjudication now appealed from was made. The objection to it was that Martin had, by reason of what he had done under Phillips's petition, discharged Jacobs, the drawer of the bill. Secs. 49 and 50 of the Act provide that an order of discharge in bankruptcy shall discharge the bankrupt from all debts provable in the bankruptcy, with certain specified exceptions, but shall not release any person who at the date of the order of adjudication was jointly bound with him. Sec. 125 provides that, with certain modifications, all the provisions of the Act shall, so far as they are applicable, apply to the case of a liquidation by arrangement in the same manner as if the word "bankrupt" included a debtor whose affairs are under liquidation, and the word "bankruptcy" included liquidation by arrangement. One of the modifications referred to relates to the mode in which an order of discharge is to be granted. Section 126 provides that "the creditors of a debtor unable to pay his debts may, without any proceedings in bankruptcy, by an extraordinary resolution resolve that a composition shall be accepted in satisfaction of the debts due to them from the debtor," and that "the provisions of a composition accepted by an extraordinary resolution shall be binding on all the creditors whose names and addresses, and the amount of the debts due to whom, are shown in the statement of the debtor." The appeal was argued on the 15th January, and this morning the judgment of the Court (which had been prepared by Lord Justice Mellish) was read by Lord Justice James. Mr De Ge

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Q.C., Mr Winslow, Q.C., and Mr E. C. Willis were for the appellant; Mr Roxburgh, Q.C., and Mr Lamaison, of the Common Law Bar, were for Mr Martin. Lord Justice James, after stating the facts and referring to "Wilson v. Lloyd" and "Megrath v. Gray," said—We entirely agree in the decision of the Court of Common Pleas and the reasons they have given for it. We think that the discharge of a debtor under a liquidation or a composition is really a discharge in bankruptcy by operation of law. When a creditor voluntarily agrees to a composition by deed or agreement with the acceptor of a bill, it is by his act alone that the acceptor is discharged, and the position of the drawer altered. When, however, a debtor summons his creditors under the 125th and 126th section of the Bankruptcy Act, the proper majority of the creditors have power to assent to the terms on which the debtor is to be discharged, whether the creditor who is the holder of the bill chooses to attend or not, or chooses to vote or not. The consequence of deciding that the holder of a bill could not vote at a meeting of the acceptor's creditors without discharging the drawer would be that in many cases a great number, and in some cases the majority, of the creditors could not vote at the meeting. On the other hand, if resolutions for liquidation by arrangement or for composition were to contain a reservation of remedies by the creditors against any other person than the debtor, the consequence would be that the debtor would not, either by arrangement or by composition, be completely discharged from any of those of his debts in respect of which the creditors had a remedy against any other person. This, we think, would be contrary to the intention of the Act. On the whole we are of opinion that the order of the Registrar must be affirmed, and the appeal dismissed.

February 1.

(*Before the* Lords Justices *of* Appeal.)

In re the International Life Assurance Society.—In the winding-up of this society an arrangement was made that the Prudential Assurance Company should assume the liabilities of the society in consideration of a payment of £329,000 out of the society's assets, which was by a subsequent agreement reduced to £303,000. The question now raised, by way of appeal from an order recently made by Vice-Chancellor Malins, was, whether the Prudential Assurance Company were entitled to have two sums of £13,322 and £4,069, raised by means of calls upon the shareholders of the International in excess of the nominal amount of their shares. The sum of £13,322 represented deductions in respect of costs which had been made from a sum of £20,000 deposited in America by the International as a security for the fulfilment of their policy contracts there, and it was part of the arrangements that this £20,000 was to be handed over to the Prudential on their assuming the American liabilities of the International. The £4,069 also related to the American policies. The Vice-Chancellor decided this question in favour of the Prudential Company. The International shareholders appealed. Their Lordships held that the Prudential Company were entitled to be paid these two sums out of the assets of the International, but not to have any calls made on the shareholders beyond the nominal amount of the shares. They varied the Vice-Chancellor's order accordingly.

A Scotch Sheriff on Bankruptcy Laws.—In the Sheriff Court, Aberdeen, on Saturday, Sheriff Dove Wilson is reported to have adverted to the serious defects of the law he was administering, saying that it was extraordinary that imprisonment for debt should still exist in Scotland when it had been abolished in England and Ireland and most other civilised countries. Again there was one law for the bankrupt on the larger scale and another for the bankrupt on the smaller. The large trader can always obtain, after a certain time, a discharge from the court; but for the smaller class of bankrupts, with nothing but a few small debts, or perhaps, as in this case, a single creditor, the benefits of the bankruptcy laws are absolutely closed.

VICE-CHANCELLORS' COURT, Lincoln's-inn, February 1.

(*Before Vice-Chancellor* Sir R. Bacon.)

Re Caerphilly Colliery Company (Limited).—This was a petition for winding up the above-named company. The Company was established in 1869, with a capital of £20,000, divided into 4,000 shares of £5 each. In 1871 the company raised a sum of £3,500 by an issue of debenture bonds. In the year 1872, however, the company got into difficulties, and on the 20th of March, 1873, a special resolution was passed for winding up voluntarily; at the same meeting Mr Maclure, of London, and Mr Schofield, of Huddersfield, were appointed liquidators. The colliery which the company was established to work, and which was by the debenture bonds mortgaged to the bondholders, was sold by the liquidators, and realized £5,000. Some of the bondholders now presented a petition alleging that this £5,000 had been improperly applied by Mr Maclure, and that their rights would be prejudiced if the voluntary winding up were continued, and praying for a winding-up order by the Court. The Vice-Chancellor, while acquitting Mr Schofield from any suggestion of improper conduct held that the conduct of Mr Maclure in the matters connected with the liquidation had been such as the Court could not be expected to countenance, and that there was abundant evidence to show that the continuation of the voluntary winding up would be prejudicial to the petitioners. He therefore made the usual order for winding up by the Court.

COURT OF BANKRUPTCY.

(*Before Mr. Registrar* Roche, *sitting as Chief Judge at Lincoln's Inn.*)

In Re C. Bedell.—In this case, coming on by way of appeal from Mr. Registrar Keene, the following important question arose:—Heading and Bedell had been in partnership, and on the retirement of the latter he received a bond to secure the repayment of his capital which remained in the business. In 1861 Bedell made an arrangement, by which he agreed to pay all his creditors in full, by instalments extending over several years, but in 1867, having again fallen into difficulties an arrangement was made with all his creditors, who agreed to take 10s. in the pound. Heading was party to this agreement, and consented to postpone the payment of his debt, which was estimated at £6,500, for the period of 10 years, Bedell, on his part, covenanting to pay off the debt by certain quarterly instalments extending over the same period. The deed, which was intended to give effect to this agreement, provided "that in case the debtor should become bankrupt, or liquidate his estate," the entire debt of £6,500 should revive and become payable; but the provision immediately following declared that in no case should more than one half, namely, £3,250, be recoverable in any action or proceeding whatever. Bedell filed his petition for liquidation in October, 1874, and at the first meeting Heading tendered a proof for £6,500, which Mr. Registrar Keene had reduced to one half, deducting from that one half the sum of £1,848, which Bedell had paid in instalments. Mr Robson, in support of the appeal, argued that the arrangement was made with the full consent of all the parties; that the postponement of Mr Heading's claim had been beneficial to the creditors, who otherwise would not have received their 10s. in the £, and that under the circumstances Heading was entitled to prove for the full amount of his debt, in the event which had now happened, viz., the liquidation of the debtor's estate. Mr De Gex, with whom was Mr Finlay Knight, insisted that the provision with regard to the revival of the original debt was contrary to the policy of the Bankrupt laws, because he gave a preference to this particular creditor, and cited *re* Murphy, 1 Schoales and Lefroy. Mr Registrar Roche said that no rule was clearer than this, that when an arrangement was made with creditors there must be perfect equality. In the present instance, if the provision in the deed was held to be good, the appellant would receive a dividend of 20s. in the £, and thus have a preference over the other creditors. Besides, the two provisions in the deed were wholly in-

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consistent, for if the debt revived that right was limited and cut down by the words which followed immediately after, namely, "that in no case should more than one-half be recoverable." He must hold that the arrangement with Heading was contrary to the Bankrupt laws, and affirmed the decision of Mr Registrar Keene. Mr De Gex pressed for costs. The Registrar said no doubt Mr Heading had acted with kindness in postponing his claim, but as the law was against him the strict rule must be enforced; he must pay the costs.

January 29.

(*Before Mr. Registrar* Pepys, *sitting as Chief Judge.*)

In re James Buchan.—The bankrupt was a merchant carrying on business at 3, Great Winchester-street-buildings as Nankevill and Co.; and this was an application on behalf of the trustee that Messrs Emil Henkin and Henry Sleeman should be ordered to pay to the trustee the sum of £102 8s. 2d., received from the bankrupt on the 1st of September, 1874. Mr Doria was counsel for the applicant, and Mr J. Linklater for the respondents. It would appear that on the 23d of July, 1874, the bankrupt was served with a debtor's summons at the suit of Messrs Henkin and Sleeman, and on the 19th August a petition for adjudication, returnable on the 27th, was left at the bankrupt's office. On the 27th of July Mr A. A. Rumpff, another creditor, caused a debtor's summons to be served upon the bankrupt, who, in order to avoid an adjudication, applied to the solicitor acting for the respondents for time, stating that he was negotiating a sale of his business as a wine merchant, then carried on by him under the style of Nankevill and Co.. The proceedings upon the petition were adjourned from time to time accordingly, and on the 1st of September the bankrupt paid to the respondents' solicitor the sum now claimed, and the petition was thereupon dismissed. On the 26th of October adjudication occurred at the instance of Mr Rumpff, the act of bankruptcy alleged being the non-compliance with the terms of the debtor's summons served on the 24th July. The ground upon which the present application mainly rested was that at the time of the payment being made the respondents had notice of an act of bankruptcy committed by the bankrupt and available for adjudication. His Honour held that sufficient notice had been given to the respondents of the act of bankruptcy, and that the sum claimed having been received subsequently, they were bound to refund it. Application granted.

February 1.

(*Before Mr Registrar* Murray, *sitting as Chief Judge.*)

In re B. F. H. Carew.—This was an application on behalf Mr Benjamin Francis Hallowell Carew that the trustees under a deed of composition should be ordered to pay over the sum of £4,129, being the alleged difference between the amount received under the deed and the amount which they had paid or were entitled to retain. It would seem that in May, 1874, Mr Carew being in temporary pecuniary difficulties filed a petition for liquidation by arrangement. He then owed to secured and unsecured creditors the sum of £22,000, and he was entitled under the provisions of the Carew Estates Act, 1859, to a life interest of very considerable value. On the 23d July a meeting of creditors was held, when a resolution was passed for the acceptance of a composition of 19s. 11d. A deed embodying the resolutions was afterwards prepared, and trustees were appointed thereunder for the purpose of receiving and distributing the composition. The creditors were satisfied, and the trustees admitted that there was a balance of £2,148, not £4,129, in their hands, but desired to be protected before parting with the fund, inasmuch as they had received notice of a large claim from the plaintiff in a Chancery suit of "Pigott v. Stewart." The arguments occupied the whole day, and, at their conclusion, the Court reserved judgment.

February 2.

(*Before Mr Registrar* Roche, *sitting as Chief Judge.*)

In re Joseph Chappell.—Mr Oldman applied under proceedings for liquidation instituted by the debtor that a receiver and manager should be appointed, and for an interim injunction to restrain actions by creditors. The debtor, it appeared, carried on business at 6, Lima-street, Chelsea; 174, Lancaster-road, Notting-hill; and also at Holbeach, in Lincolnshire, as a builder and contractor. The liabilities are stated at £27,904, with assets of very considerable value; the debtor being now engaged in the completion of outstanding contracts. His Honour appointed Mr Edward Hart, accountant, Moorgate-street as receiver and manager, and granted the usual interim injunction.

In re Alfred William Maberly.—The debtor, who is an architect and surveyor, carrying on business in the Strand and at Gloucester, has presented a petition for liquidation, estimating his liabilities at £8,000, and his assets, consisting chiefly of book debts, furniture, &c., at £1,000. Upon the application of Mr. Guscotte (Guscotte, Kelly, and Scott), his Honour appointed Mr Flaxman Haydon, accountant, of 29, New City Chambers, receiver of the estate.

(*Before Mr Registrar* Keene.)

In re C. W. Spark.—Registration was ordered of a resolution of creditors in favour of liquidation by arrangement. The debtor was a mine proprietor and ironmaster, of 31, Threadneedle-st., and also of West Brompton, and elsewhere. His liabilities amounted to about £20,000, and assets £4,536.

February 3.

(*Before Mr. Registrar* Murray, *sitting as Chief Judge.*)

In re Louis Faber.—The debtor, a wine merchant, carrying on business at 23, Rood-lane, has filed a petition for liquidation, with liabilities stated at £15,000, and assets, consisting of book debts, stock-in-trade, furniture, and other items, of the estimated value of £8,650. Mr Finlay Knight, for the debtor and one of the creditors, applied that Mr J. T. Snell, accountant, should be appointed receiver and manager of the estate. It appeared that a creditor had placed an attachment upon the debtor's banking account, and the premises had been closed. As remittances would be forthcoming before the first meeting, it was desired that the business should be continued, and the proposed receiver and manager had undertaken to provide the funds necessary for that purpose. His Honour granted the application.

(*Before Mr Registrar* Roche.)

In re W. J. Prosser.—At a first meeting under an adjudication obtained against the bankrupt, a wine merchant, of 20, Mark-lane, formerly carrying on business in partnership with John Prosser, under the firm of Prosser, Brothers, proofs of debt amounting to about £9,000 were admitted; and Mr F. B. Smart, accountant, was appointed trustee to act with a committee of inspection. The bankrupt had filed a petition for liquidation, but, the creditors not having passed any resolution, an adjudication followed. A balance-sheet showed liabilities amounting to £34,102, with assets estimated at £13,142.

February 4.

(*Before Mr. Registrar* Brougham, *sitting as Chief Judge.*)

His Honour was engaged during the greater part of the day in hearing motions under the liquidation of Messrs Grant, Brodie, and Co.

In re Joseph Aspinall.—The debtor, a merchant and financial agent, carrying on business at 33, Gresham-house, presented yesterday a petition for liquidation, with liabilities returned at £41,000, and assets consisting of shares in public companies, furniture, &c., £1,264. Upon the application of Mr W. H. Roberts, and with the concurrence of creditors for £26,500, his Honour appointed Mr Lewis Henry Evans, accountant, Coleman-street, receiver of the debtor's property.

February 5.

(*Before Mr. Registrar* Pepys.)

In re W. A. and A. Burr.—This case has been frequently before the court. The bankrupts were metal merchants, carrying on business in Gracechurch-street. Mr Bigham, who appeared for the trustee, asked for a further adjournment of the bankrupts' examination for three months. Mr H. F. Linklater, on behalf of certain opposing creditors, said he desired to examine the bankrupts, but they failed to appear, and a memorandum of non-appearance was recorded. An outline of the bankrupts' accounts has already been published, and discloses liabilities to the amount of £81,986, with assets £5,787.

An action is proceeding against Sir John Hay and other directors of the Canadian Oil Works Company, on the charge of issuing a false and deceptive prospectus.

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CARMARTHEN COUNTY COURT.

The Judge of the Carmarthen County Court has recently heard a motion in regard to the bankruptcy of William Burton, involving some rather lively incidents. The facts stated in opening were as follows:—An action was brought in the Pembrokeshire County Court on the 12th December last, in which Miller and Miller were the plaintiffs, and Burton the defendant. Judgment was recovered, and an order made for immediate execution. One of the plaintiffs, accompanied by Mr Thomas, an accountant, proceeded by the next train for Haverfordwest, the residence of Burton, and went to the Registrar's office for the purpose of having the order reissued. The Registrar, who was in his office, declined to reissue on the ground that it was past office hours. Under these circumstances the warrant was left in the hands of Mr H. Davies, who, on the following morning, soon after the opening of the office, got the reissue signed, and levied on the goods of Burton. Mr Lascelles added that he should be able to prove that on the next morning, in consequence of messages sent him from the Registrar's office, Burton went there and filed a petition in bankruptcy, and as a consequence, on the 17th of the same month a restraining order was served on the man in possession, signed by the Registrar. Under these circumstances, he submitted that the petition in bankruptcy could not have been filed in time, and on these grounds he asked that the proceedings in bankruptcy be set aside, or that the trustee in bankruptcy be ordered to pay the amount of the judgment given in favour of Messrs Miller. Mr Griffiths, who appeared on behalf of the debtor, trustee in bankruptcy, and Mr Lloyd, the registrar, said he believed there was a rule by which the County Court offices were closed at four o'clock. His Honour remarked that if the Registrar had been away from the office, the warrant could not have been reissued, but as he was there he ought to have done it. Writs of execution were oftentimes matters of the most extreme necessity, and ought to be enforced at once. It was quite right to fix certain hours in large towns, but for a little office like Haverfordwest to refuse a reissue a short time after hours was absurd. In the course of the evidence, Mr Thomas, accountant, Pembroke, gave the following account of the affair:—He went to Haverfordwest on the 12th of December with Mr Miller. Called on the Registrar and asked him to re-issue the warrant, and he refused. Witness asked Mr Lloyd particularly to re-issue the execution, and told him that Messrs. Edmonds and Rees had sent circulars round saying that if a composition of 5s. in the £ was not accepted Burton would go through the Court. On my pressing him and informing him of this cause, the Registrar said there was no fear of Burton going through the Court, because a few days ago he had paid a large sum of money into Court. Witness again asked him particularly to reissue, but the Registrar said he would not and walked away. The Registrar did not call attention to any irregularity in the warrant, nor did witness observe any. Witness attended the meeting of creditors on the 30th at Mr Lloyd's office. When witness went into the room the only persons there were Mr Edmonds, Mr Lloyd, and his clerk. Mr Lloyd said, "Let's begin business," and asked for proxies. Mr Edmonds proposed and seconded that himself be appointed chairman, and as there was no one else there with proxies he was appointed. Mr Lloyd asked witness if Messrs Miller and Miller intended proving. Witness said "No," and Mr Lloyd then said he had better leave. Witness declined, and asked Mr Lloyd if he had any proxies, and Mr Lloyd said "No," he represented Burton. Witness asked Edmonds if he had Allsopps' proxy, and Edmonds replied, "No," and asked witness if he had. Witness said, "That is best known to myself." The bankrupt and other witnesses having been examined, Mr Lascelles submitted that the appointment of the trustee was irregular; he appointed himself, seconded himself, and took the chair at the meeting; and further, that the petition was not filed according to the rules laid down in the Act of Parliament. His Honour: As far as my experience goes this Act ought to be cited as an Act of Parliament to encourage fraudulent debtors. Mr Lascelles said the object of the action was to set aside the bankruptcy, or to order the amount of the judgment obtained by Messrs Miller to be paid by the trustee. Mr Griffiths, who appeared for the trustees, said he should not oppose such an order being made. His Honour, in giving his judgment, said it was the duty of every official of the County Court in every possible way to assist suitors, and to render available the judgments of the Court, and not to prevent suitors from taking out warrants. Under certain circumstances, in certain places, it might be necessary to fix a hard and fast rule, but he hoped to find every official of his court rendering willing aid towards forwarding the business of the court at all times, even at a little personal sacrifice. Then there was a serious imputation upon Mr Lloyd, that having received this warrant he availed himself of it to inform the defendant, and sent to him in order that he might come to him (Mr Lloyd) and evade the order of the Court. A more grave imputation it was impossible to imagine, and he (the judge) thought he could say it was not proved. Still he thought it was only fair to Mr Lloyd that he should be sworn, and give his own version of the affair. Mr Lloyd said he had no objection to be sworn, and on the oath being administered, said: I never saw Mr Burton until he came to my office. I had no communication either by writing or by word of mouth with him until he came to my office on the morning of the 13th. His Honour expressed himself satisfied with Mr Lloyd's statement. The effect of the judgment is that Messrs Miller's debt is declared to be exempt from the bankruptcy, and leave was granted them to enforce the levy which was in process of execution when the restraining order was received. The bankruptcy proceeding will remain in force.

BANKRUPTCY PROCEEDINGS IN SCOTLAND.

At the Sheriff Court, Glasgow, before Mr Sheriff Guthrie, in the sequestration of Campbell and Alexander, thread manufacturers, Glasgow, present Mr Walter Mackenzie, accountant, trustee, Mr David Lockhart, writer, law agent in the sequestration, John Campbell, one of the bankrupts, deposed: Mr Alexander and I entered into partnership as thread manufacturers in December, 1867, for the purpose of carrying on business at Rutherglen. No formal deed of copartnery was executed between us. We were equally interested in the business. I put in £2,000 capital at the outset, and about two years afterwards a further sum of between £2,000 and £3,000. That money belonged entirely to myself, and was not borrowed. We kept regular books, in which were entered all our business transactions. Mr Alexander put in £1,000 of capital. The capital contributed by the partners was to bear interest at the rate of 5 per cent., that is to say on the £2,000 originally put in and Mr Alexander's £1,000; but the additional contributions by me were to bear interest at the rate of 7½ and 10 per cent. The state of affairs shows the liabilities to amount to £17,062 2s 2d, and the assets to £9,546 2s 6d, showing a deficiency of £7,415 19s 8d. That state of affairs is correct. Robert Alexander, the other bankrupt, having been examined, the statutory oath was administered to both bankrupts.

COURT OF BANKRUPTCY, DUBLIN.

January 29.

(*Before Judge* Miller.)

In re Thomas Flannery.—The bankrupt was a draper at Ballagaderreen, county Mayo. The sitting was for final examination, which was opposed by Mr Blood, upon the grounds that the bankrupt's schedule was totally unvouched, and that under any circumstances the examination should not be passed until the debts were collected. Judge Miller said he would allow the bankrupt to make his final deposition, but he would adjourn the passing of the final examination *pro forma* for a month, in order that the bankrupt should have an opportunity of assisting the official assignee in collecting the debts due to the estate.

February 2.

(*Before Judges* Miller *and* Harrison.)

In re the Banbridge Extension Railway Company.—The Court delivered judgement in this matter, which came before it

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on motion, on behalf of the trade and official assignees and one of the creditors, for liberty to sell the estate and interest of the assignees in the company, which had been adjudicated bankrupt in the year 1865, without appealing to Parliament for a special Act. Judge Miller delivered a lengthened judgement, holding that in no view of the case did he consider that the Court had power to direct a sale of the property without the intervention of a special Act of Parliament, and that, therefore, the application should be refused, each party to pay his own costs. Judge Harrison concurred. The application was accordingly refused.

CREDITORS' MEETINGS.

THE SOUTHWELL BANK.—A large and stormy meeting of the creditors of the Southwell Bank, Nottingham, was held in the town on Friday, the 29th January, to hear the result of the investigation of the accountant, Mr Waddell. The examination was instituted on the death, in December last, of Mr Bradwell, who had been manager for over 40 years. Mr Waddell stated that, as far as he could estimate with the books in confusion, the liabilities to rank were £96,244 10s. 4d., and the general assets £44,305 17s. 3d. After some hours' discussion the creditors resolved to liquidate the affairs by arrangement. Mr Baker, of Lawrance, Plews, and Co., was the solicitor having the conduct of the proceedings.

JOHN PRIESTLEY (HUDDERSFIELD).—At a meeting of the creditors of Mr. John Priestley, cotton-spinner, of Huddersfield, it was resolved to wind up the estate in liquidation and not in bankruptcy. The liabilities amount to about £35,000.

HART, MACFARLANE, AND CO. (GLASGOW).—At a meeting of the creditors of Hart, Macfarlane, and Company, merchants in Glasgow (individual partners of Macfarlane, Blair, and Company, merchants in San Francisco), the liabilities were reported to be about £60,000. The suspension is due to a fall in the price of Californian wheat, and in freights of ships during last year. The assets are chiefly in San Francisco, and the amount to be paid to the creditors will depend upon their realisation.

JAMES GUTHRIE (DARLINGTON).—A meeting of the creditors of James Guthrie, of Darlington, builder and provision dealer, was held on Saturday at the Fleece Hotel, Darlington. The statement of affairs showed unsecured creditors to the amount of £3,427; creditors fully secured, £24,680. Estimated value of securities, £31,971; surplus to contra, £7,291; total assets, £7,857. It was resolved that the affairs should be liquidated by arrangement, and that Mr G. Hudson (Hudson and Pybus, accountants, Darlington) and Mr Brown, of Darlington, builder, should be appointed trustees with a committee of inspection.

WM TIMMS (WORCESTER).—A meeting of the creditors of Mr Wm. Timms, who is to be tried at the next Oxford Assizes, on a charge of abduction, was held on Monday, at the White Hart Hotel, Chipping Norton. Mr Saunders, Chipping Norton, represented the debtor, Messrs. Wilkins, and Mace, Chipping Norton, and Mr R. J. W. Pitt, Worcester, the creditors. Mr Prior having been elected chairman, Mr Saunders laid the following statement of Mr Timms' affairs before the meeting:—Secured debts, £35,932 1s 7d; partly secured, £4,543; unsecured, £4,577. The assets, which included the estimated value of the mortgaged farms, stock-in-trade, book debts, cash in hand, &c., showed a balance in favour of the debtor of £6,934 7s 8d. Mr Mace moved, and Mr Saunders seconded, that in consequence of the state of affairs, the presence of Mr Timms be dispensed with. Mr Pitt strongly opposed this, and urged that having called his creditors together, Mr Timms was bound to appear and answer any question which any of the creditors or those who represented them might wish to put. He moved that Mr Timms be requested to come to the meeting. Mr Wilkins seconded this, and after some discussion, Mr Timms was sent for. On his arrival, Mr Pitt questioned him at some length as to the management of his affairs, after which Mr Mace moved, Mr Saunders seconded, and the meeting agreed, with the exception of Mr Pitt, who withdrew his proofs, that the affairs of William Timms be liquidated by arrangement, and that a committee of inspection, be appointed.

GEORGE WADE AND SONS (BRADFORD).—A meeting of the creditors of Messrs. George Wade and Sons, commission woolcombers, of Clarence Works, Thornton-road, Bradford, was held on Thursday, at the office of Messrs. Terry and Robinson, solicitors. From a statement of the affairs of the firm, submitted to the meeting by Mr C. J. Buckley, public accountant, it appeared that their liabilities were £2,675 19s., and the assets £1,999 15s. 3d. It was resolved to liquidate by arrangement, and Mr C. J. Buckley was appointed the trustee, with a committee of inspection.

FRANK ACKROYD (MANCHESTER).—A meeting of the creditors of Mr Frank Ackroyd, of 26, Fennel-street, provision merchant, was held on Thursday, at the Angel Hotel, Liverpool. The statement of affairs submitted to the meeting by Mr Sutton (of Sutton and Harding, accountants), the receiver, showed total liabilities, £2,099 6s 8d, and assets £598 4s 9d. It was resolved to wind up the estate in liquidation, Mr Sutton being appointed trustee.

ROBERT HUME (Northwich).—A meeting of the creditors of Mr Robert Hume, of Cuddington Mills, near Northwich, miller and corn merchant, a bankrupt, was held on Thursday, at the offices of Mr J. Bost, solicitor, Regent Chambers, 64, Lower King-street, when resolutions were passed to remove Mr T. Capper from the office of trustee of the estate, and appointing Mr Peter Bates, of Stockport, accountant, in his stead, for the removal of Messrs Cross and Goode from the committee of inspection, and appointing Messrs Hudson and Cookson members in their place; and for the transfer of the proceedings to the Manchester County Court.

N. D. CARANDREA (MANCHESTER.)—At the Manchester Bankruptcy Court on Thursday, in the matter of Nicolaos D. Carandrea, of 20, Bond-street, and late of Lloyd's-house, Albert-square, merchant, now a bankrupt, the first meeting of creditors was held. The bankrupt did not appear. Proofs of debts amounting to £3,172 were admitted, and Mr. J. Lawson, manufacturer and agent, Kennedy-street, was appointed trustee, with a committee of inspection consisting of two of the principal creditors.

A LAND SOCIETY IN LIQUIDATION.—A sitting of the Birkenhead County Court was held on Monday, before Mr Gilmour, deputy judge, for the purpose of fixing a list of contributories in connection with the Birkenhead Freehold Land Society, under a winding-up order from the Court of Chancery. Mr Billson appeared for the official liquidator, Mr Strongitharm, and Messrs Downham, Moore, Pugh, and Kent for various defendants. The society was registered in 1856, and it soon afterwards became owner, by purchase, of an estate in Higher Tranmere, known as Tranmore-park, The land was vested in three trustees. who, after the shares had been generally paid up, allotted the greater part of it to the members. In the case of one allotment the purchase money was not all paid when the conveyance was executed to the purchaser, and a dispute subsequently arose regarding it. Eventually it was decided to dispose of this particular holding, and Mr D. Roberts, of Higher Tranmere, became the purchaser. He could not obtain any title, nor would the representative of the society consent to recoup him for all the expense he had gone to, and allow the purchase to be voided. He then brought an action in the superior courts, and obtained a verdict for £102 5s. 4d. and costs, but as the society had no property from which to recover the amount of this large claim, he applied to the Court of Chancery for a winding-up order, which was granted by Vice-Chancellor Bacon, and the matter referred to the Birkenhead County Court. Had this dispute never arisen the society must have wound up its affairs at the time, the object for which it was formed having been accomplished. There were now 218 names on the defendants' list, of whom a certain number admitted liability to the amount of ninety shares. A majority resisted the claim, and after the court had been sitting for several hours deciding who should be contributories, an adjournment was agreed to until the 12th instant. Some of the defendants had never been recognized members of the society, or connected with it for a long period of years.

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FAILURES.

America.—American advices report the failure of Messrs Davidson, Judd, and Co., dry goods dealers, Philadelphia, with liabilities of £40,000; assets £10,000. The suspension of Messrs Babcock and Co., wholesale grocers, Park-place, New York, is also stated. The firm was largely interested in lard, and were understood to have been "short." Messrs Waring Bros., petroleum dealers, of New York, Philadelphia, Baltimore, and Pittsburg, had suspended. Liabilities, £150,000. The Sturtevant Manufacturing Company, of Lebanon, N.H., have made an assignment of their property in trust to Mr D. N. Skillings, of Boston. Their personal property alone, however, will pay all liabilities, and leave a surplus of £44,000 in shops and machinery.

England.—Messrs Carter, Tyrer, and Parker, timber merchants, of 15, Canada Dock, Liverpool, have suspended payment, with liabilities amounting to upwards of £120,000. Over-importations of pitch pine are said to have produced the catastrophe. The estate is expected to realise about 15s. in the pound.—Mr James Lear, of Caroline-street, Birmingham, and Montreal, has made an assignment to a public accountant of Montreal for the benefit of his creditors. Amount of liabilities, principally in London and Birmingham, about £17,000; assets about £3,000. It is expected that the estate will not realize more than about 2s. or 2s. 6d. in the pound. The failure is said to have resulted from overtrading and the high prices paid for discount and monetary accommodation.—A petition for liquidation was filed on Tuesday in the Manchester County Court, by Messrs John Ward and Co., of the Beehive Mills, Jersey-street, Manchester, cotton spinners and doublers. Mr Wm. Dowling is the solicitor in the matter, and the Court appointed Mr John J. Graham (Lees and Graham, accountants), Manchester, receiver and manager.

Germany.—The *National Zeitung* reports the suspension of Messrs E. Schlomer and Co., in the corn trade, of Lubeck, with liabilities estimated at £40,000.

INSTITUTE OF ACTUARIES.

The following gentlemen have been elected Fellows by this Institute:—William Wilberforce Baynes, Star Life Assurance Society; Wilhelm Lazarus, Assicurazioni Generali, Hamburg; Emory M'Clintock, Milwaukee, U. S.; Arthur Thomas King, National Debt Office; George William Lane, London Life Association; John Thomas Miller, British Equitable Assurance Company; John W. Miller, Scottish Widows' Fund; Herbert Puckle, London Life Association, 81, King William-street; Charles Richard Ray, Hand-in-Hand Insurance Company; Charles Rutherford, 29, St. Swithin's-lane; Frederick Terry, Legal and General Life Office; Francis Drummond Hay Ruighlis Thomson, Royal Exchange Assurance Company; Charles Godfrey Knight, Wellington, New Zealand; James Hollis Randell, Badbrook, Stroud, Gloucester. The following have been elected Associates:—James Blakey, 8, Canonbury Cottages, Canonbury-road, N.; Samuel Stanley, Commercial Union Assurance Company; George Francis Hardy, British Empire Mutual Life Assurance Company; William John Lancaster, Prudential Assurance Company; George Huton Morris, London and Lancashire Insurance Company; William Henry Perratt, Whittington Life Assurance Company; Francis William Pixley, 10, Norfolk-square, Hyde Park; Henry John Puckle, National Life Assurance Society; Anthony Purjey, Bank of England; Robert Charles Sayce, King's College.

THE DEBTS OF THE WORLD.

The *Pall Mall Gazette* publishes the following curious statistics:—We endeavoured nearly two years ago to give in these columns an approximate estimate of the national debts of the world. We concluded on that occasion that the indebtedness of the world might be placed at about £4,200,000,000. During the two years which have since passed there is good reason to believe that a large addition has been made to this sum. New countries and old countries vie with each other in the money markets of Europe; and even China has within the last few weeks commenced a national debt. There is a considerable difficulty in ascertaining the liabilities of the various nations which are thus heavily indebted. The annual almanacs give us some assistance in the subject; and the careful information which the *Economist* publishes in the "Investors' Manual" affords also considerable help in solving the question. The following are the best estimates which we can form of the principal national debts at the present time. We have contrasted them with the figures which we gave two years ago:—

Country.	Debt (Estimated). 1873. £	1875. £	Increase. £	Decrease. £
France	748,000,000	900,000,000	152,000,000	—
Great Britain	790,000,000	780,000,000	—	10,000,000
United States	433,000,000	440,000,000	7,000,000	—
Italy	360,000,000	390,000,000	30,000,000	—
Spain	261,000,000	375,000,000	114,000,000	—
Austria	306,000,000	350 000,000	44,000,000	—
Russia	355,000,000	340,000,000	—	15,000,000
German Empire (Sts. composing)	208,000,000	200,000,000	—	8,000,000
Turkey	124,000,000	135,000,000	11,000,000	—
India	108,000,000	130,000,000	22,000,000	—
	3,690,000,000	4,040,000,000	380,000,000	33,000,000
Net increase			£347,000,000	

The apparent increase in the indebtedness of the United States and the apparent decrease in the indebtedness of the Russian Empire are due to our having followed on this occasion a different and, we believe, more accurate authority than in 1873. These ten countries, therefore, owe in the aggregate upwards of £4,000,000,000, and have added nearly 10 per cent. to their indebtedness during the last two years. No other country in the world owes anything like £100,000,000. The ten next largest debts stand, we believe, about as follows:—Brazil, £82,000,000; Holland, £80,000,000; Egypt, £75,000,000; Portugal, £69,000,000; Mexico, £63,000,000; Australasian Colonies, £46,000,000; Peru, £37,000,000; Belgium, £36,000,000; Hungary, £32,000,000; Canada, £30,000,000; making a total of £550,000,000. The 20 largest national debts in the world amount, therefore, in the aggregate to £4,590,000,000. If we add £160,000,000 for the smaller debts, the national indebtedness of the world must amount to £4,750,000,000. It is nearly as difficult to ascertain the charges which these debts involve as the amount of the debts themselves. But again taking in the main the *Economist* as our guide, we shall arrive at the following conclusions:—

	Debt	Interest.	Rate per cent.
France	£900,000,000	£33,000,000	3⅔
England	780,000,000	26,700,000	3½
United States	440,000,000	20,600,000	4⅔
Italy	390,000,000	15 350,000	4
Austria	350 000,000	15,000,000	4½
Spain	375,000,000	11,000,000	3
Russia	340,000,000	13,450,000	4
Turkey	135,000,000	9,500,000	7
Germany	200,000,000	9,000,000	4½
Egypt	75,000,000	7,500,000	10
India	130,000,000	5,900,000	4½
Mexico	63,500,000	4,000,000	6
Brazil	82,000,000	3,100,000	4
Australasia	46,000,000	2,700,000	6
Peru	37,000,000	2,600,000	7
Holland	80,000,000	2,250,000	2⅔
Portugal	69,000,000	2,150,000	3
Belgium	36,000,000	1,750,000	5
Hungary	32,000,000	1,500,000	5
Canada	30,000,000	1,500,000	5
	£4,590,000,000	£188,550,000	

The debts of these 20 countries alone impose, then, a charge of £188,000,000 a year on their inhabitants. If we add £11,000,000 or £12,000,000 for the unenumerated debts, the national debts must impose a charge of £200,000,000 on the taxpayers of the world, or of twice the sum which France, the country with the largest revenue in the world, is annually raising. The rate of interest which these countries are severally paying on the nominal amount of their debt must not, of course, be confounded

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with the rate at which they can now borrow. Judged by the latest quotations on the Stock Exchange, some of these may be given as follows:—England, 3¼ per cent; India, 4 per cent; Holland, 4½ per cent; Canada, 4½ per cent; Australasia, 4½ per cent; United States, 4¾ per cent; France, 5 per cent; Russia, 5 per cent; Brazil, 5 per cent; Italy, 6 per cent; Portugal, 6 per cent; Hungary, 7½ per cent; Egypt, 8 per cent; Turkey, 10 per cent; Peru, 10 per cent; Spain, 15 per cent; Mexico, 18 per cent.

LIQUIDATION.—The *Law Times* says:—"It seems to be pretty generally admitted that liquidation, whether of the estates of companies or individuals, is a blunder. Had we not the remarkable evidence furnished by the European and Albert Insurance Societies before us, we should have declined to believe it possible that any human affairs could have assumed a shape of such complication and apparently interminable difficulty. Again, did we not know intimately the iniquitous abuse to which liquidation under the Bankruptcy Act is liable, we should have deemed it impossible that any Bankruptcy Act could so thoroughly and completely defeat the end and object of bankruptcy. The idea of Parliament that it would be advisable to wind-up the affairs of a company by means of a single arbitrator, whose decisions on all questions should be final, was most unfortunate. In practice it has proved positively disastrous, but, as Mr Bunyon points out in a letter to the *Times* on Wednesday, the question now is how to prevent liquidations of this nature for the future. Unless an insurance office has no property at all, 'unless it has reached the very depths of insolvency,' Mr Bunyon thinks that reconstruction or transfer must be better than liquidation. We quite agree, and the observation is applicable to bankruptcy. In the vast majority of liquidations creditors got nothing; any estate remaining is, as a rule, swallowed up, no one knows how; the files of the Court are encumbered with 'proceedings,' all sorts of 'points' are taken by trustees; and, to the scandal of our jurisprudence be it said, the only persons who profit by liquidation in bankruptcy are lawyers and accountants. It may be to the present interest of these gentlemen that this condition of things should continue, but the result must be a violent change, a wrench which will dislocate many existing arrangements. For this reason, we hope some assistance will be given to the committee now sitting by those most competent to give it. The avidity with which creditors snap at any composition is the best possible evidence that liquidation and bankruptcy are distrusted by the public. There is, however, no valid reason why dividends should not be secured out of insolvent estates. There are those who consider the old system of official assignees preferable to that which now prevails, and unquestionably the Court of Bankruptcy should have a larger control over trustees than it now exercises. We do not profess, however, to be able to devise any plan for amending the law, and we shall await the report of the Lord Chancellor's committee with considerable interest."

SERVICE OF BANKRUPTCY SUMMONSES BY BAILIFF.—The Birmingham Law Society has passed a resolution to the effect that the rules requiring bankruptcy processes and summonses to be served by the bailiff of the court are inconvenient. The *Law Times*, referring to this and to the case of *ex parte* Bolland *re* Holden, reported in the ACCOUNTANT—is "more than ever impressed with the opinion that, in a large number of cases in which service of summonses and other process issued under the Bankruptcy Act, are required to be served on persons who may fairly be expected to avoid or delay such service, it is desirable to entrust such service to some officer of the court (especially solicitors) more interested than a high bailiff, in effecting such service. Practitioners in County Courts are only too familiar with the oft-repeated irregularities which take place in regard to the service by bailiffs of the common law process of such courts, and we are satisfied that if County Court judges would exercise the discretion which is vested in them by certain of the bankruptcy rules of 1870, especially rules 58 and 167, by entrusting service of processes, by such rules authorised to be issued, to solicitors, great advantage would follow such a course. In the event of a new Bankruptcy Act the point should not be overlooked."

WHY PAY MORE?

The *Law Journal*, in an article under the above title, says:—

"When the Bankruptcy Act, 1869, was before Parliament, no small debate was held as to the conditions of the 'order of discharge.' Commercial morality had sunk pretty low in the water under the combined weight of Lord Westbury's Act of 1861 and the panic of 1866. Virtuous people thought it high time to enter a protest against 'shilling' lists and 'eighteen-penny' lists of creditors wiped off at such modest compositions; and at last the Legislature was induced to enact that an absolute order of discharge in bankruptcy should not be granted unless the debtor paid a dividend of at least 10s. in the pound. On paper nothing could look better. Even experienced people were beguiled by this show of novel honesty. Two registrars of the court sang a sort of pæan at this triumph over the 'composition mongers.' 'The conditions in section 48,' said Messrs Roche and Hazlitt, 'are substituted for those provided in section 159 of the Bankruptcy Act, 1861, which, though carefully framed, failed to exclude that class of insolvents with whom the process of "whitewashing," as it is called, was so popular.' Even Mr Edward Lawrence seems to have been deluded by the section, for he actually took the trouble to protest against its principle, and to argue that it was expedient to discharge all bankrupts who had given up all their assets, and so let them start once more free in business. The hopes of the two registrars and the forebodings of Mr Lawrence were alike futile. Where there is a good property, capable of paying costs, proceedings in bankruptcy are occasionally instituted, and carried through in the most orthodox manner; and there may be some cases in which the insolvent is relegated to his 'three years' probation. But nothing of the kind takes place where the estate is utterly impecunious, and where the assets are practically *nil*. It is not, then, worth while for solicitors and accountants to trouble themselves about the matter, and nobody is eager to be trustee. So parts vi. and vii. of the Act come into play. 'Liquidation by arrangement and 'composition' usurp the place of a regular and formal bankruptcy; a general meeting is held, and after some protests from indignant and inquisitive creditors, and some skilful manœuvres on the part of the debtors' friends, an 'extraordinary resolution," accepting a composition in satisfaction of the debts due, is passed by the requisite majority in number and value, and solemnly registered. The farce having been played out, the debtor is 'whitewashed,' quite as effectually as ever he was by the celebrated deeds under Lord Westbury's Act; and having paid, or perhaps only *promised* to pay, some wretched fraction of a pound, he starts for fields untried and pastures new. To a gentleman of this class section 48 of the Act of 1869 is a capital joke, and the greater the disparity between his liabilities and his assets, the more completely does he defy the doctrine of 'conditional discharge.' But even an insolvent of this stamp has his superiors in the art. We wonder whether Mr. Registrar Hazlitt remembered his own delightful comment on the old system of 'whitewashing,' when the case of Messrs. Sydney and Wiggins was before him. These worthy traders, according to the report, were shipbrokers in partnership, carrying on business at Greenwich and in Great Tower-street. On July 19, 1873, they filed a liquidation petition. They stated their debts as being £39,023, and their assets as £779. Their creditors agreed to accept a composition of 2s. 6d. in the pound, payable in three instalments of 6d., 1s., and 1s., at periods of three months, six months, and twelve months from the date of the registration of the resolutions. The resolutions were registered on September 9, 1873. The debtors then resumed their business and incurred new debts. On August 26, 1874, before the third instalment of the composition became due, they filed a second liquidation petition, stating their debts to be £42,682, and their assets to be £81. Meetings of the creditors, old and new, were held, at which it was resolved by the proper statutory majority to accept a composition of sixpence in the pound. Some of the creditors under the first insolvency were actually so unreasonable as to object to this pleasant arrangement, and to insist on payment of their

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third instalment of 1s. in the pound. Mr Registrar Keene agreed with these uncomfortable remonstrants, and refused to register the resolution for a composition at 6d. in the pound; on appeal Mr Registrar Hazlitt did the like. The debtors, who seemed to have quite as much money to spend on the lawyers as on their creditors, appealed to the Lords Justices, who had no difficulty in deciding that a debtor who had not yet completed one set of proceedings in liquidation or composition was not competent to commence another set. This is rather a fortunate judgment, and shows that in insolvency, as in all other things in this world, the line must be drawn somewhere. There is a good West-end story told of a liquidating captain, who had made an offer of half-a-crown in the pound to his creditors, and who expressed in bitter language his disappointment at the rude, unseemly, and unamiable conduct of some of his creditors at the meeting. 'One of them, however,' said the gallant officer, 'a corn-dealer, spoke up like a man and said, "Well, gentlemen, so far as I am concerned, the captain shall never want a feed of corn for his horses so long as I am in business."' This is the sort of creditor whom compounding debtors thoroughly admire, and Messrs Sydney and Wiggins must be regarded as very unlucky in having such a set of malcontents in their half-a crown list. There is a Bankruptcy Committee sitting at the Treasury at the instance of the Lord Chancellor, and hints from the profession and from traders are invited. Perhaps the creditors of Messrs Sydney and Wiggins will favour the committee with their views on the law of bankruptcy."

NEW COMPANIES.

The *Investors' Guardian* gives the following particulars of new companies, during the week: –

Amazon Tug and Lighterage—Capital £100,000, in £10 shares.
Birtle Cotton-Spinning—Capital £4,200, in £300 shares.
Boundary Spinning—Capital £50,000, in £10 shares.
Cambrian Patent Fuel—Capital £20,000, in £10 shares.
Cardiff Silica Fire-brick—Capital £10,000, in £5 shares.
Central Fondale Silver-Lead Mining—Capital £40,000, in £2 shares.
Claughton Bowling Club—Capital £1,500, in £5 shares.
Dunmow Corn Exchange—Capital £2,500, in £10 shares.
Fir Tree House Colliery—Capital £35,000, in £5 shares.
Guernsey Newspaper—Capital £2,000, in £1 shares.
Guide Bridge Spinning—Capital £50,000, in £5 shares.
Guadaloupe (Pointe a Petre and Basseterre Gas)—Capital £50,000, in £1 shares.
Haitian (Port-au-Prince) Gas—Capital £50,000, in £1 shares.
Halifax Joint-Stock Banking (Unlimited)—Capital £500,000, in £25 shares.
John Perrin and Co.—Capital £10,000, in £10 shares.
John Knapp—Capital £10,000, in £5 shares.
Lansdowne Cotton-Spinning—Capital £40,000, in £5 shares.
Lady House Cotton-Spinning—Capital £15,000, in £5 shares.
Nassjo Oscarshamn Rolling Stock—Capital £40,000, in £10 shares.
New Fire Light—Capital £2,000 in £1 shares.
Patent Davit and Boat Detaching—Capital £50,000, in £5 shares.
Phœnix Land and Building—Capital £50,000, in £10 shares.
Prince of Wales Spinning—Capital £80,000, in £5 shares.
Railway and Public Works Contract—Capital £20,000, in £5 shares.
Shepherd's and Blackburn's Cotton-Spinning—Capital £35,000 in £10 shares.
Solihull Public Hall—Capital £2,000, in £5 shares.
Sun Shipping—Capital £500,000, in £10 shares.
Tresmarrow Slate and Slab—Capital £30,000, in £5 shares.
United Kingdom Aquarium—Capital £200,000, in £10 shares.
Wisbech Mustard Mills—Capital £20,000, in £5 shares.
Yorkshire Fibre Spinning—Capital £30,000, in £10 shares.

A special meeting of the Prudential Assurance Company will be held on the 8th February, to confirm the resolution passed on the 21st ult., "approving the bill proposed to be introduced into parliament for removing difficulties attending the conduct of the business, and the exercise of the powers of the company, and for other purposes."

We observe that a patent has been taken out by Mr. John Bath, the Vice-President of the Society of Accountants in England, for obviating those dreadful results which follow from the breaking of a wheel or axle when the train is in motion. It is evident that, under the present system of running, the breaking of either of the four wheels upon which the carriage runs must be followed by the tipping over of that carriage, its almost sudden stoppage, and the impingement upon it of the whole force of the after part of the train, before the break can be employed. Mr. Bath proposes to attach a chain from the top corner of the preceding carriage to the bottom corner of the succeeding one, and to do this at each of the four corners, so that in case of even all the wheels coming off, the body of the carriage would remain suspended from the ground. We are not engineers, and so cannot give an opinion upon the practicability of the plan, but we conceive that a railway journey would be vastly more pleasant by the consciousness that the carriage in which we were riding was in some degree protected against the frightful consequences of a broken wheel or axle.—[COMMUNICATED.]

EXTRAORDINARY BILL TRANSACTIONS.—At the Bradford Bankruptcy Court, on Tuesday, several cases were heard, in the course of which some extraordinary revelations were made respecting bill transactions. In the affairs of Foster and Hinings, wool merchants, a motion was made on behalf of J. Hainsworth and D. Hainsworth, cloth manufacturers, of Farsley, asking that an order of the court might be made directing the trustee in Foster's estate, Mr H. Dickin, to set aside his objection to their proof on the estate for the sum of £873. It appeared that the Hainsworths and Foster had done business together, and shortly before Foster's failure in the early part of last year, he had gone to Hainsworths' and asked them to give an accommodation bill. David Hainsworth got a 9s. bill stamp out of his pocket, and wrote on it a blank acceptance, to be filled up by Foster. Foster drew a bill on it for £873, giving to Hainsworth an indemnity to the effect that he (Foster) would meet the bill when it became due. The bill was given to another firm—Lister Greenhough, of Bradford—and shortly after Foster failed. On this Hainsworth being anxious about the bill, Foster, after he had filed his petition, gave Hainsworth a bill accepted by himself for £900, dating the bill on a date anterior to the presentation of his petition, in order to recoup Hainsworth for his loss on the bill for £873. This coming to light, however, Hainsworth now wished to abandon this £900 bill, and to prove on Foster's estate for his indemnity for £873. His Honour, however, held the fact that Hainsworth had accepted the bill for £900 as satisfaction for his claim would debar him from proving for the £873, the indemnity.

THE TRANSFER OF FOREIGN BONDS.—A proposal has been put forward by a member of the Stock Exchange with a view to obviate the risks and inconveniences which dealers and holders experience by the present system of transferring foreign bonds from one person to another. There is a serious loss of time in counting the bonds, which are often for small sums each; risk of loss in passing the bundles from office to office, inconvenience through their bulk, as well as danger of coupons getting detached and lost. These and such evils Mr Ingall proposes to remedy by establishing, under Government supervision, or as a branch of the business of the Bank of England, what we take to be a sort of clearing-house for bonds. Instead of bonds passing from hand to hand, as now, receipts or certificates would be given on stamped paper, to be crossed or not at the holders' option, while the bonds would be deposited to lie secure in the coffers of this office. It would be, in short, a sort of Hamburg Bank, only that the property lying in its vaults, and transferred from hand to hand by tickets and ledger entries, would be bonds instead of bullion. So far as the Government is concerned we do not think that the proposal is feasible, except as a source of revenue; but there does not seem any reason why the Bank of England or some equally unimpeachable institution should not do such work, and relieve dealers and the public from much worry and trouble. The labour would still be very heavy, but it would be concentrated in one place, and the risks would be fewer, while much time might be saved, as after a time people would buy and sell the certificates as they stood, singly or in bundles.—*Times.*

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ENGLISH AND SCOTCH BANKERS.—The *Daily News* understands that final arrangements have now been made on behalf of the London and English provincial bankers to introduce a Bill into Parliament early next Session prohibiting the Scotch banks from establishing branches in England, and directing such branches as have been already established to be closed, unless the privilege of note-issue in Scotland is surrendered. In the event of a resolution to inquire into the matter as a preliminary to such a Bill being carried, it is proposed that an interim Act should be passed prohibiting the Scotch banks from establishing any new branches in England until the inquiry has been made and a reasonable interval for taking action upon it has elapsed. Without discussing the propriety of the course to which the English bankers are thus finally committed, we may express the hope that the discussion which must be raised will be beneficial to the public, and that an inquiry into the whole subject of the currency arrangements of 1844 will be found inevitable. It is clearly in the interest of the public to make banking as free as possible, and place all banking institutions on an equal footing; and a measure in a contrary sense, which aims merely at putting an end to what is thought by some of the monopolists themselves an extremely unfair adjustment of the privilege to the advantage of certain of their number, is manifestly a step in the wrong direction. When asked to pass such a measure, Parliament may well inquire why it should not rather extinguish all monopolies, and either extend the privilege of note-issue to every respectable bank which deposits with the Government ample security for the full amount of its issues, or substitute a State paper currency, so as to deprive all banks alike of the privilege. Meanwhile it is reported that several of the Scotch banks which have not yet come to England, are discussing the expediency of doing so provisionally, in order to escape the operation of any measure which would take advantage of their not having come already, to place them on a different footing in point of right from those which have already established branches.

FRAUDULENT BANKRUPTCY.—At the Central Criminal Court on Wednesday Ewen Morgan surrendered to take his trial for having, after being adjudicated a bankrupt, fraudulently concealed a portion of his estate, with intent to defraud his creditors, and also with having by false representations induced them to accept a composition of 5s. in the pound upon the amount of their debts. Mr Straight and Mr Gill prosecuted; Mr Besley and Mr G. Lewis appeared for the defence. The defendant carried on business as a grocer in the Kent-road, and failed for about £300, and subsequently made an offer of 5s. in the pound to his creditors. According to his own statement of his affairs, his assets would have been about £70, but it was subsequently discovered that he had concealed certain articles, which were recovered, and in the result the creditors obtained about £167. The prisoner pleaded guilty while the case was proceeding. The Recorder said there were some mitigating circumstances in the prisoner's conduct, and he should, therefore, only sentence him to two months' imprisonment.

WINDING UP PETITIONS.—Petitions have been presented to the Court of Chancery for the winding up of the Bradford Tramways Company and Leicestershire and North of England Fire Insurance Company (Limited). A petition for the winding-up of the Mountain Chief Mining Company of Utah (Limited) is to be heard before Vice-Chancellor Malins on the 12th instant. Petitions have been presented to the Court of Chancery for the winding-up of the London Cotton Mills (Limited), Steam Stoker Company (Limited), Vimenet and Co. (Limited), and Pirsch Silverine Company (Limited).

WINDING UP ORDERS.—In the Rolls Court on Saturday, Jan. 30th, the usual winding up order was made in the case of the Catherine and Jane Lead Mining Company (Limited), and of Hart's Pure whole Meal Bread and Biscuit Company (Limited). In the first case it was suggested that the mine should be carried on in order to avoid a forfeiture of the lease, and the Master of the Rolls observed that any person advancing money for that purpose would be entitled to a charge on the property for the money advanced, with interest at 5 per cent. In the Vice-Chancellor's Court, Jan. 29th, an order was made for the winding up of the Battersea Foundry and Horse Shoe Works Company; and petitions in respect of the Cagliari Mining Company case came on again to be heard, and after considerable discussion the Vice-Chancellor said that the present voluntary winding up would be continued, but under the supervision of the Court. The petitions for the winding up of the Tecoma Silver Mining Company were ordered to stand over till after the result of an action against the company become known.

COUNSEL'S FEES.—It has been publicly announced that the fee paid to Serjeant Ballantine upon his retainer to defend the Guicowar of Baroda was 5,000 guineas, and that a "further scale of fees" not likely to be less than 5,000 guineas, but "depending somewhat on the time the Serjeant will be absent from England," has been also "arranged." Speculation has already fixed the period of absence from England at about three months. If this be correct, the *honorarium* is probably among the largest ever paid to counsel, and it furnishes a curious commentary on the superstition which, as Mr Forsyth tells us ("Hortensius," p. 410), has prevailed in every country where advocacy has been known, of looking upon the exertions of the advocate as given gratuitously. It hardly needs, however, the example which he cites from Roman history of the speedy relaxation of the decree of Augustus prohibiting advocates from taking fees to show how rapidly the custom becomes more honoured in the breach than in the observance. In our own country, except in the ecclesiastical courts (see canon 131), the rule has always been that a barrister has no legal right to a fee. The reward, says Sir John Davys, "is a gift of such a nature, and given and taken upon such terms as albeit the able client may not neglect to give it without note of ingratitude. . . . yet the worthy counsellor may not demand it without doing wrong to his reputation." A curious comparison of the fee-books of Dunning and Kenyon may be found in the life of the latter recently published by his great-grandson. It appears that the utmost amount realized by Lord Kenyon in one year (when he was Attorney-General) was £11,038 11s., of which more than 3,000 guineas was made by opinions. The fee-book of Lord Eldon when Attorney-General is given by Lord Campbell in his "Lives of the Chancellors," and the highest total for one year is put down as £12,140 15s. 8d. Erskine appears to have received £1,000 for the defence of Admiral Keppel, but that was after the acquittal. In our own time two fortunate Attorney-Generals and a late leader of the Parliamentary Bar are stated to have respectively received £30,000 in one year. But as far as we remember, although refreshers have often been very liberal in proportion to the retainers, no retainer, since the fee of 4,000 guineas marked on the brief of Serjeant Wilde in "Small v. Atwood," has at all approached in amount that given to Serjeant Ballantine.—*Solicitors' Journal.*

OUT OF THE FRYING PAN, &c.—At the Birmingham County Court on Monday the Judge granted an order for the release of J. Wood, an absconding bankrupt. Mr Wood was accordingly released about four o'clock, but was almost immediately afterwards arrested on a warrant, charging him that he "being a person whose affairs were being liquidated by arrangement, in pursuance of the Bankruptcy Act, 1869, did not, to the best of his knowledge and belief, fully and truly discover to Luke Jesson Sharp, the appointed trustee, administering his estate for the benefit of his creditors, all his property, real and personal, and to whom and under what circumstances, and when, he disposed of any part whereof, except such part as had been disposed of in the ordinary way of his trade (if any) or laid out in the ordinary expenses of his family." At the Birmingham Police Court on the following day the prisoner was brought up, and it was stated that the deficit amounted to about £10,000.

THE INTERNATIONAL FINANCIAL SOCIETY.—A meeting was held on Monday of the Internatoual Financial Society, Mr. R. A. Heath in the chair. On the Chairman moving the adoption of the report, Mr. Dunphy, after attacking the policy of the Board, and complaining that the fees paid to the directors and solicitors were excessive, proposed the following amendment:—"That the statement of accounts be received, and that the dividend be declared; but that, regard being had to the serious losses or suspension of capital, and that expensive and unnecessary cost of management, as evidenced by the circumstance that £52,000 had already been taken by the directors, whilst they had sanctioned the payment of fees

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to the solicitors to the extent of £14,250, in addition to untaxed costs, no election of directors should be made until a committee of independent shareholders shall have reported on the history and position of the society." This resolution failed to find a seconder, and the original motion in favour of the directors' report was carried, a dividend of 5s. per share, or at the rate of 5 per cent., being declared, £10,000, added to the reserve fund, raising it to £70,000, and £4,351 carried forward.

Mr. M'Ewen, the London stockbroker, who recently failed with very large liabilities, attributed his collapse to the critical onslaughts of the *World*, and intends to sue one of its proprietors, who was also the writer of the articles, for damages, which he lays at the substantial sum of £100,000.

TYPE-SETTING TOURNAMENT.—A type-setting tournament is to take place shortly in Washington, in which the contestants are all to be boy apprentices in the printing offices of that city. The person setting the most type in two hours is to receive a German-silver composing-stick.

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The Accountant.

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VOL. I.—NEW SERIES.—No. 10.] SATURDAY, FEBRUARY 13, 1875. [PRICE 6D.

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The Accountant

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The Accountant.

FEBRUARY 13, 1875.

The announcement with reference to the European Assurance Arbitration, forms a curious comment on the extravagant expectations which the system of arbitrators raised and, also, in some degree throws a light on the means by which the much talked of *régime* of cheap law will be, probably brought about. It is difficult to imagine how arbitration could be expected to do what it was intended to effect, unless it could be invariably entrusted to the hands of one man. The complications and difficulties that have arisen might, with a very little foresight, have been anticipated, though the devisers of the system can hardly be held liable for the consequences that have resulted from the appointment and the death of Lord Romilly. But that arbitrators would differ among themselves was certain, especially when no very distinct rules were ever laid down for their guidance, and the present scheme will, at any rate, establish some definite code by which liquidators and shareholders may ascertain their relative duties and liabilities.

Arbitration, as originally planned, sounds very plausible. The unfortunate contributories startled by the application of the doctrine of novation, were to have their liabilities defined without suffering the agonies of delay, or having their burdens increased by the addition of heavy law costs. The still more unfortunate sufferers, who saw all the provision they had made for their families suddenly swept away, were in like manner to be speedily relieved from anxiety, and to have a large fund provided to meet their claims without a toll being levied thereon, by solicitor and liquidator. At first nothing could have worked better. The arbitrator was bound to be an ex-judge in whose matured wisdom, and trained legal intellect, unfettered by precedent, every confidence was to be placed, and Lord Cairns was pre-eminently fitted for the post. His decisions on the many points that arose out of the Albert Arbitration were pretty generally approved, even among lawyers, and those who differed from him were satisfied that the system possessed great advantages. But the European arbitration produced a decided alteration. Lord Westbury was a lawyer, whose reputation is in no wise inferior to that of Lord Cairns, and who was actuated by a

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peculiar independence of thought, and a strong view of his own on every subject. Naturally his decisions on the great question of novation were in some respects hard to reconcile with those delivered by Lord Cairns, and the element of uncertainty at once arose. Had Lord Westbury lived to complete his task, all would yet have been well, and, though a valid and binding settlement of many of the legal questions involved might still have been lacking, yet each arbitrator would have brought his own task to a consistent conclusion. The death of Lord Westbury proved the real hollowness of the new system.

The completion of the European arbitration was entrusted to Lord Romilly, an ex-judge far inferior in legal strength to his predecessors. As Master of the Rolls he was generally liked and esteemed, and many of his decisions evinced a practical spirit and an eagerness to do equal justice between contending parties, which were well in accord with the traditions of the Court of Equity. Yet as a matter of fact there was no judge whose ruling was so seldom upheld by the Court of Appeal, or whose opinion on a pure point of law carried with it so little weight. But to his own views on every subject, carefully reasoned out and carrying undoubted conviction to his own mind, he nevertheless adhered, as far as he possibly could, regardless of superior authority and precedent. As an original arbitrator, Lord Romilly would have been perfectly satisfactory. He might not have delivered any of those luminous and exhaustive judgments on points of law which command the willing respect and obedience of the profession. But his decisions would have been carefully considered and calculated to do rough and simple justice, from which those who considered themselves aggrieved would scarcely dissent. As a successor to Lord Westbury, Lord Romilly threw matters into confusion. He declined not only to walk in the lines laid down by his predecessor, but in some cases he actually reopened questions which had been already decided, and the result was a painful amount of expense and confusion.

As it is now definitely announced, the main work of the arbitration will be entrusted to the assessor Mr. F. S. Reilly, subject to a right of appeal against his decisions. This virtually puts an end to the much lauded system. Mr. Reilly has doubtless gained very considerable experience during the performance of his duties as assessor, but it can scarcely be pretended that his decisions will command any great amount of respect. Mr. Reilly's standing at the bar is some twenty years or more, though his name is not very widely known. Still, if he fulfils the duties of a chief clerk, and contents himself with preparing the ground for the ultimate decisions of a superior tribunal his work will be worth doing. But it cannot be denied that his appointment is a complete abandonment of the old system.

The course that has been adopted in the present instance, forms a likely precedent. The business of the Court of Bankruptcy is mainly carried on by officials of an inferior legal status, subject to a right of appeal to the Chief Judge. Probably this will be the solution of the difficulties caused by the block of business in the Law Courts. Instead of an increase in the number of judges, we shall have a class of subordinate officials who will deal with the great mass of ordinary every day business, and prevent the time of the judges from being wasted on matters of no importance. We do not wish to infringe on the privileges of the legal profession when we state that the great majority of cases may be disposed of in this way. Points of pure law will still be left for judicial decision, ordinary questions can best be dealt with by lay assessors.

The ingenuity of contributories is very marvellous, and Mr. W. A. Richardson certainly stands very high in the list of his talented brethren. Usually the contributory, when expectant of being obliged to contribute against his will, finds some man of straw into whose name he may transfer his shares; and the number of worthless individuals,—worthless, that is in a pecuniary sense, who appear on the register as the holders of many shares, and dignified with brevet rank, and who are ultimately removed therefrom by the energy of the official liquidator and the virtuous indignation of the Court of Chancery, would gratify a philanthropist who was writing on the elevation of the toiling million. Indeed, individuals who are willing to hold shares in a company which is in danger of being wound up, are at as great a premium, as dummies, when some eminent financier wants to promote a new venture. Mr. Richardson's plan combined safety in business, with a praiseworthy parental affection. He bought his shares in the name of his infant son, thereby escaping, as he fondly hoped, all liability to calls, and, we hope, duly applying the dividends he received to the maintenance and education of his offspring. It seems almost a pity that so ingeniously benevolent a scheme should not have succeeded; but Vice-Chancellor Bacon characterized the transaction somewhat harshly, and placed Mr. Richardson himself on the register. It is to be hoped that filial gratitude will make up for the harshness of the law.

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AUDITORS.

No. 2.—(their duties.)

In continuation of the article on the above subject, we now proceed to deal with the duties and obligations of professional auditors. For the purpose of avoiding complication, it must be borne in mind that there are two distinct classes of general audits, which, for the sake of convenience, may be briefly characterized, one as of a *restricted*, and the other of an *unrestricted*, nature. Regarding the former, it may be taken for granted that a definition of the duties is at the outset arranged with the client; and the extent and period of the investigation determined; and it follows that any subsequent dissatisfaction and personal responsibility become disposed of so long as the mechanical work undertaken is performed as agreed. Such audits, however, being mere affairs of routine and of but little practical value, need not be further discussed, it being obvious that unless an investigation can be carried on in an *unrestricted* and independent manner its utility is insignificant. One of the most essential qualities in an auditor should be a stern determination to fulfil his obligations in a free and unfettered manner. In far too many cases personal feelings tend to bias the professional man in the performance of that which should be divested of the minutest taint of partiality. Again, he may find himself obliged to co-operate with unprofessional men, who, however praiseworthy their intentions may be, are unfortunately so carried away by the fact of holding an appointment, or are so flustered and timid in consequence of their inexperience in matters of business, that it verges almost on the impossible to maintain a systematic regularity in examining accounts under such circumstances. Hence arises the imperative duty of ascertaining beforehand the qualities of the colleagues with whom it may become necessary to act. In public companies the inconveniences of such associations is more particularly manifested, and the Accountant-auditor should use every endeavour to clear himself from the opinionated impedimenta known as co-auditors. To those who are young and growing up in the profession, it cannot be too strongly pointed out that officials and others having some latent purpose to serve, will, by a plausible argument, or an off-hand representation, seek to hide the importance of an auxiliary book or document, thereby successfully concealing transactions which, if brought to light, might possibly lead to an awkward exposure of carelessness, neglect, or fraud. Consequently, the principle of self-reliance is by no means the smallest of the qualifications for the post of Auditor. Referring more particularly to the auditing of companies' accounts, it must be remembered that a large portion of the public will as a rule rely more implicitly on the Report of the auditor than on any other statement submitted to them, so that the authentication of this class of accounts should not be undertaken without the strictest scrutiny. Many whose tendencies lead them to a connection with concerns either for the purposes of investment or speculation, place the utmost faith in the auditor's certificate, and rather than permit the publication of half-audited accounts, his testimony of their correctness should decidedly be withheld. To detail the duties of those who make this their special business would be impossible in these columns; but among the general matters requiring careful scrutiny may be mentioned the vouchers, and cash securities. A code embracing the most important points relative to the duties of auditors, drawn up and adopted by the various London and Provincial Societies, would without doubt, give universal satisfaction. This would demonstrate to the public the amount of security afforded by the employment as auditors of Accountants actuated by a full appreciation of their obligations and duties.

X.

Correspondence.

THE BANKRUPTCY ACT, 1869, AND ITS PROPOSED AMENDMENT.

TO THE EDITOR OF THE ACCOUNTANT.

Sir,—I hope the gentlemen who have been intrusted with the work of providing suggestions for the amendment of the Bankruptcy Act, 1869, will not fail to consider whether one of the amendments called for is not that of giving to a short assignment for creditors the force and effect of an adjudication in bankruptcy. The present law is, to my mind, and I venture to think it is not less so to the minds of many others, much overweighted with formality and routine. Its provisions, while suitable to, or desirable for, some conceivable cases and circumstances, are not, to my thinking, the best suited for a large number of others. I mean, more especially those instances where proceedings are instituted by a debtor himself, in all of which, I think, an assignment for creditors could be used with quite as much of present good effect, and yet at a very much less expense.

Most of us know the reason why an assignment for creditors is rarely resorted to now. I have with difficulty, but successfully, used it myself on some occasions, and always with the effect of satisfying creditors, both in the matter of expense and the time taken up in realizing and dividing the estate. Two-thirds of the estates I have liquidated under the 1869 Act,(and I have dealt with no small number,) might have been realized in the same way, and with the same satisfactory result, if in the outset an assignment had been available with the requisite statutory force to bind a dissenting minority. Accountants of experience must, many of them, be able to call to mind instances where an assignment has been generally desired, and called for, and even prepared and assented to by say (for example) eighteen out of twenty creditors, but which after all has had to be abandoned simply because the two dissenting creditors having, it may be comparatively, small claims, and being under no legal obligation to concur, have refused to give in their adhesion.

Cheapness and despatch are always *desiderata* with creditors, but they are not often unanimous on any other common ground. The use of the assignment I suggest would give these *desiderata*.

Accountants, who for the most part monopolise the bankruptcy practice, are doubtless, and perhaps without exception, experienced and acceptable men, and, in the case of practitioners in provincial districts, well known

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to the officials of the local courts. To these accountants would be commonly depu'ed the office of trustee. The trustee under an assignment should, in accepting the trust, be made to take upon himself the obligation of preparing a statement of affairs and calling a first meeting of creditors, and to that meeting might be left the power to retain that trustee, or to substitute another in his place, subject only to the veto of the local Registrar, to whom might be left that power for the purpose of checking the caprice, and often mischievous influences of proxies. To the Registrar might also be left the duty of vouching and ultimately passing the trustee's accounts.

An amendment in this simple form would soon tell its tale, and one of the first effects from it would be, I feel sure, a saving to creditors upon many small estates of at least fifty per cent. We all know that the present costs up to a first meeting, and before a trustee moves or does any of the work that creditors value (that is realizes)—constitute a very great diminution of small estates. There is no doubt about it; these heavy preliminary expenses ought to be done away with. Under the plan I suggest £15 ought to be the outside average expense up to, and inclusive of, a first meeting, when a trustee would, in the average cases of liquidation, be able to state the ultimate expense. The proceedings filed in the courts under the present practice bear evidence of a lot of trouble on the part of trustees or solicitors; but it would be interesting to know what proportion of the work thus hidden away, and the fees paid in connection therewith, might not just as well have been left undone and unpaid. The average creditor is a man of good sense and business knowledge, and, according to my experience, refuses to believe that a large proportion of the estates that go into liquidation cannot be liquidated without a heavy preliminary expense, amounting on occasion to, say from £50 to £100. They are not always the trustee's charges that constitute the objectionable items in a liquidation account, though it is no uncommon thing to hear the contrary. I would undertake to realize and distribute under an assignment any estate (with very few exceptions) of £500 (estimated worth) at an expense varying from £25 to £50; and if creditors would realize to themselves whether there is anything or nothing in my suggestion, let them recall to their recollections what have been their experiences in the past with estates of the same value.

V.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I would much like half an hours chat with "Expert Comptable," your correspondent of February 6, 1875. I feel sure we should come to an understanding, because he writes so reasonably and courteously. He, however, does not, I think, render a true account of my remarks, when he says that I forget that creditors sometimes require protection against each other; if he again, reads my letter he will see that this is one of the two conditions I insist upon, which conditions being fulfilled, I contend that official interference ought to be excluded. I said, in effect, that the bankrupt or debtor ought to have proper protection against his creditors, and that the creditors ought to have necessary protection as amongst themselves. I have no doubt "Expert Comptable" will at once see this, and, therefore, I say no more on that point.

Perhaps it may not be impertinent to say that a 35 years' experience, or thereabout, has led me to think as I have written, and I feel quite sure that the only true principle in respect to bankrupt or insolvent estates is to leave the matter, subject always to the protection, as to the bankrupt or debtor on the one hand, and as to the creditors amongst themselves as just indicated on the other, to the creditors alone, to the utter exclusion of all state officials.

I think no argument can dissolve the fact that, if a debtor, avowedly, cannot pay 20s. in the pound, all his estate justly belongs to his creditors, and that the creditors ought to do as they please with the estate, it being really their own; but here comes in the objection that "there is about as much cohesion among a body of creditors as among a parcel of Jack Tars; each tries to take care of himself, &c.," and then there is mention of "taking preference over his co-sufferers." Be it so, But what more cohesion would there be if the matter were being dealt with by a Bankruptcy Court with all the array of Commissioner, Registrar, &c., &c., *ad infinitum.* And, therefore, from here I confess I cannot follow "Expert Comptable," for if any creditor will not take the trouble—(and, mark, if he will not take the trouble it is his own business and that of no one else, whether private individual or official)—to attend the requisite meeting and speak for himself, who is to blame? And how is such neglect to be rectified, or rather, who else has anything to do with it or has any right to speak about it? But if he does attend, and votes for a trustee, or is outvoted if there should be more than one proposed as trustee, where can any blame rest?

As I pointed out in my letter, if the trustee is appointed and provision made as to his remuneration, surely all has been done that can possibly be done; the trustee has every incentive to make the best of the matter, the creditors go away and look after their ordinary business and do their best to make no more bad debts instead of looking over their shoulders at the bad debt already made; and in one sense there is an end of the matter. But I beseech "Expert Comptable," that come what may, good, bad, or indifferent, he will never vote for an official assignee of the old type. This is one of those cases in which, if you cannot do as you wish, you must do as you can, and, in short, make the best of it. As to the prior part of "Expert Comptable's" letter, I said in mine that some provision would have to be made if pure bankruptcy were abolished; and I hinted that I might say something more on that head. I have not been able as yet to do so, but I may be allowed just to reiterate my own opinion, whatever it may be worth, that pure bankruptcy ought to be abolished. I hope I may be able soon to revert to the topic. "Expert Comptable" ought to see that my plan would really make every creditor his own king, his own priest, and his own lawyer also; and that I am vain enough to fancy that I could accomplish all this without waiting for the millenium, which, however, I devoutly wish might begin to-morrow.

I cannot understand what "Expert Comptable" means by "a too great prodigality of ideas." I am sure I thought I was burdened with only one idea, perhaps a large one in my opinion, but still only one; he is, however, so kind that I cannot quarrel with him. To conclude, he has raised a point which I have often raised, and I fully agree with him when he says, "Compel a man to keep books." I say let no man have a discharge or certificate who has not a complete set of books to hand over to his trustee. Without these creditors may talk, trustees may investigate, and the

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law may threaten, but you cannot track the bankrupt or debtor backwards, so as to decide reasonably and fairly, whether he is to be dealt with as a man who has fallen from adverse and unavoidable circumstances, or as a fraudulent debtor and bankrupt.—Yours truly,

February 10, 1875. A. B.

LIQUIDATIONS BY ARRANGEMENT.

TO THE EDITOR OF THE ACCOUNTANT.

Sir,—I have read with astonishment an extract from the *Law Times* in your issue of the 6th inst. It runs thus:—"In the vast majority of liquidations creditors get nothing; any estate remaining is, as a rule, swallowed up, no one knows how." Having had a large and varied experience as trustee under the Act of 1869, I state that these assertions are entirely void of foundation, and contrary to actual facts, In all cases of liquidation under my supervision, with only one exception, I have paid dividends ranging from 20s. down to 1s. 9d. in the pound; and in the case excepted the estate was very small, and various grave complications attached. The writer then goes on to state:—"The avidity with which creditors snap at any composition is the best possible evidence that liquidation and bankruptcy are distrusted by the public." This is certainly not borne out by my practical experience. As a rule, creditors do *not* snap at a composition. A debtor offering a composition generally asks his creditors to accept something less than his estate shows. He also asks for time, say payable by instalments of three, six, and nine months, or other similar terms. On the other hand, I generally find creditors sufficiently wide awake to examine how speedily an estate can be realized; and if it can be done readily, then I say that, as a rule, in eight cases out of ten they will resolve for liquidation. This is my own experience, and I have not the slightest doubt but that it is also the experience of professional trustees generally. It is very well to sneer and state that it is to the interest of accountants and solicitors that the present condition of things should continue; but I fearlessly assert it is also for the benefit of creditors that they should continue, rather than revert to the old system of official assignees, practically answerable to no one as to the administering of insolvent estates. The present system is capable of improvement in many points, but it is preferable to the old one. Creditors have now a supervision; before they had little or none, and they may make their own selection as to who are fit and proper persons to intrust with their interests. The great points to be remedied in the Bankruptcy Act seem to me to be more stringent provision for the punishment of debtors when necessary.—Yours truly, C. J. B.

Mr. Crawford, Director of the Bank of England, late M.P. for the City, was recently presented with a testimonial by some of the leading men who had been in his constituency. So long ago as May last a few of these met and proposed calling a public meeting to give expression to the feeling entertained towards Mr Crawford, but that course was abandoned on its being represented that such a step would be distasteful to him. The movement resolved itself therefore into a private one, but it has been very cordial, and the committee who took charge of the work had the pleasure of forwarding the gift at the end of last month, along with a letter expressing the feeling which had prompted Mr Crawford's old friends to present it.

A SCOTCH HAIRDRESSER'S BANKRUPTCY.

At the Edinburgh Sheriff Court, on the 10th inst., Henry Stanislas Bourdeaux, described in the *Gazette* as lately known as Henry Bourdeaux Stanislas, hairdresser, perfumer, and milliner, 29, Hanover-street, Edinburgh, and 153, Great Western-road, Hillhead, Glasgow, appeared for examination. In the course of the examination the bankrupt gave some rather likely particulars as to domestic affairs. He said that he commenced business at No. 3, South College-street, Edinburgh, on 1st September, 1866, and remained there for 3½ years. after which he went to 29, Hanover-street. When he first began business he had only a few pounds of capital, which was supplemented by Mrs Horne and some friends. He began business as a milliner in October, 1873. He was married on 28th December, 1869, to Miss Christina Wight. She was at that time a milliner at 7, South St. Andrew-street. She brought some money with her. How much?—I cannot recollect exactly; but during the last ten years Miss Wight has been giving me money. What to do?—She has given me money to take her to a ball, to buy champagne, and to buy a suit of clothes. Bankrupt continued: She had funds of her own, amounting to upwards of £1,000, which at various times before and after our marriage I received from her. Before our marriage I think I would receive about £700. I did not consider myself solvent at the date of my marriage. Besides the money above referred to my wife had millinery goods and some furniture. The latter has all been disposed of with the exception of a wardrobe and a small dining-table. Mrs. Bourdeaux consented to the sale of the furniture, the proceeds of which I received. I consider that at the present time the whole three branches of my business are going on well, but as yet little profit has been derived from them. I have not disposed of any goods since my sequestration other than appear from my books, and I have not put away since that date any of the wines which were in my cellar. I have prepared a state of affairs, which shows liabilities to the extent of £1,466 7s. 7d., and assets to the amount of £2,127 2s. 1½d., leaving a surplus of £660 14s. 6½d. I have not included in that state any claims by my wife. I am aware that she has made claims in an action at present pending in the Court of Session. I have seen the record in that action, under which she claims a sum of £3,500 as due to her by me under her contract of marriage. I do not admit that claim, and am disputing it. I do not consider she has any legal claim under the contract of marriage, except to a very limited extent. Have you nothing remaining of the furniture or other articles which belonged to your wife except the wardrobe and dining table previously mentioned?—I have a variety of other articles in my lodgings. My reason for not mentioning them before was, that I considered them to be mine as much as my wife's. I account for my bankruptcy by the proceedings at the instance of my wife, and in particular, by her having arrested my bank account and the most of my book debts. The moneys I received from Mrs. Horne were handed to me expressly as loans. My reason for not granting Mrs. Horne acknowledgments was because she never asked for such. Do you know the reason why she didn't ask for them?—I suppose she expected me to marry her. Was there anything to cause your insolvency in your wife's extravagance?—She is a very jealous woman, bought goods recklessly, and conducted the household

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affairs in an expensive manner. Sometimes I supplied her with from £3 to £5 a week, and occasionally I added sums of £5 for pocket money. Re-examined: My father has declined to make any claim in my sequestration for the money he gave me. I never paid any interest to my father or to Mrs. Horne, who never asked for it.—The statutory oath was administered to the bankrupt.

COURT OF CHANCERY, LINCOLN'S INN.

February 10.

(Before the LORDS JUSTICES *of* APPEAL.)

IN RE THE LONDON, BIRMINGHAM, AND SOUTH STAFFORDSHIRE BANK (LIMITED).—This was an appeal from a decision of Vice-Chancellor Malins. In February, 1865, an agreement was entered into between the above bank and the European Bank, that the former should transfer its business to the latter upon certain terms. Five thousand four hundred and forty shares in the European Bank were to be allotted to the shareholders in the Birmingham Bank. The latter bank was to wound up voluntarily, and Mr C. F. Kemp was to be appointed liquidator. The assets of the Birmingham Bank were to be applied (1) in payment of the costs of the liquidation. These costs were to be recouped by the shareholders of the Birmingham Bank in the event only of the surplus assets of the bank being insufficient to pay £15 per share and £10,000 to the reserved fund of the European Bank; (2) in paying and satisfying the debts and liabilities of the Birmingham Bank; (3) in finding £6,000 for the purpose of compensating the officers of the Birmingham Bank at the discretion of the directors; (4) the surplus (not exceeding the amount of £15 per share on 5,440 shares) to be paid to the European Bank; (5) the surplus (if any) not exceeding £10,000 to be carried to the credit of the reserved fund of the European Bank, subject to the payment thereout of any losses or expenses consequent on the arrangement. The ultimate surplus (if any) was to be divided among the shareholders of the two banks. No calls were to be made on the shareholders of the Birmingham Bank except only for the costs of the liquidation in the event of the surplus assets not being enough to provide the £15 per share and the £10,000, and, subject as aforesaid, the European Bank were to indemnify the Birmingham Bank against all their debts and liabilities which should not be satisfied out of their assets. This arrangement was duly approved by the shareholders, and the winding-up was resolved on, and Mr Kemp appointed liquidator. The liquidation was afterwards brought under the supervision of the Court. In 1866 the European Bank was ordered to be wound up. The Birmingham Bank occupied some leasehold premises, for which they paid a rent of £800 a year. This rent was paid for several years by the European Bank, but the lease was never formally assigned to them, and ultimately their liquidator repudiated any liability on the lease. There were conflicting claims made by the two banks, and ultimately in November, 1873, an agreement for compromise was made between Mr Kemp, as liquidator of the Birmingham Bank, and the liquidator of the European Bank, by which it was arranged that £1,500 should be paid by the Birmingham Bank to the European Bank. Another agreement of the same date was made between the same parties and the landlord of the leasehold premises, which provided for the surrender of the lease to the landlord, and the release of the Birmingham Bank from all liability under it, in consideration of the payment of £2,500 to him by them. These compromises were afterwards approved by the Court. The liquidator of the Birmingham Bank applied to the Court to order a call to be made on the shareholders to raise these two sums of £1,500 and £2,500, and also a further sum of £2,000 for costs, making altogether £6,000. This application was opposed by some of the shareholders, and it was alleged that Mr Kemp ought to have had funds enough in his hands for the purpose without having recourse to the shareholders, and also that the compromises were not binding. The Vice-Chancellor declined to order a call, and the liquidator appealed. Lord Justice James said that with all deference to the Vice-Chancellor he could not concur in his view that the question of the validity of the compromise could be gone into upon the present application. It would be *pessimi exempli* if on an application for a call everything previously settled and done in a winding-up should be unsettled and undone. Those things must be considered as settled and done until proper steps were taken to unsettle and undo them. In this case, rightly or wrongly, large claims were made or threatened by the European Bank against the Birmingham Bank. On the other hand, it was admitted that but for those claims the European Bank was bound to indemnify the Birmingham Bank against the liability to the landlord. Then the two agreements for compromise were made. For the present purpose it must be assumed that these compromises were well made and were binding. They were made in 1873, and no one had yet taken any proper steps to get rid of them. That being so, it was a mere matter of course that a call should be made to raise those sums which were payable under the compromises. It was said that the liquidator ought to have funds in his hands sufficient to pay these two sums of £1,500 and £2,500, and that he had committed some breach of duty. But that would be no reason why the landlord and the European Bank should not be paid in the way provided by the compromise; but as there was an application to make Mr Kemp personally liable for neglect it was right that an account should be taken of his receipts and payments in the liquidation. The present order would be without prejudice to any claim which the shareholders might be advised to make against Mr. Kemp personally. Probably, they might be content without any further litigation. The costs, and every other question would be reserved, and in particular the question how the call was to be apportioned between two classes of shareholders. Lord Justice Mellish said that there were conflicting claims which resulted in the compromise which was confirmed by the Vice-Chancellor. That was, therefore, a valid and binding compromise. If there was any reason why it should be set aside by a Court of Equity, proceedings for that purpose must be taken. Till that was done it must be treated as binding, and upon an application for a call to carry out the compromise it was not open to say that it was not binding. Being so treated, there were two sums of money to be paid by the Birmingham Bank, and they must be raised by a call unless there were other funds applicable to pay them. There were no funds in the liquidator's hands, but the shareholders said that they had a claim against him personally. That claim must (if necessary) be investigated, but no order could be made against the liquidator personally now. The European Bank and the landlord, however, could not be compelled to wait until that investigation had been made.

VICE-CHANCELLORS' COURT, LINCOLN'S-INN,

February 9.

(Before Vice-Chancellor SIR JAMES BACON.)

IN RE THE IMPERIAL MERCANTILE CREDIT ASSOCIATION (LIMITED)—RICHARDSON'S CASE.—This was an application by summons on behalf of the official liquidator of the above company, to place the name of Mr Wm. Arthur Richardson on the list of contributories in respect of 20 shares, instead of that of Frank Wm. Richardson. In January, 1865, Mr W. A. Richardson bought ten shares which he transferred into the name of his son, F. W. Richardson, who was then a boy of nine years of age at school, near Reading, the father executed the transfer himself in his son's name. In the instrument of transfer the son was described as "Esq., of Walthamstow," where the father was then living. In March, 1866, the father bought ten more shares, which were transferred in the same way, except that the son was described as of Belvidere, the place to which the father had removed his residence. The son when applied to for calls repudiated liability on account of infancy. The application was resisted on the part of the father, who alleged that the shares had been bought *bona fide* for the benefit of the son, and that the person, if any, liable to the company for each set of shares was the transferer. Mr Kay, Q.C., and Mr Ince appeared for the official liquidator; Mr H. A. Giffard opposed. The Vice-

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Chancellor said the case was a most transparent one. If John Thomas bought an estate at an auction in the name of John Brown, and took a conveyance in the name of John Brown, he would be treated as the real purchaser. That was just the case here, and Mr Richardson, senior, must have his name placed on the list of contributories, and pay the cost of the summons.

COURT OF BANKRUPTCY.

February 5.

(Before Mr. Registrar Pepys, *sitting as Chief Judge.)*

In re T. G. Taylor.—This was an appeal from an order of Mr Registrar Keene. The debtor, a stock and share broker, carrying on business at Pinner's-hall, Old Broad-street, had presented a petition to the Court, under which the creditors resolved to liquidate by arrangement. The debtor, it appeared, was a shareholder in the Silver Star Mining Company, and he had been placed on the list of contributories in respect of 1,000 shares. At the first meeting of creditors the liquidators of the company sought to prove for £10,000, of which £5,000 was the amount of calls already made upon the debtor, and the other £5,000 represented the estimated amount of future calls. Upon the matter being brought before Mr Registrar Keene, he rejected the proof so far as it related to future calls; and registration was disallowed on the ground that the requisite statutory majority of the creditors had not been obtained to the resolutions. The debtor appealed, and the question argued was whether the amount of the future calls was proveable. Mr Finlay Knight, for the appellant, submitted that by Section 75 of the Companies Act, 1862, the right to prove was clearly established. Mr G. Henderson appeared for the liquidators of the company. Mr Horace Davey, for the respondents, contended that the debtor had been improperly placed upon the list of contributories, and that, before so large a claim as £10,000 was allowed, further investigation was necessary. His Honour thought if the liquidators were entitled to prove for £5,000 they were, by virtue of the Companies Act, entitled to prove for £10,000; they had a right of proof for £10,000, or for nothing. If the resolutions were registered, the power to apply to the Court of Chancery for the removal of the debtor's name from the list of contributories would not be prejudiced. As the matter stood now, the order of Mr Registrar Keene must be reversed.

February 6.

(Before the Hon. W. C. Spring-Rice *sitting as Chief Judge.)*

In re Pitchford and Pitchford.—The bankrupts, Messrs. Edward Beaumont Pitchford and Alfred Thomas Pitchford, were lead merchants and manufacturers, carrying on business at the Island Lead Works, Limehouse. This was an adjourned sitting for public examination. Mr F. H. Linklater appeared for the trustee. The bankrupts, who had been closely associated in their business transactions with Messrs Burrs and Co., were adjudicated about a year since, and adjournments have been taken from time to time for investigation. A statement of affairs as of the 5th of February, 1874, disclosed debts of £137,053, with assets £19,544, exclusive of an anticipated surplus from the separate estates of £1,000. The present position of matters in regard to Messrs Burrs appeared to be this—that Messrs Pitchford claimed to be their creditors for £37,000, and on the other hand, Messrs Burrs alleged that the bankrupts were their debtors in the sum of £40,000. His Honour, with the consent of the bankrupts, ordered an adjournment for three months.

February 8.

(Before Mr Registrar Hazlitt, *sitting as Chief Judge.)*

In re William Pearson.—This application to review a taxation raised a question of some importance to receivers. On the 7th of August, 1873, the debtor filed a petition in liquidation, and on the 14th a receiver was appointed. On the 13th of the same month a petition in bankruptcy was presented against the debtor, and on the 20th another receiver was appointed under that petition. At a meeting of creditors, held under the liquidation proceedings, on the 18th of the same month, the petitioning creditor was appointed trustee, and the petition for adjudication then fell to the ground. The receiver in liquidation took possession on the 14th of August of the business premises of the debtor in Old Change, and of his private residence at Peckham, and remained in possession until the 20th of October. The receiver in bankruptcy also went into possession at Old Change upon his appointment, and retained possession until the 29th of September. Both receivers afterwards carried in their bills for taxation, the one claiming £61 0s. 1d., and the other £31 3s. 5d., constituting a total charge by the two of £92 3s. 6d. Upon the bills being brought before the taxing master he refused to treat them as other than one bill, and taxed them accordingly. The master, in his certificate, stated that in his opinion the appointment of two receivers was utterly unnecessary, and he pointed out that the fact that one receiver having already been appointed had not been mentioned to the Court when application was made for the second appointment; and he declined, without the authority of the Court, to allow more than one set of costs, which he divided between the two receivers. Mr Bastard, in support of the application, contended that the master, in exercising the discretion upon which he proceeded, acted altogether *ultra vires*, and that he had no authority whatever to go behind the orders appointing the two receivers. His honour held, however, that the decision of the master was not only sound in principle, but warrantable in practice. The amount in question might be small in comparison with the daily spoliation of estates by the charges of professional receivers and professional trustees, but the principle was the same. As to the second order, the solicitor was under the impression that the circumstances of an existing receiver had been brought to the notice of the Registrar who made the second order, but his Honour found, upon inquiry, that this was a misapprehension; on the contrary, the affidavit in support of the application proceeded expressly upon the ground that the debtor (a publican) was about to dispose of his business to his late barmaid, and that a notice was posted on the premises, then closed, that the business would be opened by her in a few days. What the personal services of the receivers in this case might have been the Registrar could not say, but where, as so frequently happened, the same accountant was receiver or trustee under a dozen, or a score, or even more, different estates, his capacity for personal service in each case must be of a very extraordinary ubiquitous power.

In re Fruhling and Conrath.—The bankrupts, Messrs. George Charles Fruhling and Anton Mortimore Conrath, were commission merchants, carrying on business at 3, Brabant-court, Philpot-lane. They now passed their examination without opposition.

February 9.

(Before Mr. Registrar Roche, *sitting as Chief Judge.)*

In re Baum.—The debtor, Godfrey Baum, a banker and money-changer, carrying on business at 46, Regent-street, has filed a petition for liquidation, with liabilities stated at £10,000, and assets about £700. His Honour appointed Mr B. J. Bartlett, accountant, receiver of the property, and granted an interim injunction to restrain proceedings under an execution levied at the private residence of the debtor at Westbourne-park.

February 10.

(Before Mr Registrar Murray, *sitting as Chief Judge.)*

In re B. F. H. Carew.—This was a motion on behalf of a compounding debtor seeking to obtain an order for payment to him by the respondents, Messrs Hammond and Davis, of a sum of £4,129 15s. 2d., which he represented as the balance or surplus remaining in their hands of a sum of £26,819 6s. 10d. deposited with them, or which has come to their hands for the purpose, among other things, of paying an agreed composition with creditors of 19s. 11d. in the pound, for the distribution of which Messrs Hammond and Davis had been appointed trustees. The notice of motion had also been served on the plaintiffs in a suit of "Pigott v. Stewart," now pending in the Court of Chancery, for the recovery from the debtor and other defendants in the suit of a sum of money in respect of a breach of trust, for which it was alleged that the debtor was liable at the date

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of the filing of his petition for liquidation. It appeared that in May, 1874, Mr Carew, finding himself very heavily involved, filed a petition for liquidation by arrangement. He was then entitled to a life interest in settled estates producing an income of £6,000 per annum, and his unsecured debts amounted to about £10,000, the secured debts being stated at £12,000. At a meeting of creditors held in July the debtor proposed to pay a composition of 19s. 11d. in the pound to his creditors, which they accepted, and the resolutions having been confirmed, a deed, of which the draft was produced at the meeting, was executed, whereby the debtor covenanted to pay into the hands of the trustees a sufficient sum of money to meet the composition. A loan of £26,000 was afterwards obtained from an insurance office upon the security of the bankrupt's life interest, and, with the sanction of the debtor, the money was paid to Messrs Hammond and Davis, the trustees, a further sum of £819 being also paid to them by Messrs Davis, the solicitors of the debtor, and which represented the alleged balance remaining in their hands of other moneys which they held belonging to him. The case was argued some days since, when his Honour took time to consider his decision. Mr Registrar Murray, in giving judgment, said the sum admitted by the trustees to have come to their hands was £26,819, and from that amount they were now asked to discharge themselves in this Court upon an application by the debtor himself, his motion being launched, and his case urged at the bar, on the broad ground that, after providing for and paying the composition of 19s 11d in the pound to all the creditors, or at least those whose claims the trustees were bound to regard, they had a surplus of £4,000 in their hands which belonged to him, and formed part of his estate. The case of the trustees was that the claim of the debtor was extravagant and unfounded; that, after paying the composition to all the creditors (except the claimants in the suit of "Pigott v. Stewart") and making other large payments which they said were authorized by the debtor himself, and which they were prepared to justify, and setting aside the surplus of £2,148 to answer the claim of the plaintiffs in "Pigott v. Stewart" in the event of an adverse decree being made against the debtor in that suit, there was, in fact, nothing whatever coming to the debtor. Now it was clear that if this Court were to entertain such an application it must result in accounts being taken between the debtor and the trustees in order to ascertain the rights of the parties. If the Registrar could have seen his way to any such course he would have been glad to have dealt with the case in such a mode as would have been, if not satisfactory to all parties, at least the means of disposing of all the questions at issue between them in this court. But he could not assume jurisdiction where it did not exist, and, so far as he knew, there was no precedent for this court exercising such a jurisdiction in reference to the estate of a compounding debtor. To establish any such precedent would appear to be as inconvenient as it would be improper. His Honour then proceeded to refer to recent authorities bearing upon the question of jurisdiction, and held that the application was not one which the Court could entertain.—Application refused.

IN RE CORNELIUS B. HARNESS.—The debtor, carrying on business as an importer and shipper of jewellery and foreign goods in Aldersgate-street and the Strand, also at Battersea and Paris, in partnership with Henry Tebbitt, under the firm of Harness and Company, has petitioned under the liquidation clauses, his liabilities being estimated at about £10,000, and assets £7,000. His Honour now appointed a receiver and manager, and granted an interim restraining order.

February 11.

(Before Mr. Registrar BROUGHAM, *sitting as Chief Judge.)*

IN RE WILLIAM SHERWOOD.—This was an adjourned sitting for public examination. The bankrupt was described as a club proprietor, of 12 and 13, Grafton-street, Bond-street, and he had been adjudicated upon the petition of Mr George Sims, looking-glass manufacturer, Aldersgate-street, a creditor for goods supplied. Mr J. S. Salaman for the trustee, said the bankrupt was formerly the proprietor of the Junior Oxford and Cambridge Club. His accounts showed that he owed £3,292 to creditors, and there were no assets, the lease of the club and the furniture being held by one of the creditors as security. The trustee asked that the bankrupt should be ordered to file a cash account for 12 months, and also a deficiency account. His Honour thought the bankrupt should be required to supply accounts extending over the period of his occupation of the club. The bankrupt said that he had kept no books in his business, and, however willing he might be to assist the trustee, it was impossible for him to file the desired accounts. His Honour said that if the bankrupt had kept proper books the application of the trustee might have been unnecessary. As matters stood, he was bound to render the best accounts which he could, and until he had complied with the order he would not be allowed to pass his public examination.

LIVERPOOL COUNTY COURT.

February 5.

(Before Mr. PERRONET THOMPSON, *Judge.)*

IN RE GEORGE HARDY.—This was an application of importance to trustees in bankruptcy. It appeared that Mr. Hardy, a builder at Kirkdale, failed in February, 1871, and presented a petition for the liquidation of his affairs by arrangement. At the first meeting of creditors it was resolved that the estate should be liquidated in bankruptcy, and, accordingly, an adjudication took place, and Mr. J. P. M'Arthur, timber merchant, was chosen trustee, with a committee of inspection, and Mr. Etty was retained by the trustee as the solicitor in the prosecution of the bankruptcy, the committee of inspection, as is provided by the Act, sanctioning such retainer. The statement of accounts disclosed debts £1,115, and assets £347. The latter item, it appeared by the affidavit of the trustee, had, by preferential payments and other expenses, been reduced to £7 7s, which was the only sum in his hands applicable to payment of costs. In the prosecution of the bankruptcy legal proceedings were instituted with the view of impeaching a security held by a creditor but without success. The bill of costs of Mr Etty in these and other proceedings was taxed at £43, and there being no funds in the estate, he commenced an action against the trustee for its recovery. The motion now on behalf of the trustee was that the action of Mr Etty be restrained. Mr Lewis Williams, instructed by Messrs. Miller, Peel, and Hughes, appeared for the trustee, and Mr Potter for Mr Etty. At the outset of the case it was stated that the trustee, who had made an affidavit in support of the motion, was not present, although notice had been given on the part of Mr Etty that his attendance would be required for the purpose of cross-examination. Mr Potter on that ground objected to his affidavit being read, and after a long discussion as to the practice, the court held in accordance with the case of Parker v. M'Kenna in the Court of Chancery, 30 L. T. reports, that it could not receive, as facts proved, on behalf of a party to a motion evidence upon which he had not been cross-examined. Under these circumstances, the parties agreed to an adjournment to the 12th February, for the attendance of the trustee, the question of costs to be reserved.

IN RE BARNETT, COX, AND CO.—This was an application for an order upon Mr Bolland to pay a Mr Cusker his costs for attending on an unsuccessful motion against him to give up certain securities he held upon the debtor's property. Mr Martin appeared for the trustee, and the applicant appeared in person. His Honour, after hearing the facts, dismissed the motion.

IN RE DAVID PILLING.—This was an application for the approval of the court to a resolution of creditors, whereby they assented to accept a composition of one penny in the pound and to annul the bankruptcy. The debts of the bankrupt, described as a gentleman residing at Southport, amount to £2,799. Mr R. J. Jones appeared for Mr Bolland, the trustee. His Honour said he could not interfere with the wishes of the creditors, and therefore the resolution must pass. Approved accordingly.

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NEWCASTLE COUNTY COURT.

IN RE JAMES DRYDEN.—At this Court, on the 2d inst., before Mr T. Bradshaw, in the matter of James Dryden, of Newcastle, grocer, an application was made on behalf of the trustee (Mr Bowden) against Messrs Thom and Co., wine merchants, Mark-lane, London, to show cause why they should not pay to the trustee £55, the value of two hogsheads of wine sold by Messrs Thom and Co. to Dryden, and which the trustee claimed to form part of the debtor's estate; and also calling upon Messrs Thom and Co. to deliver up a quarter cask of wine or pay its value to the trustee. Mr Theo. Hoyle appeared on behalf of the trustee, and Mr Davis (from Messrs Mather, Cockcroft, and Mather's), appeared for Messrs Thom and Co. Mr Hoyle said that, according to the affidavits filed by the trustee, Dryden, in November, 1869, purchased from Messrs Thom a hogshead of wine, which was in bond at London Dock, and paid the price, £20, and Dryden received a delivery note, but did not get the wine out of bond. In November, 1871, Dryden purchased another hogshead of wine, and also a quarter cask of wine from Messrs. Thom, and gave a bill of exchange for £48 7s. 10d. in payment; and Dryden received a delivery order, but did not take the wine out of bond. Messrs Thom discounted the bill, which, on becoming due on June 1st, 1872, was dishonoured, and Dryden paid then £10 on account of the bill. On August 27th, 1872, Dryden filed a petition in bankruptcy, and on September 9th, 1872, Messrs Thom proved against Dryden's estate for £38 9s. 6d., the balance due on the bill, and no mention was made in the proof of their holding the wine as a lien. On December 13th, 1872, Messrs Thoms' solicitor wrote to the trustee stating that he withdrew Messrs Thoms' proof of debt. The proof was then on the file, and no one was entitled to remove it. The law laid down that a creditor who elected to prove his debt lost his lien if he had any, and that being done in this case, the trustee was entitled to the property which Messrs Thom claimed to have a lien over. If Messrs Thom had put Dryden's bill of exchange in their cash box and kept it until it became due, then their lien would never have been lost; but they discounted the bill, and having thus parted with their lien, it never could be revived. Mr Davis contended that Messrs Thom did not lose their right to recover by discounting the debtor's acceptance; and, as there was no delivery, the vendors had a perfect right to stop the goods until paid for. The proof was made by a clerk of Messrs Thom's by mistake, and who was ignorant of the fact that the wine remained in bond in Messrs Thom's name; and, according to the law, where a proof was made in ignorance of the existence of a lien, there was power to withdraw it; and Messrs Thom withdrew their proof, and elected to retain the wine. As to the quarter cask of wine, Messrs Thom were willing to give it up to the trustee on payment of 7s. still due on it. The judge gave judgment for the trustee, and allowed costs against Messrs Thom.

THE SCOTCH JUDICIARY.—We understand that Lord Advocate Gordon is about to introduce into Parliament a bill effecting important changes in the whole judiciary system of Scotland. Its general object may be described as the transfer of a large amount of legal business from the Court of Session to the Sheriff Courts. The main proposal, as we hear, is to extend the jurisdiction of the Inferior Courts to questions affecting heritage to an extent not exceeding the value of £2,000, to actions of declarator, to the reduction of deeds, and to such matters of administration as the appointment of tutors and curators. It is rumoured that there is also an intention to reduce the number of Lords Ordinary in the Court of Session by two—a step which would probably be accompanied or followed by an increase in the salaries of the remaining Judges.—*Scotsman.*

WINDING UP PETITIONS.—A petition has been presented to the Court of Chancery for the winding up of the Common Road Conveyance Company (Limited).—Petitions have been presented to the Court of Chancery for the winding up of the Cheap Fuel Supply Association (Limited), and the Gravesend Steam Colliery Company (Limited).

BIRMINGHAM COUNTY COURT.

At a sitting of the Birmingham County Court on Tuesday, before Mr Gilmour, the affairs of Mr John Dickson, of Hamilton-square, which are in liquidation, came before his Honour. Mr Potter, instructed by Mr Gill, made an application to restrain an action brought against the debtor in the Court of Exchequer by a creditor, named Edward John Cox Davies. The affidavit in support of the motion stated that the declaration had been delivered on the 21st January, that the debtor had a good defence upon the merits, and that the plaintiff was not entitled to prove, but that his claim should be investigated by the trustee. Mr Etty, who represented the creditor, objected that the affidavit had been sworn before Mr Gill, the attorney in these proceedings for the debtor. After considerable discussion the judge decided to receive the affidavit, but dismissed the application on the ground that the resolution, although passed by the creditors, had not been registered; and that although the trustee had been appointed by the creditors, and the certificate of his appointment had been delivered, he had no *locus standi* in the matter then urged. His Honour was of opinion that after the resolution was registered the 289th rule would give all that was wanted, and that until after registration he could not interfere. The application was accordingly dismissed.

COURT OF SESSION, EDINBURGH—FEB 5.

(*Before Lord* YOUNG.)

ANDERSON (WATSON AND CAMPBELL'S TRUSTEE) v. BROWN AND SIMPSON, EX E CONTRA.—The pursuer in the leading action was Wm. Anderson, C.A., Glasgow, trustee on the sequestrated estates of Watson and Campbell, iron merchants, Glasgow, and he sued Brown and Simpson, shipbuilders, Dundee, for the sum of £1,371 17s. 7d., being the price of iron supplied to him by the defenders, and also for £470 in name of damages in respect of the defender's failure to accept the undelivered balance of iron which they had contracted for with Watson and Campbell. The contract in question was entered into in January, 1874, and under it Watson and Campbell undertook to supply the defenders with a specified quantity of iron for the purposes of their trade as shipbuilders. Part of the iron under the contract was delivered; but on 17th March thereafter the estates of Watson and Campbell were sequestrated. The defenders, on 21st March, wrote to the bankrupts stating that as they required the shell plates of the ship they were building, they presumed that in the circumstances they would have to cancel the contract, and reorder them elsewhere. On 27th March, the pursuer was appointed trustee on the sequestrated estates, and immediately thereafter he intimated to the defenders his readiness to fulfil the contract. The defenders telegraphed in reply that they had cancelled the contract, and intended to lodge a claim for damages sustained by them through the detention of the iron. The pursuer thereafter had iron manufactured and sent to the defenders, who, being urgently in need of it at the time, took delivery of the same. The value of said iron was £1,371 17s 1d, as first concluded for, but that sum was paid by the defenders subsequent to the raising of the action. The pursuer maintained that he was entitled to the sum of £470, concluded for in respect of the defender's failure to take delivery of the balance of the iron contracted for. Brown and Simpson maintained that they were not bound to take delivery of any iron from the trustee, and they raised a counter action against him, concluding for £1,000 in name of damages in respect of Watson and Campbell having failed to deliver the iron contracted for in terms of the contract. The actions having been conjoined, proof was led some time ago, and to-day the Lord Ordinary gave judgment in both cases. His lordship sustained the defences, and assoilzied Brown and Simpson in the first action, in respect that they were not bound to accept the trustee as contractor in place of Watson and Campbell. His lordship was of opinion that it was not the duty, or within the power, of a trustee under the Bankrupt Act to adopt a speculative contract so as to bind the estate in its implement. He did not, however,

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doubt that a trustee, with consent of the creditors, could effectually bind both himself and them to give implement of such a contract, the other party consenting to go on with it on their obligation. In such a case the trustee and creditors were bound to the other party absolutely, and in such a manner as to give him a right of action against them personally for implement or for damages in case of failure to implement; but the defenders were entitled to have a contractor of their own selection to furnish the iron required, and they were not bound to accept the responsibility of the trustee or creditors, assuming that the trustee was authorised to pledge their credit. With regard to the counter action, he was of opinion that it was untenable. The bankrupts were prohibited by statute from giving implement of the contract, and the action against the trustee in the sequestration was clearly not maintainable as to the breach of contract by the bankrupts. His lordship therefore sustained the defences in both actions, and found neither party entitled to expenses.

BANKRUPTCY PROCEEDINGS IN SCOTLAND.

THE SEQUESTRATION OF GEORGE HUNTER, CONTRACTOR, PORT HOPETOUN.—At the Edinburgh Bankruptcy Court on Thursday, John Robertson Kidd, chief clerk to the bankrupt, was re-examined. Before this was proceeded with, however, his lordship said it appeared that several important books necessary in this examination were not forthcoming, and matters in his previous examination satisfied him (the Sheriff) that Kidd was the last known custodier of them. The learned Sheriff had to inform witness that if he did not give such information as would lead to their recovery, he would send him to prison. He was quite satisfied that Kidd had been receiving monies that he did not wish to account for, and that was the reason that the books had been removed. Kidd, on being then sworn, was called upon to produce the books and papers referred to in his last examination as having been removed by him in October last, or give such information as will lead to their recovery. Witness adhered to his former statement with reference to the altercation with the workmen near Ratho Station. He did not say to them that he was taking the books to the Sheriff. They were insolent, and he threatened to take them before the Sheriff. When he broke open Mr. Nicholson, the foreman's desk, and removed the books, he did not examine them to see what he was taking away, but he took all the contents of the desk and what papers and books were lying outside. He could not say how many books there were, because he did not count them. On bringing them to Edinburgh he laid them in the office beside the safe, and they lay there until the day that the trustee took possession of them. He did not say to any of the workmen at Ratho on that day he removed the books that Hunter was down, or anything to that effect. He did not say to John Nisbet, quarryman, that if he got one of the books in particular he did not care for the rest. When Mr Hunter told him to go out for the books he said he was afraid they might be tampered with. He did not say who was likely to tamper with them, but witness understood he referred to the workmen. The trustee (Mr W. B. Robertson, accountant) stated that the day on which the keys of the bankrupt's office at Port Hopetoun were handed to him he visited said office and took an inventory of all the books and papers that it contained; that the only book relating to the Ratho quarry which he found was the piecework-book for last year. He, therefore, submitted that the witness (Kidd's) deposition regarding the books and papers removed by him from Ratho Quarry in October last was not satisfactory, and he moved that the diet be adjourned till that day week at twelve o'clock noon, and that the witness be ordained to produce the whole of the books or papers removed by him other than those already handed over to him (the trustee), or to give such information as shall lead to their recovery. The Sheriff adjourned the diet accordingly.

AN OLD BANKING HOUSE.—On Monday evening, the 8th inst., Mr. F. G. Hilton Price, F.G.S., read at a meeting of the London and Middlesex Archæological Society a paper on the history of Temple Bar and of the banking-house of Messrs. Child. As an instance of the proverb that "it is an ill wind that blows no one some good," Mr Price stated that the threatened downfall of Temple Bar last summer led to searches being made among the archives of Messrs Child, who for years have been tenants of the double chamber over the Bar, where they have stowed away their ledgers and journals for two centuries. On their removal into the house these archives were carefully searched, and materials were found towards a tolerably complete history of Messrs. Child, whose house is "universally acknowledged to be the first banking-house in succession to the goldsmith's trade out of which it sprung." It is generally said, but the fact rests only on tradition, that Oliver Cromwell kept here his cash accounts; but it is certain that Noll Gwynne did so, and the ledgers of the firm show the accounts of her executors, and also those King William III. and of Queen Mary, his consort. The original sign of the house was the "Marygold," which may still be seen in the watermark of all the cheques drawn on Child and Co. The original sign, too, though no longer set up outside in the street, is preserved in the "shop," as it is still called. It is of oak, the ground stained green, with a gilt border, a marygold and a sun; and below is the motto, *Ainsi mon âme.* Many of the customers of the bank towards the end of the 17th century used to address their letters to "Mr Alderman Child and Partner, Goldsmiths, at the Marygold, next door to Temple Bar"; and cheques with the same address are extant, dated as early as 1694. Again, in 1732, when the second Sir Francis Child was Lord Mayor, the Earl of Oxford addressed his cheques and orders on the firm to "The Worshipful the Lord Mayor and Company at Temple Bar." The sign of the Marygold appears to have arisen out of a tavern or public ordinary, which is known to have existed on the site as early as the reign of James I., and in 1619 its keeper, one Crompton, was "presented" by his neighbours on account of the disorderly character of his tavern. It was in 1681 that Francis Child took a lease of the premises from St. Dunstan's parish, agreeing to lay out £800 in building; and it appears that in course of time both the "Sugar Loaf and Green Lettice," and also the "Devil Tavern," with which Ben Jonson's name was associated, were absorbed into the banking-house, and the adjoining houses in Child's-place. The kitchen in the rear of the present bank, and the commodious cellars below it, in Mr Price's opinion, belonged not to the "Devil," but to the "Sugar Loaf and Lettice." The Devil's Tavern was pulled down in 1787, and no doubt originally it had for its sign "St. Dunstan pulling the Devil by the Nose." The original rules of the "Apollo" Club, which met here, are still in the possession of Messrs Child. He noted as worthy of remark, and as showing how the banker grew out of the goldsmith, the fact that the front office at Messrs Child's is still called the "shop," and the back office, where the ledgers are now kept, the "counting-house." He next noticed Nell Gwynne's account, and the fact of her dying in 1687 with her banking account overdrawn—a debt which her executors agreed to pay off with the very moderate interest of 5 per cent. One of her executors was Laurence Hyde, Earl of Rochester. Then he connected the bank with Sarah, Duchess of Marlborough, by the following anecdote:—"It is recorded that in the year 1689 the stability of Child's Bank became precarious in consequence of a rumour being prevalent that a 'run' was about to be made upon it. This coming to the knowledge of the Duchess, then Lady Churchill, she set to work and collected among her friends as much gold as she was able, which she brought down to the bank in her coach on the very morning of the intended run, and so enabled the firm to meet all demands upon them." He also traced the use of pass-books as far back as the reign of Queen Anne, previous to which "a customer was wont to call occasionally at the bank and check his account in the ledger in the presence of one of the partners. The customer having agreed that his account was correct, would sign his name on the folio of the ledger, adding, 'I allow this account;' and very frequently the partners signed it as well." The first pass-book appears to have been issued to Lady Carteret, in compliance with a request conveyed in a letter; so that possibly we may owe to

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a lady this improvement on such primitive banking as that above described. In those early days of banking, added Mr Price, London bankers issued their own notes; there have hitherto been stored away above Temple Bar whole files of such bank-notes of Messrs Child, all of which bear the Bar itself, and not the Marygold, as a vignette. Mr F. Child, it appears, in 1729, devised a new form of promissory note, with a picture of Temple Bar in the left-hand corner; but they were discontinued before the end of the last century.

CREDITORS' MEETINGS.

The following meetings of creditors have been held during the week:—

THE SOUTHWELL BANK.—The creditors of the Southwell Bank, Notts, at their adjourned meeting on Friday appointed Mr J. Waddell, accountant, and a local creditor, Mr Milward, J. P., trustees, with a committee of inspection of the largest creditors.

T. M. MILLER (HALIFAX).—On Monday afternoon a meeting of the creditors of T. M. Miller, draper, Hillhouse, was held; the liabilities are £3,496 2s. 9d. It was resolved to wind up the estate in liquidation.

THOMAS KERSHAW (HALIFAX).—A meeting of the creditors of Mr Thomas Kershaw, worsted spinner and woolstapler, of Halifax, was held on the 5th inst. Mr James Bowman, manager of the Halifax and Huddersfield Union Bank, presided. The statement of accounts showed that the total liabilities were £10,510 9s. 2d., of which £532 11s. 1d. are accounts to be paid in full. The assets are £5,016 1s. 11d. Mr Kershaw made an offer of a composition of 7s. in the pound, payable by three instalments, viz., 2s. 6d. in three, 2s. in six, and 2s. 6d. in nine months, the last instalment to be secured. This the meeting accepted, and Mr W. Irvine, accountant, receiver, was appointed trustee to distribute the composition.

W. RUTHERFORD AND CO. (LIVERPOOL)—At a meeting of the creditors of Messrs William Rutherford and Co., timber merchants, held in Liverpool on Saturday, a composition of 15s. in the pound was accepted, payable in twelve months and four instalments. The liability was stated to be under £43,000.

BOWLES BROTHERS.—At a meeting of the creditors of Messrs Bowles Brothers and Co., held at the Cannon-street Hotel (Sir Antonio Brady in the chair), the triple currency funding scheme of arrangement, proposed by the firm—now in reconstruction—was unanimously adopted.

A. DAVIS (GLASGOW).—On Monday at a meeting of the creditors of Alfred Davis, lessee and manager of the Prince of Wales Theatre, Mr John Gourlay, C.A., was elected trustee. The liabilities are stated to be between £500 and £600.

J.W. BAMBERGER (MIDDLESBOROUGH).—A meetingof the creditors of Julius Walton Bamberger, brandy merchant, Middlesborough, was held at Barker's Temperance Hotel, Middlesborough. From a statement of the affairs of the debtor, submitted to the meeting by Messrs. J. Braithwaite and Co., public accountants, Middlesborough, it appears that there are unsecured creditors to the amount of £2,235 5s 2d; creditors partly secured, £3,185; estimated value of securities, £1,370. Assets, £1,097. It was resolved to liquidate by arrangement, and Mr. John Braithwaite (of Braithwaite and Co.) was appointed trustee, with a committee of inspection.

E. B. TURNER (WEDNESBURY).—On Thursday morning a meeting of the creditors of Edward Bagnall Turner, gasfitter and tubemaker was held at the offices of Mr. Ebsworth. The statement showed liabilities, £3,983; assets. £1,406. An offer of 6s 8d. in the pound, in three instalments of four, eight, and twelve months was rejected, and a resolution carried to wind up under liquidation.

M. MAURICE (MANCHESTER).—A meeting of the creditors of Mr Moritz Maurice, of Manchester, wine and spirit merchant, was held, Feb. 9th, at the Clarence Hotel, when the statement of affairs submitted to the meeting by Mr B. Aldred, of Bolton, accountant, showed liabilities £10,616 16s 10d, and assets £716. Mr Ramwell, Mr Elliott, and Mr Best, solicitors, and Mr Harding (Sutton and Harding), accountant, represented the principal creditors; and after some discussion, it was resolved to pass no resolution under the liquidation proceedings.

PEDLEY, BROS., (BRADFORD).—A meeting of the creditors of Messrs. Pedley Brothers, manufacturers, Thornton Road, Bradford, has been held. The liabilities were stated to be £3,362, and the assets £2,059. It was agreed to accept a composition of 10s in the pound.

TAYLOR, SMITH AND CO. (MANCHESTER).—A meeting of the creditors of Messrs. Taylor, Smith, and Co., of George-street, Manchester, and Whalley, calico printers, was held at their warehouse, Feb. 9, when a statement of affairs prepared by Mr Kerr, accountant, of 28, Faulkner-street, showed the liabilities to be £4,476 and the assets, £1,865. After explaining the causes of the deficiency, and laying before the meeting an offer for the estate, which was expected to pay 5s in the pound, it was unanimously resolved that the same should be accepted, and that Mr Kerr be appointed the receiver and trustee for the purposes of carrying out this resolution.

The *Glasgow Daily Mail* understands that the creditors of Messrs. Alexander Ross and Co., dyers, Milngavie, will receive close on 9s in the pound.

CHARGE OF FRAUDULENT BANKRUPTCY AT BIRMINGHAM.

At the Birmingham Police Court, on Tuesday, before Mr. T. C. S. Kynnersley, John Wood, pork butcher and wholesale provision merchant, formerly of Gt. Hampton-st., and Low. Hockley-st., was brought up, on remand, charged with various offences under the Debtor's Act, 1869, by defrauding his creditors, &c. Mr. Motterham (instructed by Beale, Marigold, and Beale) appeared in support of the prosecution; and Mr Duke defended. Mr Motterham, in opening the case, reviewed the whole of the details, pointing out several transactions by the prisoner of a fraudulent nature. Prisoner, he said, would be charged under the 1st, 2nd, 4th, 5th and 6th sub-section of the 11th section of the Debtor's Act, 1869. Contrary to the 1st sub-section, he had failed to make a full discovery of his property; 2nd, he had failed to deliver up the whole of his property; 4th, he had concealed his property; 5th, he had fraudulently removed property of the value of upwards of £10., and contrary to the 6th he had made a material omission in his statement relating to his affairs. It was proposed to go into those cases, which would be the easiest to prove, and at the least expense. He would call witnesses who would show that the prisoner had neglected to account for, and had concealed goods, he had in a house at Birchfield, and in a garden at Soho. One of the most discreditable and fraudulent transactions of the prisoner was with a Mr Adams, pianoforte maker, of Great Hampton-street, from whom he purchased a piano nine years ago. Prisoner went to him, and got him to enter the piano in his (Adams') books as a hired instrument, so that his creditors should not think it was his (prisoner's). Witnesses were then called. Mr L. J. Sharp, trustee to the prisoner's estate under the liquidation, produced the statement of the affairs of the prisoner, presented at a general meeting of the creditors. It purported to be a statement of affairs from the 3d of March, 1874, and was signed by the prisoner. It did not contain any mention of or reference to the bill of acceptance spoken of by a witness. Wm. Ben. Thomas Adams, pianoforte dealer, 4, Great Hampton-street, Hockley. Nearly nine years ago witness sold the prisoner a pianoforte for 60 guineas, and he paid him for it. In the beginning of the year 1874 prisoner came to witness and said—"Mr Adams, I wish you to protect a piano for me." As prisoner owed him a little account, witness consented to do so. Prisoner asked him to enter the piano into his book as a hired instrument, as if it belonged to him, witness. An agreement was then prepared to the effect that Wood had hired the piano from witness. Evidence having been given by the County Court bailiff and others as to the removal of goods, prisoner was committed for trial at the Quarter Sessions, bail being accepted, himself in £600 and two sureties in £300 each.

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FAILURES.

The following are amongst the failures reported during the week:—

ENGLAND.—The bills have been returned of Messrs T. and C. Kingsford, corn and flour factors, of Seething-lane and Deptford, a firm established in 1816. Their liabilities are understood to be rather considerable, but a favourable liquidation is anticipated. The house had originally large contracts with the English Government, but the business appears to have been gradually diminishing for years past, and a large loss was made upon the termination of the Franco-German war.—The failure is reported of Messrs. Hassall and M'Murdo, timber merchants, of Liverpool, whose liabilities are estimated at about £50,000. The estate is expected to show from 5s. to 7s. 6d. in the pound. —Mr Hugh Davies, timber merchant, of Liverpool, successor to Mr Charles Chaloner, has suspended payment, with liabilities amounting to about £7,000. Judging by the results of other failures in the trade, the estate will probably realise more than 10s in the pound.—A petition for liquidation has been filed in the Dudley County Court on behalf of Joseph Beard, of Netherton, Dudley, draper, through his solicitor, Mr George Burn Lowe, of Birmingham and Dudley. The liabilities are estimated at £1,200, and the assets about £300. The Registrar has appointed Mr George King Patton, of 47, Ann-street, Birmingham, public accountant, the receiver of the estate.—The failure of a sugar refining-house recently opened at Plymouth, has been announced. The liabilities are under £20,000. One of the principal creditors is said to be a Bristol bank for nearly £8000.— Mrs Sarah Whitehouse, of the Bradford Ironworks, West Bromwich, has failed for £1,053 16s. 7d., the assets being £211 15s. 9d.

SCOTLAND.—The suspension is announced of Messrs M'Kellar, Duncan, and Co., general warehousemen, of Glasgow, whose liabilities are estimated at from £40,000 to £50,000. The firm have issued a circular to their creditors, in which they say they expect that with an extension of time, and the forbearance of their creditors they will be able to meet all their liabilities.

The *Japan Mail* says:—"Following closely upon the failure of the Ohno Bank the suspension of a large native house, with branches throughout the country, is reported. The failure is attributed to large speculations in grain, entered upon in expectation of the impending war. Ohno has resumed business, the Government having assisted him with a credit to tide him over his difficulties. Reports are now current of the shakiness of another banker, almost equally known."

AMERICA.—The suspension is reported of Messrs Martin Brothers, extensive manufacturers and dealers in iron, of Philadelphia, with liabilities amounting to £100,000.—J. P. Fulton & Co., of Conshocken, Penn., manufacturers of iron pipes, had also failed. Owing to the failure of the firm, the Landenburgers Hosiery Mills, at Frankford, Philadelphia, had been closed, throwing some 1,000 persons idle. Messrs Holmes and Lissberger, metal dealers, Pearl-street, New York, had held a meeting of their creditors. The claims of the secured creditors amounted to about $360,000, while those unsecured are put down at about 700,000 dollars. The rumoured complications in the trust account of Mr Henry Nicoll, of the law firm of Nicoll, Thurston, and Amman, 32, Pine-street, New York, are said not to involve more than £40,000, and his assets are said to be ample to meet his liabilities. The George Washington Bank, of Corning, a private institution, had suspended with liabilities of £20,000. Advices from Boston state that a meeting of the creditors of the dry goods firm of Heath, Anderson, and Co., had been held; liabilities about £60,000, assets £66,000. Messrs Hunt and Congdon, book publishers, and E Brock and Co., wholesale grocers, both of Philadelphia, had suspended. —Buenos Ayres advices state that several failures have occurred in the Argentine Republic. Messrs Lazica and Lanus, one of the most important houses in the River Plate, had been compelled to ask for a suspension of payments for twelve months. They are said to have surplus assets close on a million sterling.

CHARGE OF FRAUD AGAINST A BANKRUPT.

On Tuesday last, at Dublin, before Judge Fitzgerald and Mr. Baron Deasy, Samuel Doyle was indicted for having, on the 16th of November, falsely represented that he was a solvent man, living at Greystones, and that he had an account in the bank, and was able to pay the sum of five guineas, and that he did falsely pretend that he was able to pay said sum. The prisoner pleaded not guilty. Miss Catherine Darcy deposed that she was an assistant in the establishment of Messrs. Newton and Wilson, Grafton-street. The prisoner came to the establishment, and, after selecting a sewing machine, said he would come back and tell her where to send the machine. He (the prisoner) came back about the second day, and selected the five-guinea machine, saying that he would send a cheque for it, he being a merchant in Greystones. She produced pens, ink, and paper for him to write his address, but he told her to write it, and gave the name Samuel Doyle, Greystones, merchant. He afterwards sent a letter, on the strength of which the machine was sent to the house, 30, Stafford-street. A second letter came the same day, directing that a machine should be sent to Bray, and his van would call for it. An assistant in the pawn-office of Mr Martin, 48, Fleet-street, deposed that the prisoner pawned the machine with him for £1 on the 27th November. Mr. Henry Ebbs, returning officer of the county Wicklow, deposed that he was present at Mona-place, Greystones, on the 4th September, 1874, when an execution was levied on the house and goods of the prisoner. He (witness) gave possession of the house to Mr William Bazil Orpin. Mr William Young Donnelly, an officer of the Court of Bankruptcy, produced the petition of the Bankruptcy Court on which he was adjudicated a bankrupt on the 16th September. He had never received his certificate, not having passed a final examination. The jury, after an absence of a few minutes, returned into Court with a verdict of guilty on the first count, of obtaining money under false pretences. The prisoner was put back for the present, as there were other charges to be brought against him.

THE CANADIAN OIL WELLS CASE.—At the adjourned hearing of this case on Thursday, Mr James Waddell, of the firm of J. Waddell and Co., accountants, was examined, and stated that on the 17th August, 1871, Mr Sturgeon asked him to call at the office of the Canadian Oil Wells Company, in Pall-Mall East. He called on the 18th, and saw Mr Longbottom and two or three other gentlemen. A prospectus was given to him and the report of Mr Francis and some railway vouchers, and he was requested to check the statements in the prospectus by the vouchers and Mr Francis's report and Mr Herman's certificate. He suggested that it would be better to obtain these results from the books. Mr Longbottom replied that that might be the view of an accountant, but it was not their view. They preferred to have vouchers. He also said the property belonged to two or three owners, and that it was impossible to get the books. He sent the certificate on the 21st, and it was sent back, and the clerk told him Mr Longbottom desired that a paragraph it contained, "that, as accountants, they have wished that the returns were made from the books," should be struck out. He refused to strike it out. Cross-examined by Sir H. James: The prospectus speaks of the purchase-money being £140,000. There was another certificate, not drawn up by himself, placed before me by Mr Sturgeon and Mr Curtis, which I declined to sign. Mr Day submitted that this was not evidence against his client. The Lord Chief Justice: We have not heard Mr Curtis's name before, but Mr Sturgeon signed the articles of association. The witness seems to have acted with thorough conscientiousness. (To witness): You had no data but the figures put before you, no means of verification? Witness: No, and I was careful to state the data on which I went. I may state, my lord, that I never made any charge for my services, and to this moment remain unpaid. The Lord Chief Justice: I am afraid you are likely to remain so. (Laughter.)

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THE EUROPEAN ASSURANCE ARBITRATION.

The European Assurance Arbitration is to be revolutionized. When we consider in what confusion Lord Romilly left its affairs, we cannot think it at all too soon for something to be done. A bill that has received the approval of the present arbitrator, Lord Justice James, is to be brought into Parliament to amend the Acts of 1872 and 1873. In considering the proposed changes, it is well to ask why it is that, while the Albert Arbitration, under Lord Cairns, was so great a success, the European Arbitration, with an exactly similar Act of Parliament, is in its present state of muddle. Every one must remember with what vigour and with what ability Lord Westbury commenced the liquidation of the European Society. His judgments were masterpieces of eloquent reasoning and judicial acumen; and if he had lived, he would doubtless have completed the winding-up with the same ability, the same speed, and the same avoidance of great expense as that with which Lord Cairns has settled the affairs of the Albert Company. Unfortunately, his successor, Lord Romilly, did not think it incumbent on him to continue the arbitration on the lines which Lord Westbury had laid down. In one very important subject he thought Lord Westbury had erred, and he, accordingly, proceeded to establish different principles and to rehear Lord Westbury's decisions. At the time we drew attention to the confusion that would ensue from the adoption of this course, and to the perplexity which a third arbitrator would feel in entering on his office. It is to these proceedings on the part of Lord Romilly that the failure of the Arbitration may be attributed. The Act of Parliament no doubt enabled him to take this course, as it gave him unlimited powers; but it was a glaring fault of the Act that it did not contain a provision directing successive Arbitrators to be bound by the proceedings of their predecessors. The way in which it is now proposed to extricate the liquidation from its present difficulties is by allowing an appeal to the Court of Appeal in Chancery. This will be abandoning one of the cardinal portions of the original scheme. When the winding-up was in Chancery, it was at once seen that the machinery of that Court was not adapted to so intricate a matter, and that some special legislation was necessary, in order to avoid interminable delay and unlimited expense. It was thought that speed might be attained and expense diminished by having one man at all times prepared to decide any litigating cases that might be ready, and to superintend the management of the liquidation generally. And if that man were one who could command universal confidence, it was also thought that the enormous delay and expense of appealing might with safety be prohibited. This was an essential feature of the Act of 1872. And with this view the office of Arbitrator was limited by the Act to present and past Judges of the Superior Courts and of the Privy Council. Now that appeals will allowed, the Lord Chancellor will be enabled to appoint to the arbitratorship from among barristers of 15 years' standing. It is stated that this provision is introduced with a view to the resignation of Lord Justice James, who holds the post temporarily, and to the appointment of Mr Reilly, who for about five years has had the experience which attaches to the office of assessor to Lords Cairns, Westbury, and Romilly. Under the altered circumstances of the liquidation, it is probable that no exception will be made to such a provision; more especially as in any case of doubt the Arbitrator will, under the proposed bill, be authorized to state a case for the opinion of the Court of Appeal, and will be able to take the advice of the Lord Chancellor on any matter arising in the winding-up; in fact, the Arbitrator, instead of being "omnipotent" as before, will be in great measure carrying out the winding-up under the direction and control of the Lord Chancellor and the Court of Appeal. It will, we think, be a surprise to many to hear that there is at this present moment a Judge in England who is above the law, who can pronounce decisions either according to, or contrary to, law—who can, in fact, legislate. But such is the position of the Arbitrator of the European Assurance Society. He can settle and determine the matters of the Arbitration, "not only in accordance with the legal and equitable rights of the parties as recognized in the Courts of Law and Equity, but on such terms and in such manner in all respects as he in his absolute and unfettered discretion thinks most fit, equitable, and expedient, and as fully and effectually as could be done by Act of Parliament." All this is to be changed. The all-powerful monarch will not be dethroned; but, instead of exercising an unlimited sway, he is to be a constitutional sovereign merely. The bill proposes to enact that he shall settle and determine matters "in accordance with what are in his judgment the legal and equitable rights of the parties as recognized in the Courts of Law and Equity, and not otherwise." When the Arbitration Bill was before Parliament in 1872, it was felt that it was resorting to a dangerous expedient to give so great powers to one individual; but it was also thought that the risk would be compensated by the advantages. This was found to be the case in the Albert liquidation. But the European confirms the opinion that to allow a single Judge of First Instance to be uncontrolled by the feeling that there is another Court which can revise his judgments, is most unadvisable, unless he be a man of the very highest capacity. There is one part of the Amending Bill which may be reconsidered with advantage. It is proposed to grant appeals from all decisions of the Arbitrator, both past and future. Now, it is only on one subject—on novation—that the Arbitrators have differed. That, no doubt, is an all-important subject, affecting nearly the whole of the intricate ramifications of the liquidation. Nevertheless, in order to settle these differences, it does not appear to be necessary to give an opportunity of ripping open other cases in which there has been unanimity. It would be a waste of the company's money and a hardship on individuals to allow all the old battles to be fought over again, when they have all this time been supposed to be finally settled. It will be to repeat with regard to other things what Lord Romilly unfortunately did with regard to novation. Interest *reipublicæ ut sit finis litium.* The other cases comprise well-established principles of law; but with respect to novation, as applied to insurance policies, it is altogether a new subject; it is not so much a question of law as of the result of the application of principles of law. The acts of the policy-holders and the companies in past years have been very vague; and the difficulty lies in determining what inference can be drawn from these vague acts as to the contracts that were intended by the contending parties. On this question lawyers of the highest eminence are totally at variance. Lord Cairns took one view, emancipating the absorbed companies from a great deal of their alleged liability. Lord Westbury took another view, increasing the liability of the shareholders, and giving the policy-holders a corresponding advantage. The latter view, though perhaps less in accordance with the principles of law, was certainly, in popular opinion, more consonant with justice. Then followed Lord Romilly, who gave his support to Lord Cairns's opinions. A similar disagreement would be found to exist in the general body of lawyers. It seems to us that, with regard to past decisions, it would be sufficient to limit the appeals to these knotty and unsettled cases of novation. The Court of Chancery would quickly settle once for all in what way the acts of the policy-holders and the companies are to be interpreted; and when "novation" is no longer a stumbling-block, the Arbitration would, it may be hoped, recover its former stability.—*Times.*

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N.B.—Subscriptions and advertisements will now be received at the Branch-office of the ACCOUNTANT, 127, Strand.

The Accountant.

FEBRUARY 20, 1875.

Sir William Russell's case, and the remarks of Lord Justice Mellish in delivering judgment are well deserving of careful study by all who are, or may be in any way concerned in bankruptcies or liquidations. The case may be briefly summarised, but we strongly urge our readers to read through the full report which we give in another column. In 1870 Sir William Russell filed a petition for liquidation of his affairs by arrangement, and a trustee was duly appointed. The arrangement come to, provided, in effect that, Sir W. Russell should pay to the trustee a sum of £4,000 down, and execute a deed of covenant to pay to the trustee, the sum of £5,000 by equal yearly instalments. In the event of non-payment of any of the last mentioned instalments, the trustee, on being required by any of the creditors to do so, was to institute and duly prosecute against the debtor proceedings in bankruptcy in respect of the balance of instalments then remaining unpaid. The £4,000 was paid and two instalments of the £5,000, and then Sir William Russell, whose business transactions seem to have been singularly unfortunate, failed again, this time for a sum of £50,000 and only nominal assets to set against it. Naturally he tried the effect of a second liquidation, and his creditors agreed to this, and chose the same trustee as under the previous proceedings. The trustee, it must be noted, was trustee under both liquidations, and his vote it was, that carried the resolution on the second occasion. The validity of the proceedings under the second resolution were impeached on several grounds. First, it was said that till the first liquidation had been fully carried out, it was not competent to the debtor to present a second petition, as his former creditors had full power over his assets. Next, it was urged that the trustee had no right to vote without the permission of the committee of inspection. And, lastly, it was submitted that the proceedings under the second liquidation were entirely for the benefit of the debtor, and in no respect for that of his creditors. It must be noticed that no creditor had required the trustee to institute any bankruptcy proceedings. As regards the first point, the Court was of opinion that the creditors had fully exonerated any after-acquired property of the debtor, and as to the second,

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that the trustee was fully justified in voting. But on the last point the judgment of the Court was clear. The resolutions were passed entirely in the interest of the debtor, and could not in any way bind dissentient creditors. The second liquidation, therefore, fell through.

As regards all points the judgment of the court seems unimpeachable. It was clear that the creditors estimated the debtor's after-acquired property as being worth less than £5,000, or they would never have assented to the composition, and given up their rights. The second point is more doubtful, as opening the door to fraud; and but for the thirdpoint; which practically raised the question of collusion, would doubtless have been differently determined. But there can be no dispute that such transactions can never be allowed to hold good. Otherwise, with a friendly trustee, a new loop-hole would be opened to fraudulent bankrupts. A man unable to pay his debts summons a meeting of his creditors, and, secure of a majority of votes, or by various promises succeeds in appointing a friendly trustee. What composition is to be paid is perfectly immaterial. No sooner is one transaction completed, and possibly, one instalment paid, than the time arrives for complete liberty. A few fresh debts are incurred to friends, a petition is filed, a meeting is held, and the debtor is released at once from all liability. We do not say that this was the case as regards Sir William Russell; we are pointing out merely what might have been done, in strict compliance with the act, and yet utterly ousting the claims of the creditors. It is satisfactory to find that the Court decided on broad general grounds. "The act," said Lord Justice Mellish, "gave the majority power to bind the minority, but that was only for the purpose of doing the best for the creditors. If the votes were given only for the purpose of benefitting the debtor, the minority could not be bound." On these plain and simple principles the attempted liquidation fell to the ground. The Bankruptcy Act is not very firmly established in popular favour; a different decision would have given it the *coup de grâce*.

The case of *ex parte* Dawson reads a sharp lesson to debtors. The question was as to the retrospective effect of the 91st section, which makes void or voidable the voluntary settlements of a trader. In this case the settlement impeached was made in 1865, and Mr. Dawson must have realised the saying about "nine points of the law," and felt almost like a sailor shipwrecked in sight of port. But the Chief Judge in deciding that the section is retrospective was clearly right. The plain words of the Act apply to past as well as future cases, and are not in any way restricted in their operation. In Acts of Parliament the time for the commencement of the operation of the Act is usually indicated or limited. Thus, in the Trustees and Mortgagees Act, if we may, being but simple laymen, be allowed to illustrate our meaning by reference to the statutes of the realm, we find it enacted that settlements and other deeds should be deemed to contain certain powers. This would apply to all deeds of whatever date, but the 34th section provides that the provisions of the Act shall extend only to deeds executed after it has become law, that is on the 28th of August, 1860. So in the 91st section. If it had been meant to have no retrospective effect, it is to be presumed that words to that effect would have been inserted, and the section would have run, "Any settlement made after the passing of this Act." Besides, the 126th section of the Act of 1849 had been actually repealed.

Touting seems to be a vice inherent in mankind, and is usually termed forming a business connection. We are much grieved to see from the *Law Times* that solicitors are occasionally guilty of this failing, as we thought that it had been hitherto confined to "accountants." The case cited by our energetic contemporary is, we agree, one of touting *pur et simple*, and we cordially join in reprobating it. But, with every deference to the letter of our correspondent, "Lex," we must say there is a difference between mere touting and legitimate business efforts. Surely if a post is vacant, it is not touting to go and canvass for the directors in whose gift it is, or to bring to bear any friendly influence that may be possessed. And in the case of official liquidators it cannot surely be wrong for candidates for the post to make known their readiness to accept it. To undermine a tottering company is simply disgraceful, but to take advantage of its collapse is ordinary business. What is really "Lex's" complaint? A winding up order is made; candidate for the post of liquidators meet, and an applicant is either selected by the judge as "specially gifted" or chosen by the majority of the shareholders. What better, or more legitimate mode of appointment can be devised?

The Master of the Rolls has appointed Mr. Cape (Cape and Harris) the Official Liquidator of the Teplitz Colliery and Coal Oil Company (Limited).

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REVIEWS.

An Essay on the Qualifications and Duties of Accountants and Auditors. By John Caldecott. London: Letts, Son, and Co.

We are pleased to note the recent publication of an essay on the Qualifications and Duties of Accountants and Auditors, addressed to "the profession, merchants, traders, landowners, and companies." In addition to the fact that the essay proceeds from the pen of a provincial accountant of acknowledged standing, the little pamphlet possesses an interest as being, we believe, about the first attempt to deal with the somewhat enigmatical question of "Who is an accountant?" The first essential qualifications of an accountant the author correctly states to be the possession of a complete knowledge of the theory of accounts, and the ability of applying that knowledge practically; although the originality of this information is by no means apparent. The essayist's selection of quotations from the works of Malcolm (A.D. 1731) and Mair (A.D. 1760), relating to "the theory of this beautiful and curious science," and "the gentleman accountant, a person of honour," are of a rather more interesting nature to the brother members of his profession. Notwithstanding the care evidently bestowed on the compilation of the essay, a quantity of matter, rather foreign to the announcement on the title page, occupies a large portion of the work, which might have been made to serve a more beneficial purpose in extending the thread of useful argument and discussion. In Part I. the accountant will find his duties clearly defined, though perhaps in a rather too elementary manner. In Part II. the author sets forth at considerable length his own ideas on account keeping, claiming for his system the title of "The New Plan." In Part III. the qualifications of auditors are minutely detailed, and liquidators in chancery, trustees, and receivers in bankruptcy, are told pretty succinctly what the author considers to be their duties. The future of the profession forms the subject matter of Part IV., and is as strongly written as any other portion of the work. We cannot however, endorse the statement that "auctioneers, appraisers, and discounters would, instead of weakening, strengthen the profession of accountants and auditors;" and the author must not be surprised to find this opinion the subject of a considerable amount of adverse criticism. However, we venture to think that the author will have attained no mean object, if his essay serves to bring about a little wholesome discussion on the subjects dealt with in these pages.

Bankruptcy Legislation. By George Wreford. London: Effingham Wilson, Royal Exchange. 1875.

We have seldom met with a more thoroughly practical pamphlet than the one before us. Mr. Wreford, as an official of the Court of Bankruptcy, has gained considerable insight into the working of the various acts, and has stated with admirable clearness the result of his experience. We have pointed out in so many cases the various shortcomings of the Act of 1869, that we shall not attempt to recapitulate any of them. It is satisfactory to find that Mr. Wreford's practised judgment coincides in many points with our own views. We will state shortly some of the alterations which Mr. Wreford suggests. In the first place, he thinks that the limit of £50 for the petitioning creditor's debt is too high, and that it should be reduced to £20, the lowest amount for which a writ can be issued. Then he recommends that the filing of a petition should operate as a restraining order, which should become absolute upon an order of adjudication being made. In both of these recommendations we cordially concur. We should be doing no service to Mr Wreford if we were to make long extracts from his little book, which we cordially recommend to all interested in bankruptcy reform. He writes in a clear and plain style; free from all technicalities such as make legal treatises somewhat repulsive to lay readers, and there is scarcely any suggestion which is not of some practical value. With one of his statements we cordially agree, that legislation should be simply of an amending character, and as the Lord Chancellor is the author of what in Mr. Wreford's opinion was the most workable Bankruptcy Act ever suggested, we may hope for some good alteration from the present Government. Meantime we advise every reformer to study Mr. Wreford's pamphlet, which is as practical a work, and contains as much information in a small compass, as we have seen for some time.

Correspondence.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—There has been, of late, a considerable outcry raised about the practice of touting for business; and the objectionable system pursued has formed the subject of tedious comment in most legal and commercial papers on too many occasions. I have, however, observed, that while reference has been made to touting for business connected more especially with bankruptcy matters, nothing has appeared to demonstrate that the habit is carried on to as great an extent for the purpose of securing business, in the form of liquidations "in," as well as out of, "Chancery." It is not my wish in offering these remarks to defend the system even in the most abstract manner; but my object in addressing you is, to show that certain of the profession who elect to practice more particularly in bankruptcy, do not exclusively represent the class which should be subjected to the stigma imposed on them by the press and the public. Taking Chancery practice; no sooner does a Company ("Limited" or otherwise), whose tottering condition has been carefully watched, appear to be on the point of collapsing, than a list of the shareholders is somehow obtained, clerks are set to work, and circulars are forwarded to the unfortunate speculators informing them of the date set down for hearing the petition, and appointing an official liquidator, enclosing a proxy or form of request, stating the advantages to be derived by filling up the form in favour of the applicant, and an announcement that, all further information will, if required, be furnished with the greatest pleasure. Following upon this, on the arrival of the day for appointing the official liquidators, four or five, or more gentlemen attend, all eager for the affair, and not always in the best of tempers nor in the politest of moods when they see a chance of their being ousted. Sometimes one carries all before him and is appointed; at another time one of the applicants appears so specially gifted that the judge selects him; and not infrequently two join issue, and are legally metamorphosed into co-liquidators. Such is a brief outline of what goes on "in chancery." Touting among the directors for a vacant auditorship is an equally common occurrence, and calling either alone or with an introduction in the shape of a friend who is to be "re-

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membered," is another style of obtaining business; and the system of feeing is so generally known that I need hardly dilate upon it,—Yours, &c., LEX.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—Some great authority said of the judgments of a learned judge,—"Oh, yes; your decisions are all right, but confound your reasons." It was in some such spirit that I read a report in your last issue of a judgment of Mr. Hazlitt. I hope I may never be found wanting in reverence towards the judgment of a gentleman so well versed in bankruptcy practice as is Mr. Hazlitt, but at the same time I must have a gentle laugh over the "tarradiddle" about accountants which accompanied it. The "daily spoliation of estates by professional receivers and trustees" quotha! Why, does he know that professional receivers and trustees cannot get their bills taxed to the amount of £10,000 per year, while the solicitors get more than £200,000? "Where the accountant was receiver under a dozen, a score, or even more different estates, his capacity for personal service in each must be of a very extraordinary ubiquitous power." Yes, that is what he said. Well, the idea at the bottom of that, which is to compel a receiver to serve personally behind a draper's counter, is too rich to be seriously dwelt upon. If I were discussing the sayings of a lesser magnate, I should certainly say they were positive proofs of "accountant on the brain." As it is, I only call them "tarradiddle's," and rest and be thankful it is no worse. But one word seriously: Is it not time that the accountant should be treated as reasonably as any other human being? If he works, why not pay him? If he is a necessity, why not acknowledge him? It surely cannot be fair to take his services and continually grumble against him because he wants to be paid for them; nor can it be that an accountant is the only person in England who is not allowed to live by his profession. The moral of this letter is—"Accountants, combine."—Yours truly,

ACO.

TOUTING.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—A client of ours having recently had occasion to give a Bill of Sale, received shortly after its registration the enclosed interesting document. The issuer of the said document claims to be an "Official Liquidator and Bankruptcy Trustee," as also the proprietor of "Liquidation and Accountancy Offices." To these very useful avocations (when properly carried out) he adds other (valuable?) avocations, such as *gratuitous advice, and advance of money to any amount on all sorts of securities;* money lending is also a portion of his profession,—the rate per cent. however is not shown. The perfection of impudence is, however, reached in the last paragraph, which is to the following effect:—"Caution.—Several unqualified persons are copying this circular with an object to extort fees." I have been engaged in professional accountantship for a considerable time, and never had the advantage of coming across this wonderful gentleman; I should however imagine that his appointments as official liquidator must be few and far between, as *touting* in the Court of Chancery is supposed to render a man ineligible for such post. I am happy to see that the advertiser's name does not appear as a member of any Society of Accountants; nevertheless, it is to be regretted that the want of a Charter prevents the prompt and effective extinction of such benefactors to human kind!—Yours truly,

EXPERT COMPTABLE.

London, 15th February, 1875.

COURT OF CHANCERY, LINCOLN'S INN.

February 12.

(Before the LORDS JUSTICES *of* APPEAL.)

EX PARTE SIR W. RUSSELL.—This appeal, from an order made by Mr. Registrar Spring Rice, sitting as Chief Judge in Bankruptcy, raised a question of considerable importance as to the effect of the discharge of a liquidating debtor under the Bankruptcy Act, 1869. Section 15 of the Act provides that the property of a bankrupt divisible among his creditors is to comprise (among other things) "all such property as may belong to, or be vested in, the bankrupt at the commencement of the bankruptcy, or may be acquired by, or devolve on, him during the continuance." By Sec. 47, "When the whole property of the bankrupt has been realized for the benefit of his creditors, or so much thereof as can, in the joint opinion of the trustee and committee of inspection, be realised without needlessly protracting the bankruptcy, or a composition or arrangement has been completed," the trustee is to make a report accordingly to the Court, and the Court, if satisfied of the truth of the report, "shall make an order that the bankruptcy has closed, and the bankruptcy shall be deemed to have been closed at or after the date of such order." By Sec. 48, "When a bankruptcy is closed, or at any time during its continuance, with the assent of the creditors, testified by a special resolution, the bankrupt may apply to the Court for an order of discharge;" and by Sec. 49, this order, when granted, is (with certain exceptions) to release the bankrupt from all debts provable under the bankruptcy. By Sec. 125, sub-sec. 7, all the provisions of the Act (with certain modifications), "shall, so far as the same are applicable, apply to the case of a liquidation by arrangement in the same manner as if the word 'bankrupt' included a debtor whose affairs are under liquidation, and the word 'bankruptcy' included liquidation by arrangement." The modification referred to is continued in sub-sec. 9, and is this, that "the close of the liquidation may be fixed, and the discharge of the debtor and the release of the trustee may be granted, by a special resolution of the creditors in general meeting, and the accounts may be audited in pursuance of such resolution, and at such time and in such manner, and upon such terms and conditions as the creditors think fit." Sir William Russell filed a liquidation petition in 1870. On the 26th of May, 1870, his creditors resolved on a liquidation by arrangement, and appointed Mr C. F. Kemp trustee. They further resolved that "the discharge of the debtor should be granted to him upon payment being made on his behalf to the trustee of £4,000 within one month after the registration of the resolution, and upon the debtor executing within the same period a deed of covenant or a bond for payment to the trustee of £5,000 by five equal annual instalments;" but the deed or bond was to provide that if default should be made in payment to the trustee of any of the instalments for twenty-one days, the whole of the then unpaid instalments should at once become payable. In case default should be made in payment of the £4,000, any of the creditors was to be at liberty to present a petition for adjudication of bankruptcy, or make such application as he might think fit against the debtor, to the intent that he might be adjudicated a bankrupt under Sec. 125 of the Act, and the debtor and the trustee were to consent to such adjudication being forthwith made. In case default should be made in payment of any of the annual instalments of the £5,000, the trustee, on being required by any creditor, was to institute and duly prosecute proceedings in bankruptcy against the debtor in respect of the balance of the instalments then remaining unpaid. These resolutions were registered; the £4,000 was paid, and the deed of covenant to pay the £5,000 to the trustee was entered into. Sir W. Russell went into business again, and incurred fresh debts. He paid the first two instalments of

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the £5,000, but failed to pay any more of them. In June, 1874, he filed a second liquidation petition. His statement of affairs showed that his debts were over £50,000, and that his assets were practically of no value, the only property available for the creditors being his half-pay as an officer in the Army, amounting to £200 a year. The creditors on the 30th of July resolved on a liquidation by arrangement, and appointed Mr Kemp trustee. They also resolved that, until full payment of all the debts provable under the liquidation, the debtor should pay to the trustee the surplus of his income above £600 a year, and that as soon as he should have executed a deed to give effect to the resolution he should be discharged from all debts provable under the liquidation, but that the discharge should be void if he failed to perform any of the covenants in the deed, and the trustee should certify that such failure had, in his opinion, been wilful. The trustee under the first liquidation voted in favour of these resolutions, having proved for the unpaid balance of the £5,000, and without his vote the resolutions would not have been carried. No creditor had required the trustee under the first liquidation to take proceedings in bankruptcy against the debtor. The Registrar refused to register the resolutions passed under the second petition, on the ground that the first liquidation was still pending, and all the debtor's property vested in the trustee under it, and that, till it had been closed, no valid resolution could be passed under a second petition. Sir W. Russell appealed. Mr De Gex, Q.C., and Mr Bagley (with whom was Mr R. Taunton Raikes) for the appellant, argued that, even if the first liquidation was not closed, still the effect of the resolutions then passed was to release all the debtor's after-acquired property upon payment of the £4,000 and execution of the deed of covenant. The resolutions contemplated that he was to be a free man and earn fresh property. He had been allowed to trade and to contract fresh debts, and the new creditors had thus acquired rights which could not be interfered with. Mr Little, Q.C., and Mr F. H. Linklater for a dissentient creditor, relied upon the provisions of the Act and the recent decision of the Court of Appeal in "*Ex parte* Sydney." The debtor had not fulfilled his contract under the first liquidation, and till he had done so his after-acquired property was not free. Moreover the trustee under the first liquidation had no power to vote in the second without the authority of the committee of inspection. In this case he not only had no such authority, but he voted against the express wish of one of them. Further, the debtor having practically no assets, the votes of the majority were really given simply for his benefit that he might get his discharge, and votes thus given could not bind the dissentient minority of the creditors. Mr Justice Mellish said that the ground on which the Registrar refused to register the resolutions was that the former liquidation proceedings were still pending. If those proceedings had been really still pending his Lordship would have thought, in conformity with the decision in "*Ex parte* Sydney," that it would not have been competent to the debtor to present a second petition; but he thought that the test whether the old proceedings were still pending was this—whether the debtor's future-acquired assets still remained liable to the creditors under the old liquidation. If they did, then whether there might be a bankruptcy or not (a point which it was not necessary now to decide), still the debtor could not, under such circumstances, present a fresh liquidation petition. On the other hand, if the debtor's future assets were discharged by the creditors under the first liquidation, then the future creditors must be entitled to the future-acquired assets. They would be entitled to take proceedings in bankruptcy, and his Lordship could not see why the debtor, having acquired assets, might not present a liquidation petition. The question now to be decided was whether the future estate of Sir W. Russell was discharged by the resolutions passed in the first liquidation. It was clear that the creditors had power to do this by virtue of sub-section 9 of Section 125 of the Act, and it seemed clear also that if the creditors had resolved that the debtor should be discharged and the liquidation closed as from a certain day, though the whole estate vested in the trustee had not been distributed, nevertheless, the future estate would have been discharged. In a case of "*Ex parte* Tinker," the Court held that, even though no discharge had been granted, yet if the creditors had dealt with the debtor in such a way as that it would be contrary to good faith that they should have his future-acquired property, that property would be free. The construction of the resolutions passed in the present case appeared to his Lordship perfectly plain. On the debtor paying the £4,000, and executing the covenant to pay the £5,000, there was (so to say) a purchase by him of his future property, as between him and his creditors. All his then existing estate was vested in the trustee, and therefore this purchase-money could not have been paid out of that. The difference between the provisions in case the £4,000 was not paid, and in case the instalments of the 5,000 were not paid, made this quite plain. In the first case, the debtor was, if he made default, to be made bankrupt upon the act of bankruptcy committed by the filing of the liquidation petition; in the second case, a fresh proceeding in bankruptcy was clearly contemplated; not a proceeding under the old act of bankruptcy under which he had already got his discharge. The trustee was to take proceedings as a creditor in respect of the unpaid balance of the £5,000, with all the ordinary rights of a creditor. If the old creditors gave the debtor credit for this sum as the price of his future assets, they could not at the same time claim those assets to the exclusion of the future creditors. As to the objection that the trustee in the first liquidation could not properly vote in the second liquidation without the assent of the committee of inspection, his Lordship thought that the provisions of the Act as to the powers of a trustee did not apply to a case where the creditors had come to an arrangement like this with the debtor. The trustee was placed in the position of a creditor, and was entitled to vote in the ordinary way. The third objection, that there were practically no assets, and that the liquidation was resolved on, not in order to distribute the assets of the debtor among his creditors, but only for the debtor's benefit, was deserving of great consideration. It was clear from the debtor's statement of accounts that he had practically no assets, and that there could be no dividend. The only thing really available for the creditors was the debtor's half pay, and the effect of the resolutions was to free that entirely from contributing anything to the payment of the creditors, and there was not the smallest security that they would ever get anything. There might be nothing morally wrong in creditors agreeing to such resolutions, but it was impossible that they could have been passed *bona fide* for the benefit of the creditors; they could only have been passed from kindly feelings for the debtor. Resolutions so passed could not bind the dissentient creditors. The Act gave the majority power to bind the minority, but that was only for the purpose of doing the best for the creditors. If the votes were given only for the purpose of benefiting the debtor, the minority would not be bound. On this ground the order of the Registrar must be affirmed, and the appeal must be dismissed with costs. Lord Justice James concurred.

February 13.

(*Before the* LORDS JUSTICES *of* APPEAL).

EX PARTE WALTON—IN RE DANDO.—This was an appeal from a decision of Mr Registrar Pepys, as Chief Judge in Bankruptcy. On the 4th of January last a petition for adjudication of bankruptcy against Mr W. E. Dando was presented by Mr John Fitzpatrick. The petition came on to be heard on the 28th of January and an adjudication of bankruptcy was then made. On the previous day Dando had filed a liquidation petition, and the first meeting of the creditors under this petition was fixed for the 18th of February. On the 4th of February an application was made on behalf of the bankrupt and some of his creditors to the Registrar to stay the advertisement of the adjudication till after the 18th of February. This application was refused, and from this refusal the present appeal was brought. Lord Justice Mellish said he thought that, under sec. 80, sub-sec. 10, of the Bankruptcy Act, 1869, and the 266th rule of 1870, the Registrar had under the circumstances a discretion whether he would simply make an adjudication, or make an adjudication and stay all further proceedings until after the meeting of the creditors under the liquidation petition, or postpone his decision altogether

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until after the meeting. His Lordship said he had expressed this opinion in the recent case of "*Ex parte* Foster" though it was not necessary for the decision of that case. But on further consideration he adhered to that opinion. The only question, therefore, was whether the Registrar had properly exercised his discretion in the present case, and upon consideration of the circumstances, his Lordship thought that he had. The appeal, must, therefore, be dismissed. Lord Justice James concurred.

COURT OF BANKRUPTCY.

February 15.

(*Before Sir J.* BACON, *Chief Judge.*)

EX PARTE DAWSON—RE DAWSON.—This was an appeal from a decision of the Hull County Court, and involved a question as to the effect which the 91st section of the Bankruptcy Act, 1869, has upon voluntary settlements executed prior to the passing of the Act. The 91st section provides that "any settlement of property made by a trader . . . shall if the settlor becomes bankrupt within two years after the date of such settlement be void as against the trustee of the bankrupt appointed under this Act, and shall, if the settlor becomes a bankrupt at any subsequent time within 10 years after the date of such settlement, unless the parties claiming under such settlement can prove that the settlor was at the time of making the settlement able to pay all his debts without the aid of the property comprised in such settlement, be void against such trustee." The deed in this case was executed in the year 1865, and if it was within the 91st section the onus of proving it would be thrown upon the persons claiming under its terms. On behalf of the appellants, it was argued that the deed must be dealt with under the 126th section of the Act of 1849, which provides that "if any bankrupt being at the time insolvent shall, except upon the marriage of any of his children or for some valuable consideration, have conveyed, assigned, or transferred to any of his children or to any other person any hereditaments . . . the Court shall have power to order a sale for the benefit of the creditors under the bankruptcy." The learned Judge held that the 91st section of the present Act was retrospective in its operation, and that the deed was void under it. The wife and son of the debtor appealed from that decision. The Chief-Judge held that the 91st section was retrospective, and that the 126th section of the Bankruptcy Law Consolidation Act, 1849, which had been in express terms repealed, had nothing whatever to do with the present case. To prevent any mischief arising from the repeal of that statute the 91st section of the present Act was introduced, which applied to every settlement made by a trader "not being a settlement made before, and in consideration of, marriage or made in favour of a purchaser or incumbrancer, in good faith and for valuable consideration, or a settlement made on or for the wife or children of the settlor of property which has accrued to the settlor after marriage in right of his wife." The deed in this case was clearly invalid, and the trustee under the liquidation was entitled to the property comprised in it. Appeal dismissed.

February 16.

(*Before Mr. Registrar* ROCHE, *sitting as Chief Judge.*)

IN RE J. STAMMERS WEBB.—Application was made in this case for the registration of resolutions alleged to have been passed by creditors in favour of liquidation by arrangement, and appointing a trustee. The debtor was a colliery proprietor, having offices in Gracechurch-street, and his liabilities, in addition to secured debts, amounted to £32,753, the assets being returned at £10,602. Mr Douglas Straight appeared for the debtor; Mr G. W. Hemming, Mr Horace Davey, and Mr Finlay Knight for creditors. From an examination of the debtor it was elicited that he had been engaged in some partnership transactions in connection with collieries and ships, the particulars of which did not appear in the statement of affairs. Mr. Registrar Keene held that the proceedings were defective, and, in accordance with the case of "*ex-parte* Cockayne, re Cockayne" refused to register the resolution.

February 17.

(*Before Mr Registrar* MURRAY, *sitting as Chief Judge.*)

IN RE KINGSFORD BROTHERS.—The debtors, Messrs Charles Kingsford and Charles Tomson Kingsford, millers, cornfactors, and biscuit-bakers, carrying on business at the Corn Exchange, Mark-lane, at 35, Seething-lane, and several other places, under the firm of Kingsford Brothers, have filed a petition for liquidation. Their liabilities are returned at £39,200, with assets £15,600, and it would appear that the debtors are engaged in outstanding contracts which require completion. Mr Watney applied, with the concurrence of creditors for £20,000, that Mr J. Ford, accountant, Cheapside, should be appointed receiver and manager of the property. His Honour granted the application.

IN RE WILLIAM HOULDER, SON, AND CO.—The Court also appointed a receiver and manager in this case. The debtors, who have petitioned under the liquidation clauses, are vitriol and chemical manufacturers, of Paul's Wharf, Upper Thames-street, and Southgate. Liabilities, £15,000, and assets estimated at about the same amount.

February 18.

(*Before Mr. Registrar* BROUGHAM.)

IN RE THOMAS KEEPING.—The bankrupt was a stock and sharebroker and dealer in shares, late of Copthall-court, Throgmorton-street. He was adjudicated upon the ground that he departed out of England in April last with intent to defeat or delay his creditors, and now failed to attend the sitting appointed for his public examination. At the first meeting several proofs were admitted, and a trustee appointed, but no accounts have been filed.—Upon the application of Mr Doria, on behalf of the trustee, his Honour ordered the usual memorandum to be entered.

LIVERPOOL COUNTY COURT.

February 12.

(*Before Mr.* J. F. COLLIER, *Judge.*)

IN RE GEORGE HARDY.—This was an adjourned application by a trustee for an order to restrain his solicitor from sueing him for his bill of costs. The facts which we have already published, were shortly these:—Hardy, the bankrupt, a builder at Kirkdale, failed in February, 1871, and after unsuccessfully attempting to arrange with his creditors, was driven into the Bankruptcy Court, and at the first meeting of creditors one of their body (Mr J. P. M'Arthur, timber merchant), accepted the office of trustee. According to the bankrupt's statement, the liabilities were £1,115, and assets £347; but the latter item, instead of realizing that sum, appears, as is too frequently the case in bankruptcy to have vanished into thin air, for the trustee, after making certain preferential payments, found himself with a balance in hand of only £7 7s., and a solicitor's bill of £43 unpaid. Application was made by the solicitor, too, for payment of this bill, but it was resisted on the ground that there were no funds applicable to its discharge, and accordingly the solicitor instituted proceedings against the trustee, personally, for its recovery. The two questions now raised were, first, whether the court had any power to restrain the proceedings of the solicitor, and, second, assuming it had, whether the claim was one that the trustee could be relieved from, seeing that there was no estate. Mr Lewis Williams, instructed by Messrs Miller, Peel, and Hughes, appeared for the trustee; and Mr Potter for Mr Etty, the solicitor. The case stood adjourned for the cross-examination of the trustee, who had made an affidavit in support of his application. Long and exhaustive arguments were addressed to the court by the respective counsel, and the court afterwards reserved its judgment.

February 15.

ARRANGEMENTS WITH CREDITORS.—This application raised several points of importance affecting the validity of arrangements with creditors which purported to be within the purview of the present Act. A debtor, who carried on business in Liverpool as a speculator in cotton, early in the present year failed, and presented a petition for the liquidation of his affairs by arrangement or composition. At the first meeting of creditors it was resolved to liquidate the estate by arrangement, and to appoint a trustee. A further resolution was passed, but on a separate form, allowing the debtor his

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discharge on payment to the trustee of a sum of £1,500. The debtor's accounts disclosed liabilities £9,280, and assets £70. The resolution to liquidate was duly registered, and the one allowing the discharge was filed with the proceedings. A creditor for £1,000 who dissented from the liquidation commenced proceedings against the debtor for the recovery of his claim, and the present application was to restrain him from prosecuting these proceedings. Mr Potter, instructed by Messrs Batteson and Company, supported the application, and Mr Lupton, instructed by Messrs T. & T. Martin, for the dissentient creditor, opposed. Mr Potter said the present application was one which ought to be granted, unless the Court, as pointed out by rule 289, was of opinion that the rights of the dissentient creditor were prejudicially affected by the resolution, or that the estate would yield a larger dividend if administered in bankruptcy. Here the contrary was shown, as, in addition to the assets vested by the resolution in the trustee, the friends of the debtor had come forward to pay £1,500 for his discharge. By Rule 301 the passing of a special resolution to liquidate is deemed conclusive evidence that the debtor had complied with the provisions of the statute, and by section 127 the registration of such resolution is, in the absence of fraud, conclusive evidence that such resolution was duly passed, and the requisitions of the Act complied with. Mr. Lupton, in reply, urged that the resolutions were not binding on the dissentient creditor, inasmuch as they had been assented to by creditors to whom the debtor had given preferences, or made promises of payment at a future time. His Honour said that he could not, on the present application, go behind the resolution to liquidate, which appeared to be duly registered. It was true fraud vitiated everything, but the proper time to have raised that question was on the application to register, or by a substantive motion to cancel the registration. Mr. Lupton contended that the power to grant the injunction to restrain was purely discretionary with the court, and he proposed to adduce evidence to show that this was not a case in which it should exercise its discretion adversely to the creditor. He then called the trustee and several of the creditors, who on examination deposed that prior to the statutory meeting of creditors a preliminary meeting was held, and that to one ot the hostile creditors a promise of payment of part of his debt in full had been made. It further appeared that the discharge of the debtor was granted on the understanding that only a portion of the creditors were to participate in the £1,500. This condition, Mr Lupton contended, was at variance with the policy of the Bankruptcy Act, which contemplated an equal division of the assets amongst all the creditors. Either, he said, those excluded from the arrangement were not creditors at all, or they must have consented to be excluded from friendly feelings to the debtor: but in either case the resolution was not a genuine expression of the wishes of the creditors. He cited a case decided in the Court of Appeal on Friday last, in which it was held that resolutions passed from kindly feelings to a debtor could not bind dissentient creditors. There was nothing morally wrong in creditors agreeing to such resolutions, but it was impossible that they could have been passed *bona fide* for the benefit of the general body of creditors. By the acceptance of the £1,500 the future earnings of the debtor were released, and the Act contemplated in cases of liquidation that he should not be so released till he had paid 20s. in the pound. The estate of a liquidating debtor did not simply comprise what he might possess at the date of the liquidation, but all that he might hereafter acquire until he had paid 20s. in the pound, and no resolutions which deprived creditors of this right could bind dissentient creditors unless they were passed *bona fide*. His Honour said he much doubted the propriety of having permitted the case to proceed to the length it had, as he was strongly of opinion that the question of the validity of the resolution by which the creditors allowed the discharge did not affect the present application. All that he had to satisfy himself upon was whether there had been a resolution to liquidate duly registered, and, if so, whether it was to the interest of the general body of creditors that the proceedings of the dissentient creditor should be restrained. The resolutions he found were registered, and it followed, almost as a matter of course, by the terms of the 289th rule, that every creditor, in respect of a provable debt, must be restrained, unless it was shown that such creditor was prejudicially affected by the resolution. Here the resolution was to liquidate the estate by arrangement, and to vest it in a trustee for equal distribution amongst all the creditors, and he could hardly conceive how, by such a course, one creditor could be more prejudicially affected than another. The separate resolution to allow the debtor his discharge was not before him on the present application, and could not be considered. The order to restrain the creditor, therefore, must be allowed. Ordered accordingly.

MANCHESTER COUNTY COURT.

February 13.

(Before Mr J. A. RUSSELL, Q.C., Judge.)

An application was heard in this Court involving a question under the 49th section of the Debtors' Act, 1869. The application was made by Mr Ambrose, Q.C. (with him Mr Jordan), on behalf of Mr G. F. Freeman for the dismissal of a debtor's summons taken out against him. The summons was taken out for a judgment debt by the Broughton Copper Company (Limited), for whom there appeared to support the summons Mr Williams, Q.C., and Mr Taylor. Mr Freeman, a metal agent and commission merchant, was a liquidating debtor, and had lately received his order of discharge, and the question to be decided by the Court was, whether the debt for which the summons was taken out was or was not barred by the order of discharge according to the 49th section of the Act. Under that section the order of discharge did not relieve a debtor from any liability which he had incurred through fraud. The debt in respect of which this summons was taken out was made up of a sum of £300 awarded to the Broughton Copper Company by the verdict of a jury in a case brought by them at the Liverpool Assizes against the plaintiff, and of the costs incident to that action. One of the counts on the record on which the jury's verdict was based, stated that Mr Freeman, having been employed as the agent of the plaintiff to purchase for them old copper rollers, neglected in certain cases where he was able to do so, to purchase such rollers for the plaintiffs, and purchased them on his own account and for his own profit, in violation of his duty. It was contended by Mr Ambrose and Mr Jordan that in the verdict given, only a breach of contract was implied, and no breach of trust, or fraud; and in reply to Mr Williams and Mr Taylor, who said they were ready to prove that Mr Freeman's liability was incurred by fraud, they held that it was not now competent to bring such proof. It was the judgment that made this debt, and if the record upon which the judgment was obtained did not allege fraud, counsel contended that evidence of fraud could not now be adduced. Mr Ambrose, however, stated that if the facts were gone into he would show that there was in reality no fraud. After a long argument, which the Judge described as very able on both sides, his Honour decided that, as the declaration in the record charging Freeman with a double breach of contract, involving a deprivation of the Copper Company's profits as well as a violation of Freeman's duty, had been found by the jury to be true, it was open to the company now to bring evidence as to whether for the whole or any part of the sum for which the summons was taken out, he was liable through his own fraud. To decide for how much he was so liable, his Honour ordered an issue to be tried at the Manchester Assizes.

At the Manchester County Court, on the 11th inst., an application was made by Mr Taylor on behalf of the trustee in the estate in liquidation of Mr John Grimshaw, woollen manufacturer, Rochdale, to compel the payment of £115 by Mr Thomas Bamford, the brother-in-law of the debtor. Mr Bamford was bookkeeper to the debtor, and a few days before the filing of the petition he had received £115 on the debtor's behalf. Bamford pleaded a set-off in the shape of an account he had against Grimshaw, but the bill having been received by the debtor himself and not by Bamford, his Honour decided that the trustee's claim upon the money was a good one. He made an order for the payment of the money to the trustee.

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COLCHESTER COUNTY COURT.

At the monthly sitting of this Court, the Registrar, Mr J. S. Barnes, was engaged several hours in hearing an application in the bankruptcy of Freeman Parsons, late of the Star and Fleece, Kelvedon, by Mr Alfred John Shorten, veterinary surgeon, of Ipswich, a creditor for £413 19s. 6d., whose proof had been rejected by the trustee, Mr W. H. Cobb. Mr J. M. Pollard of Ipswich represented Mr Shorten, and Mr H. Jones appeared on behalf of the trustee. Mr Shorton's proof stated that the bankrupt was indebted to him in the sum of £413 19s. 6d., being £380 "balance of money lent, advanced, and paid by me, to and for the said Freeman Parsons, and for goods sold and delivered by me to him, and £33 19s. 6d. for interest on such sum of £380." As security for this sum, Mr Shorten held a bill of sale. Mr Jones said his objections to admit the claim were these: The sums were not owing to Mr Shorten; they were not lent, advanced, or paid by him to the bankrupt; and from the divers books, papers, and accounts, Mr Shorten did not appear to be a creditor but a debtor to the said estate. Another objection was that Mr Shorten and Mr Parsons were partners. The case has been before the court on several occasions. After a long argument, Mr Jones contended that so far as the capital invested in the horse letting business was concerned, they could not prove; but with regard to the half yearly receipts, which showed a profit, there he thought Mr Shorten was entitled to prove against the estate, because it was a debt fixed and determined between themselves. The fact that he was a partner preventing him proving. The accounts showed that the partnership was treated by both as existing long after the date of the execution of the bill of sale. The Registrar reserved his judgment until the next court.

BANKRUPTCY PROCEEDINGS IN SCOTLAND.

On the 11th inst. the examination took place of Hart, Macfarlane, and Co., merchants, Glasgow, and James William Hart and George Macfarlane, both merchants in Glasgow, the individual partners of that company, as such partners, and also as individual partners of Macfarlane, Blair, and Co., merchants in San Francisco, and the said Jas. Wm. Hart, as an individual partner of the firm of Hart, Blair, and Co., merchants, San Francisco. The bankrupt, James William Hart, deposed that he was senior partner of the firm of Hart, Macfarlane, and Co. That firm commenced business in the month of August, 1865. At first the business was fairly prosperous down to the end of 1872, at which time the capital at the credit of the partners amounted to £15,000. In 1873 their business was less prosperous, and during that year transactions which were closed in the course of it showed a loss of £15,000. During 1874 their losses continued, arising out of a number of chartered party engagements they had entered into in 1873, which they had gone into under the advice of their San Francisco house, and it was on their account that they were made. Their total losses on transactions for 1873 and 1874 amounted to about £78,000, which included partners' capital. The liabilities of the bankrupts amount to £66,556, and the assets to about £9,000, which, however, depend upon the realisation of shipments to San Francisco.

George Hunter, Contractor, Port Hopetoun.—On Monday this examination was resumed before the Commissioner, at the residence of the bankrupt, No. 10, Archibald-place, Edinburgh. The bankrupt underwent an examination of over three hours. He was asked—Did you ever give any one to understand that you could bring particular pressure to bear upon Mr Kidd in order to make him of service to you, irrespective of his being your clerk? Certainly not. I never led any one to believe that I had a hold over Mr Kidd. I told Mr. Nicholson I wanted the books brought to Edinburgh for the sake of handing them over to the trustee. I gave the same reason to Kidd. I said to Kidd, who went to Ratho for the books, that I wanted them brought in for fear they might be tampered with. I don't know that the books were brought into the office except from what Kidd said. When making up the state of affairs with Nicholson and Anderson no books were referred to, and I don't think a single book was brought out, and the state of affairs was entirely made up from memory, and from accounts lodged. I have no reason to suspect anybody of having removed the books. I can tell of no motive which anybody would have to remove the books. I don't believe Kidd has made away with or destroyed any of the books. Prior to the sequestration I asked Kidd whether he had brought everything from Ratho, and he told me he had. I never destroyed any books, or gave instructions to that effect, and am very vexed that any books should have disappeared. I don't know of any one but myself and the trustee to whom these books could be of value. At the close the statutory oath was administered.

COURT OF BANKRUPTCY, DUBLIN.

February 12.

(*Before Judge* Miller.)

In re Henry Anderson.—The bankrupt had been agent to the Ironmongers' estate in Londonderry. He was adjudicated a bankrupt on the 1st July, 1873, but afterwards effected an arrangement with his creditors. He was indebted to the Ironmongers' Company, and previous to his bankruptcy he had obtained a loan of £500 from James Hayden on a policy of insurance effected on his life with the Scottish Life Insurance Company, assigning as a security certain interest derived by him under the will of Sir James Anderson. The Ironmongers' Company agreed after bankruptcy to lodge £800 in court for distribution among the creditors if they had assigned to them all the interest in the bankrupt's property, which was accordingly done. They afterwards, however, filed a charge for the sale of the bankrupt's interest under the will of Sir James Anderson. Mr Hayden filed a discharge, and the case having been argued, stood for judgment, which Judge Miller pronounced, disallowing the charge filed, but directing each party to pay their own costs.

NOTTINGHAM COUNTY COURT.

February 18.

(*Before Mr.* R. Wildman, *Judge.*)

In re Farmer and Brown, lace manufacturers, of Stoney-street, Nottingham.—Mr. W. A. Richards appeared for the trustee, and Mr. Gilbert for the bankrupts. Mr. Richards said that on the accounts supplied during a certain period there was no account rendered showing how goods were disposed of. Their purchases during the time amounted to nearly £4,000. In May last the bankrupts' estate was shown to be worth £12,000, with a deficiency of £300. In August last they filed a petition showing a deficiency of nearly £7,000. This was a very great depreciation of the estate of the bankrupts, and he wished for an adjournment of the bankrupts' examination *sine die.*—Mr. Gilbert stated that the trading of the bankrupts was of the ordinary lace manufacturing kind. He also alleged that the bankrupts had furnished the best accounts they could. They had informed him that no better accounts could be produced. The Registrar said the bankrupts had filed no accounts; no accounts of their sales for four months. The accounts they had supplied showed from whom the goods had been purchased, but did not show how they had been disposed of. Not even a single sale had been recorded. The bankrupts had not complied with the order of the Court. Mr. Gilbert—I think we have partly complied with it, although not altogether. His Honour—It is necessary that you should supply an account showing how the goods were disposed of. The examination eventually stood adjourned *sine die.*

Mr. L. Boecker, who for many years kept the French Restaurant in Idol-lane, City, where he gained a reputation for his *recherché* dinners, notifies that he has undertaken the management of the restaurant in connection with the well-known "Bodega" Wine Stores, 13, Oxford-street, near Tottenham Court-road. Mr. Boecker's liberal style of catering will no doubt secure him many regular customers amongst the general public in addition to his old city connection.

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FAILURES.

ENGLAND.—Messrs James Holroyd and Co., woollen manufacturers and merchants, of Leeds, and Barnard Castle, announce that they are compelled to suspend payment. The unsecured liabilities are said to amount to £50,000, and the assets reach about the same sum. Mr Holroyd says that up to two years ago he had a very successful business in Leeds and a considerable capital, and it had been lost within that limited period. His books had been placed in the hands of Messrs. Simpson and Burrell, of Leeds. At the Birmingham County Court on Wednesday a petition for liquidation was filed on behalf of William Wadhams, farmer and grazier, of Perry Barr and Great Barr, and also carrying on business at Wood End, Walsall. The liabilities were estimated at £10,000, and assets £1,000 or thereabouts.

AMERICA.—New York advices announce the failure of Mr Wm. Redmond, jr., stockbroker, 18, Exchange place. Messrs C. G. Harger and Son, private bankers, Watertown, New York, had stopped. The firm of Ames, Sherman, and Co., wholesale dealers in hats, caps, and straw goods, had gone into voluntary bankruptcy, with liabilities estimated at $133,410, and assets at $39,252, composed chiefly of outstanding debts. The liabilities of the Cook County National Bank, Chicago, lately suspended, amount to about £160,000; the assets will, it is believed, cover that sum. New York advices state that Messrs Turner Bros., who suspended some months ago, have resumed business. It was reported that the People's Savings Bank, St. Louis, Mo., had stopped.

The *Buenos Ayres Standard* states that the wool clip this year will give a deficit of 15,000 to 20,000 bales. There have been numerous suspensions and failures. Some of the largest property holders have become either bankrupts or insolvent debtors. Some old-established foreign importers of horses have been obliged to suspend business, notwithstanding that the debtors owe them millions. All large importing houses show splendid sales, large assets, but not one dollar which at the present moment can be collected.

American advices state that a well-known merchant in the city of Mexico had absconded, leaving behind him liabilities of £120,000. Several small firms, it was feared, would be compelled to yield in consequence.

It was reported on Tuesday that a leading firm of merchants engaged in the woollen trade at Malaga had suspended payment, with heavy liabilities. The chief losses will fall on the Huddersfield manufacturers.

CREDITORS' MEETINGS.

The following meetings of creditors have been held during the week:—

W. H. HARDY (LEICESTER).—At the meeting of creditors, it was resolved that a composition of twelve shillings in the pound be accepted, payable by four instalments, three at 3s. 4d. each, payable at three, six, and nine months from the date of meeting, and a final instalment of 2s. in the pound, payable at twelve months. The liabilities amount to £6,911 11s. 6d.

Advices from Melbourne state that a meeting of the creditors of Mr William Strickland, brewer, Colac, had been held. The statement of liabilities showed the indebtedness to amount to £6,000, the assets being estimated at within £50 of the liabilities. It was agreed to assign the estate to two of the creditors present. A meeting of creditors in the estate of Messrs Squire and Freeman, timber merchants, St Kilda, had also been held. The liabilities amount to about £5,000. The assets show a nominal deficiency of £700. It was resolved to put the estate in liquidation by arrangement under the act,

DEFAULTING TRUSTEES.—The *Law Times* is responsible for the following:—"Since the commencement of the Bankruptcy Act, 1869, and up to the end of last year, thirteen trustees have been removed from their office, eighteen have become bankrupt, twelve have been ordered to be committed for contempt of court, and forty-five are not to be found. Several trustees have been charged 20 per cent. interest, under sect. 30, for retaining in their hands moneys belonging to the estates."

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, registered during the week:—

Bell Mill—Capital £20,000, in £5 shares.
Bischof's Patent Spongy Iron Filter—Capital £30,000, in £10 shares.
Blackpool Skating Rink—Capital £3,000, in £25 shares.
Borough of Wenlock Conservative Newspaper—Capital £1,000, in £1 shares.
Coldhurst Cotton-Spinning—Capital £50,000, in £5 shares.
Eli Harrop and Brother—Capital £15,000, in £5 shares.
"European Review"—Capital £20,000, in £10 shares.
Gardden Lodge Coal, Coke, and Fire-brick—Capital £60,000, in £100 shares.
H. J. Wadling and Co.—Capital £20,000, in £5 shares.
Heywood Billiard Club—Capital £2,000, in £5 shares.
Imperial Investment Association—Capital £100,000, in £5 shares.
Inman Steamship—Capital £2,000,000, in £100 shares.
Llangefin Building Material—Capital £200, in £25 shares.
Longfield Cotton-Spinning—Capital £60,000. in £5 shares.
North Mill Spinning—Capital £15,000, in £5 shares.
Park and Sandy Lane Mills—Capital £40,000, in £5 shares.
Ridgefield Cotton-Spinning—Capital £50,000, in £5 shares.
Stock-lane Spinning—Capital £50,000, in £5 shares.
S. H. Swire and Co.—Capital £40,000, in £5 shares.

AMERICAN BANKRUPTCY LAWS.—An American critic writes as follows:—"The views which we expressed in the last number of the *Review* in reference to the policy of the amendments to this Act made at the last session of Congress, have only been confirmed by what we have seen of its working since. As the law stands to-day, we have no system which can be relied on to secure the equal distribution of a bankrupt's assets among his creditors. The State insolvent laws are suspended, and there is no efficient substitute. The result is that preferences are the rule; and, instead of an equal division, we have the scramble for the lion's share of the plunder, which it is one object of bankrupt legislation to prevent. The effect of all the cunningly devised protections to fraud with which the amendments were filled has been nicely calculated by the business community, and rogues prosper at the expense of honest men. We do not hesitate to say that it would be better to repeal the law altogether than to retain it in its present shape. We regret to find that this opinion is not shared by some of our contemporaries, as, for example, the *Chicago Legal News*, which remarks with evident gratification, 'It would be almost as much of a task to restore the old order of things in bankruptcy as it would to restore the Fugitive Slave Law.' The *News* is hostile to the old system, because 'it treated every man who was in embarrassed circumstances as a scoundrel, and gave an honest debtor no chance to turn himself,' and because 'it has been the ruination of thousands of honest men, who, if they had had the forty days allowed by the present law, would have been able to save themselves from bankruptcy.' In reply to these arguments, we can only call the attention of the *News* to two facts, tolerably familiar to business men: "first, that the creditors of an honest debtor, in ninety-nine cases out of a hundred, are even more anxious to keep him out of bankruptcy than he is to keep out, since to put him in is only to diminish their dividends by the expenses of the proceedings; second, that a debtor rarely, if ever, fails to meet his commercial paper, except by accident, until he has made every effort to 'turn himself,' has exhausted every expedient, and insolvency can no longer be deferred. Fourteen days is long enough to determine whether the failure to pay is merely accidental. Certainly, after a deliberate failure a debtor's condition rarely improves within forty days so that he can resume. The extended time now allowed, therefore, is valuable merely to the debtor, and to him because he is enabled to make arrangements that will prevent bankruptcy, or at least will make its processes of little benefit to creditors."

DEATH OF MR. JOHN GURNEY HOARE.—Telegraphic intelligence of the death of Mr. J. G. Hoare, at Biarritz, on Tuesday last, at the age of 64, was received on Wednesday at the well-known banking-house of which he was senior partner. The deceased had been for some time under treatment for Bright's disease.

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A DRAWER'S RIGHT TO STOP A CHEQUE.—The decision given by the Court of Exchequer Chamber, in the case of "Glyns *v.* Mesa," as to the right of a drawer of a cheque to stop payment of it, will give satisfaction, we think, to all business men. The decision is to the effect that a cheque is to be treated as any other bill of exchange, rendering the drawer liable to be sued upon it, if unpaid, by any *bonâ fide* holder, who is not affected by an "equity" attaching to the party to whom or on whose account the cheque was given. The circumstances of the present case were that the plaintiffs, being the bankers of Messrs. Lizardi, who failed two years ago, pressed them for payment of their overdraughts or for additional security, and when doing so, on the eve of the failure, received from them an order on the defendants to pay the amount of two bills for £2,000, for which order the defendants gave the plaintiffs the cheque now in question, which the latter immediately placed to the credit of Lizardi's account. The defendants, hearing meanwhile that Lizardi had stopped payment, instructed their bankers not to pay the cheque, upon which the plaintiffs immediately sued. Two points were thus raised—one, whether the exchange of the order from Lizardi on the defendants for a cheque by the latter was a consideration between them and the plaintiffs; and the other, whether the plaintiffs had not in any case a good title to the cheque, even if they had received it direct form Messrs. Lizardi, on the ground that, being given for an antecedent debt, there was a valid consideration which prevented them from being affected by the equities attaching to Lizardi. The Court below had given most attention to the first point, holding that the giving up of the order on the defendants to pay the amount was a valid consideration for the cheque as between the plaintiffs and the defendants; but the Court of Error now went further, and decided, with reference to the second point exclusively, that "a negotiable security given for such a purpose is a conditional payment of the debt," and, being taken by the creditor as "money's worth," is as truly his property as the money which it represents would have been if paid in Bank of England notes or coin. The defence had been that a cheque was different from a bill of exchange at however short a date, because in the latter case the creditor gave delay to his original debtor, and this was a consideration entitling the creditor to proceed against the drawer, while there was no such consideration in reference to a cheque payable immediately; but the Court, it will be seen, refused to recognise the distinction, and has placed a cheque on the same footing as other bills of exchange. It is to be regretted, perhaps, that the Court was not unanimous, Lord Justice Coleridge having dissented from his colleagues in an elaborate judgment, on the ground that a cheque is not a bill of exchange, but an instrument *sui generis*; but the common sense of the matter is so plain that we hope there is no chance of an appeal or an alteration of the law as now settled.—*Economist.*

SOLICITORS IN THE COMMON COUNCIL.—Mr. Thomas Beard, solicitor, of Basinghall-street, City of London, for some years a member of the Common Council, has been elected chairman of the Officers' and Clerks' Committee of the Corporation, another solicitor, in the person of Mr. Frederick Kent, is chairman of the Law, Parliamentary, and City Courts Committee of the same municipality, and there are besides fifteen other solicitors in the Corporation of London in addition to the Lord Mayor.—*Law Times.*

SCOTCH BANKS.—As the question of the legal right of Scotch banks to open branches out of Scotland while retaining there note issues will, if possible, be discussed in the House of Commons this Session, it is important that the points at issue should be rightly understood, and with this object in view we submit the following remarks for consideration:—It has for a great number of years been the policy of the Legislature to prevent London banks from issuing bank-notes, and it has always been considered just that under these circumstances English banks possessing a circulation should be prevented from carrying on a banking business in the metropolis. This limitation, however, was not imposed on Scotch banks, doubtless because it was not supposed that they would open branches out of Scotland. By the Acts of 1844 and 1845 the banknote circulations of England and Scotland were subjected to new regulations. Those which relate to England were of a very stringent character, and have in fact reduced the country bank circulation of England from nine millions to six, while the Act is so framed that the English banks can only avail themselves practically of about three-fourths of this amount. English banks of issue are, moreover, still prohibited from opening branches in London or within 65 miles of it, unless, of course, they are prepared to give up their right of issue; and, in fact, the National Provincial Bank of England, which had the largest country circulation, has recently abandoned it because they were anxious to establish a branch in London. The Scotch banks possess much greater privileges, in consequence of which their circulation has considerably increased, and, what is of more importance, they practically enjoy a monopoly of the banking of Scotland. Since the year 1845 new banks have been opened in almost every part of England, but not a single new bank has been established in Scotland, while, on the contrary, several of those then in existence have ceased to exist. While these English banks of issue are precluded from opening branches in London, or within 65 miles, one or two Scotch banks have of late years opened agencies in London. Neither her Majesty's Government nor the Bank of England took any notice of this at the time, being no doubt under the belief that these establishments would be mere agencies and not actual branches; for it must be explained that English banks of issue may have, and some of them have long had, agencies in London, and with this right, which would also naturally be conceded to Scotch banks, it is not proposed to interfere. Within the last few months the Clydesdale Bank has opened three branches in the North of England. It cannot be supposed that Sir Robert Peel, while excluding English banks of issue from London, should have intended to allow Scotch banks, possessing even more exclusive privileges, to establish themselves there; and it is proposed, therefore, to provide for what was evidently a *casus omissus*, by subjecting the Scotch banks of issue in this respect to the restriction already imposed on English banks of issue. But more than this, the English country banks, while ready to face any competition on fair and equal terms, submit to Parliament that if Scotch banks desire to establish themselves in England, it is only reasonable to ask that before doing so they should surrender their present exclusive privileges, and become subject to the conditions imposed on all English banks. The English non-issuing banks have no wish to interfere with the issuing English banks so long as their privileges are exercised in accordance with the spirit and intentions of the Acts of 1844-5; but, subject to this, they submit that all banks doing business in England should do so on fair and equal terms. That these views are not confined to England may be seen from the very able article in the *Scotsman* of the 13th of October last. Under these circumstances it is proposed, as a measure which we believe would be considered just and equitable to all parties, that Scotch banks having special privileges of issue should be required to abandon those privileges if they propose to open branches in England, and that a similar condition as regards Scotland should in like manner be imposed on banks of issue in England.—*Times.*

At the meeting of the Corporation of Foreign Bondholders on Wednesday, Messrs Johnstone, Wintle, Cooper, and Co. were re-elected auditors of the corporation for the ensuing year.

WINDING-UP.—A petition is to be heard in the Court of Chancery on the 26th instant for the winding up of the Britannia Engineering Company (Limited).—Vice Chancellor Sir Charles Hall has made an order to wind up the Battersea Foundry and Horse-shoe Works (Limited), and has appointed Mr Frederick Whinney official liquidator.

After remaining just three weeks at 3 per cent., the Bank rate was on Thursday raised to 3½.

Mr Robert A. M'Lean notifies that he has withdrawn from the firm of Barnard, Clarke, M'Lean, and Co., public accountants, and that he will continue to carry on the business in his own name, and on his own behalf.

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EDINBURGH INSTITUTE OF ACCOUNTANTS.—At the recent annual meeting, the following gentlemen, having passed the usual examinations, were admitted members of the society:—Mr John Brodie, 29, St. Andrew-square; the Hon. Francis Jeffrey Moncrieff, 45, Frederick-street; Mr Francis More, 24, St. Andrew-square; Mr Douglas Murrie, 6, North St. David-street; Mr William Pollard, 26, Frederick-street; Mr George J. Walker, 49, Castle-street.

BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, Feb. 10.—

Thursday, Feb. 11	£14,565,000
Friday, Feb. 12	49,139,000
Saturday Feb. 13...	23,790,000
Monday, Feb. 15	20,184,000
Tuesday, Feb. 16	18,822,000
Wednesday, Feb. 17	18,392,000
	£144,902,000

THE BANK OF ENGLAND.—The return of the Bank of England for the week ending Wednesday, Feb. 17, compared with that for the previous week, shows the following changes:—

Circulation issue	£35,023,450	Increase	£103,225
Circulation active	25,663,120	Decrease	256,815
Public deposits	6,196,080	Increase	866,551
Other deposits	18,065,308	Increase	707,196
Government securities in banking department	13,595,034	Increase	26,313
Other securities in banking department	18,100,241	Increase	1,222,639
Coin and bullion in both departments	20,862,992	Increase	110,035
Seven day and other bills...	355,924	Increase	9,117
The Rest	3,424,835	Increase	32,938
Notes in reserve	9,360,330	Increase	359,040
Total reserve (notes and coin) in banking department	10,199,872	Increase	366,850

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The Accountant.

FEBRUARY 27, 1875.

TO SUBSCRIBERS.

In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of cases for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to Alfred W. Gee, 62, Gracechurch-street, London, E.C.

The insurance companies have had some sharp blows lately, and it is to be hoped that they may be somewhat more modest in the future. Nothing can be more amusing than the air of benevolence which these bodies assume. The pamphlets that they circulate, telling of the good working man who insured his life, and who, being presumably too good to live, died in thankful conviction that his children were provided for, while the wicked working man, who would not insure, or who was one of those customers of the Prudential who are always letting their policies lapse, died unrepentant, leaving his family to starve, or be supported out of the rates paid by the enriched representatives of his excellent brother-in-toil—are unphilosophically amusing, and presume a little too much on the childish spirit of their readers, for it is obvious that so many losses would soon reduce the most solvent office to absolute ruin. Then the piteous complaints of the chairmen at annual meetings that the public will not come and insure without being canvassed by personal solicitation, flaming placard, or dexterously-worded advertisement, are amusing to those sceptics who reflect that all this benevolent anxiety for the public good is combined with a strong hankering after dividends. Discredit has been thrown on insurance companies principally with reference to their solvency, but two cases which we report this week throw some light on another danger to insurers, and one that is far too little regarded.

We have in a previous article pointed out the difficulty that there is in ascertaining the true financial position of any office. But a still greater difficulty lurks in the conditions. As to these Lord St. Leo-

nards' opinion is well known. He distinctly stated that few policies were so framed as to render the company legally liable. Without quite assenting to this doctrine, we may lay down that few insurers know how much they are at the mercy of the companies, and how much they owe, not to their strict legal rights, but to the so-called "liberality of the company." The conditions, drawn up with every refinement of technical skill and legal cunning, are framed entirely in the interest of the insurers, and may be a serious hindrance to claimants. Lord St. Leonards' assertion is perhaps too sweeping, but there is certainly within our personal knowledge at least, one company whose conditions are so framed as to make a strict compliance with them impossible, and to enable the company to press cruelly on poor and weak insurers. And, then, as a rule, the insurance companies are the spoilt favourites of the judges. They are doubtless peculiarly liable to fraud, and it has been thought wise to strengthen their hands, and to strain and wrest the ordinary rules of construction in their favour. This has been taken advantage of, till the great rule for a company in dealing with its customers is conceived in the spirit which induced the bagman in *Punch* to ask the waiter what was the smallest sum he could give him without being considered mean; and induces them to try to compound for the minimum which will be accepted, without the "liberality" of the office being questioned, or the customer resorting to law; and a judicious use of their conditions is very effectual in producing this result.

It is, however, possible to be a little too technical, and this was the misfortune of the "Universal Non-Tariff Fire Insurance Company;" for though Vice-Chancellor Malins attributed their error to their insolvent condition, it is pretty certain that companies nominally solvent have taken similar objections. Their first condition was in the common form as to misdescription, and omission to state any fact material to be known for estimating the risk, though drawn less stringently than is the case in some policies we have seen. A fire took place, and the insured sent in a claim. The ground of resistance was that part of the property destroyed was roofed with felt, and that this was a misdescription. The answer of the insured was that this only affected a very small portion, and that the agent of the company had surveyed the property and fixed the premium. This, by the way, happened in Lord St. Leonards' case, and was then stated to be no protection. The company vainly endeavoured to repudiate the act of their agent, and contended, in compliance with a theory much in favour with insurance offices, that he was not their agent, but that of the insured. The Vice-Chancellor decided against them, on the ground mainly that their objections were not only frivolous, but such as could only have been resorted to by persons in so desperate a condition as to catch at any straw. But the case is none the less a very useful precedent. The insurance companies, we believe, contend that the agent who effects the insurance is merely the channel to convey premium and proposal to their office, and is not to be held to fix them with any responsibility for what he says and does. In so far as Vice-Chancellor Malins has disposed of this doctrine, he has made a great step towards freeing the body of insured from the galling fetters of musty precedent. As regards the materiality of the misdescription, he expressed no decided opinion. We wish he had stated boldly that such a misdescription would affect only the part of the property to which it applied, and that the cases of concealment are material only when a fire results from the operation of the facts which have been concealed.

Almost simultaneously with the case we have commented upon, an action against a Life Insurance Company had a similarly happy result. For thirty years, Mr. John Wells paid his premiums to the "Great Britain Society." The last premium fell due during his illness, and no notice was sent from the office as usual, or even then it would have been paid. On this ground the society claimed that all benefit from the insurance was forfeited. The "Great Britain" it must be noted is high in its rates, and it may be safely estimated that there is a gain to any company if the premiums have been paid for thirty years. However the directors, while repudiating any liability, offered to place the matter before the shareholders; but the solicitors for the plaintiff wisely brought their action at once without waiting to have a portion of their claim paid to them as a charity, with many shrieks of "liberality." Mr. Justice Brett severely commented on the conduct of the Company, which certainly richly deserved his censure. In fact the conditions of insurance companies ought to be like the bye-laws of railways—good only as far as they are reasonable, and to say that the failure to pay a last instalment when the amount insured has been more than made up, shall act as a forfeiture of the whole is wholly unfair and unreasonable. We hope that future judicial decisions may be as just and righteous as these which we have recorded.

The salary of Mr. Monckton, Town Clerk of the City of London, has been increased from £1,500 to £2,000 a year.

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The case of *Charlton v. Hay*, which has just been terminated in so unsatisfactory a manner, affords a fresh illustration of what we have so often insisted on—the danger of amateurism in matters of business. A thorough sifting, by properly-trained professional men would soon have explained the fraud. Baron Grant at once saw through the scheme, and Mr. Mowatt was equally clear in his condemnation. But Mr. Torrens, in the face of all warning, seems to have been strangely unsuspicious as to the reality of the vendors' statements. Then, again, the persons sent out to examine the oil works were Mr. Eastwick—a man of undoubted integrity, but utterly unfit to undertake the investigation—and a young engineer, who was chosen because he was the son of one of the directors. How completely they were fooled is now a matter of history. The Lord Chief Justice spoke, in his charge to the jury, of the conduct of Mr. James Waddell, the accountant. It is much to be wished, in the interest of all concerned, that Mr. Waddell had been retained to visit Canada. A man of his training and experience would very soon have detected the frauds in connection with the railway invoices, and the pretended books of accounts, and even without the aid of a mining engineer, would have stopped the swindle in its inception. Amateur directors are fast falling into universal discredit. In future, let intending shareholders insist upon inquiry into schemes being made by independent men of position and character, each working in his own calling. To decline professional assistance on the ground of saving expense is an act the consequences of which are soon felt in litigation and ruin.

BANKRUPTCY LAWS.—No 6.

(TRUSTEES CONTINUED.)

We hope that under the proposed amendments to the present Act, a portion of the existing red tape will be done away with, and the *unremunerative* work of the trustee be thereby reduced to a minimum. In small estates where the assets are insufficient to cover costs, it not unfrequently happens that the bankruptcy is kept open owing to the reluctance of the trustee to increase his loss by the expenses consequent upon closing; and that the eventual offer to annul, (accepted by the creditors perhaps out of sympathy for the trustee and solicitor) barely suffice to make good the costs and charges, a large proportion of which represent audits of the trustees *payments* and other formalities, which, however desirable in large estates, are of no possible advantage in poor ones.

In article No. 4, we advised trustees to take their instructions as to the course to be pursued at the public examination of a bankrupt in the form of a resolution by the Committee of Inspection.

This view has been confirmed by Mr. Registrar Roche, who on the 23rd inst., when sitting as Chief Judge, laid it down as a trustee's duty to consult his inspectors, and to take their direction by resolution in order that the court might be in possession of the written views of the creditors' representatives.

Coming back to the point at which we made a divergence. Within six months of his appointment the trustee, if he has not declared a dividend, should call a general meeting of creditors to report the position of the estate and offer explanations as to the reason for such non-payment. Where the trustee is so fortunate as to have the administration of an estate which has enabled him to declare a dividend, such a meeting is not requisite.

In taking steps to declare a dividend, the trustee should give a long notice of intended dividend; we advise a month clear.

The trustee must be careful not to overlook any claim which may be mentioned in the statement of affairs; and where there is a difficulty in arriving at an estimate of the eventual claim—as for instance creditors holding security—he should apply to them in writing for particulars, and if possible, obtain from them a valuation enabling him to estimate the ultimate result. Even if a creditor neglects to send in his claim, the trustee must in his declaration of dividend make a reservation, or his neglect to do so will entail a personal responsibility.

As soon as the estate has been realized and distributed, the trustee should take steps to close the bankruptcy and obtain his discharge.

The formalities requisite thereto, are so distinctly laid down by the act and rules, that there is no necessity to give them *in extenso* here, and, as since these articles were announced, the prospect of material changes in the Act have become more certain; we shall in our next article direct attention to composition and liquidation which run parallel, up to the first meeting of creditors, and then diverge.

H. B. (LONDON.)

REVIEWS.

Bankruptcy Legislation. By George Wreford. London: 1875. Effingham Wilson.

(SECOND NOTICE.)

We make no apology for returning to Mr Wreford's book, because a second careful perusal has confirmed the opinion we expressed last week as to its practical merits. And we think that we shall make a great step towards that full investigation of the working of the Bankruptcy Acts, which is so desirable, and in which our correspondents can so often assist us by recounting their personal experience, if we extract from Mr Wreford's work various alterations which he suggests, and invite free discussion upon them.

The first suggestions we have to call attention to are, as to the alteration of the proxy system, and what is

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closely connected with it—the remuneration of trustees. As to this we agree with Mr Wreford's observations at page 33:—

"A creditor should only be empowered to appoint as his proxy either another creditor in the matter, whose debt is above £10, or some person in his own permanent employment. A proxy should be only available at one specified meeting. No creditor should represent by proxy more than a certain number of the other creditors. The remuneration of a trustee should not be fixed by resolution of creditors, but should be in accordance with a prescribed scale of per centage on assets realized. A trustee should not be remunerated by time engaged, as such a system is really a direct premium on delay. But this remark does not apply where an accountant is employed to investigate a bankrupt's accounts or to prepare balance sheets. When so engaged, remuneration for time occupied may be a reasonable mode of payment. And on this point it is considered that the present bankruptcy scale does not afford an adequate remuneration for the services of a really able accountant, when engaged in elucidating intricate or complicated transactions. The writer is also fully aware from his own experience that any per centage scale on assets realized would, in certain cases, be but a sorry remuneration for the serious risks incurred, and the great labour and time bestowed by a professional trustee in endeavouring properly to discharge his duties, and carry out the instructions of the creditors in relation to the winding up of a bankrupt's estate. To meet such exceptional cases provision might be made for the grant of an additional allowance by the creditors, under a special resolution setting forth the grounds for such extra allowance. But to guard against the malpractices at present prevailing a trustee should be strictly precluded from voting on the question of his own remuneration, and any special resolution for remuneration in excess of the prescribed scale should require the approval of the Court before being operative."

Mr Wreford adds that in his view the Court should have a veto on the appointment of the trustee, and should, on the representation of the dissentient minority of creditors, examine into his fitness, and, if necessary, call upon the majority to make a fresh appointment. On no account should a relative or any person connected with the bankrupt, or the Registrar of the County Court, be appointed. He advocates, also, the approval and registration of "a class of persons, presumably accountants," from whom trustees might be selected. With these suggestions we agree.

We cannot join in Mr Wreford's proposal to free after-acquired property of an undischarged bankrupt absolutely, after the lapse of four years, though we agree with him that the functions of the trustee might be made to cease at an earlier period, and the creditors individually left to their remedy. It is early as yet to test the working of this portion of the Act, but we are decidedly of opinion that the Act should be administered in the interest of creditors, and that sufficient facilities exist already for shifty debtors without adding to their number. Again, with regard to sections 72 and 92, as to the jurisdiction of the Courts and "fraudulent preferences," Mr Wreford's objections come to this, that the Court is a little too much inclined to rely on precedent and not stretch its powers. How does it happen that a jury decided what constituted an act of bankruptcy, (p. 43?) Surely this is a question of pure law, and not for a jury to pronounce upon at all. We should like some fuller reference to this case. The trickery with regard to bills of sale will be met, we hope, by the passing into law of Mr Lopes' Act. Liquidations are undoubtedly much liable to abuse, and the sketch of the proceedings which Mr Wreford gives is very clear and accurate. His improved system is as follows:—

"A debtor desirous of having his estate liquidated should file a petition for that purpose with the consent of one or more creditors for £20, in which petition he should admit his inability to pay his debts, and should consent to the Court adjudging him bankrupt in the event of his creditors objecting to a liquidation and resolving on bankruptcy. He should, thereupon, file a list of his creditors and statement of his assets in duplicate, and the registrar should summon a first meeting of creditors as in bankruptcy; but giving, in addition to the notice required in bankruptcy, a notice by post to each creditor. The meeting should, as a rule, be held within 14 days of the filing of the petition. A return of each petition filed in the country should be made by the registrar to the London Court, and the duplicate list of creditors and statement of assets should also be forwarded. The filing of a petition should act as an interim injunction against all proceedings, as proposed with regard to a bankruptcy petition. The registrar should protect the debtor's property till the first meeting, as in bankruptcy, either as provisional trustee, or receiver, according as it is deemed desirable or not, that the property should vest in any person prior to the meeting of creditors. Possession of the property should be taken by the registrar through the high bailiff of the Court as in bankruptcy. The alterations proposed with regard to voting by proxy in bankruptcy should, as a matter of course, be extended to liquidation, for it is in the latter that its evil effects are most felt. The first meeting should be held in the same manner as in bankruptcy, except that it should be considered a private meeting before the registrar in chambers. It may be satisfactory to have as the chairman of an informal preliminary meeting of creditors, which is sometimes summoned in important cases for the purpose of discussing the debtor's affairs, one of the creditors themselves. It is, however, quite certain that in the majority of cases a person selected at random from a body of creditors is quite incompetent to properly fulfil the important duties of chairman at a statutory meeting where proofs of debt have to be admitted, and formal resolutions have to be submitted to the meeting and reduced into writing in the prescribed manner. At such meetings the chairman is at present too often either partial or incompetent, or both. The necessity of having a registrar of the Court, or some other competent officer to preside at statutory meetings of creditors, is therefore very apparent. If a certain number of the creditors should desire the meeting in any matter to be held at a place other than the usual place of the Court sittings, the rules applicable to bankruptcy should apply. The objects of the meeting should be two-fold:—First, to consider whether the debtor's conduct has been honest and straightforward, and, if so, to pass a resolution for liquidation by arrangement; but if unsatisfactory, to determine by resolution that he be adjudged bankrupt. Secondly, whether liquidation or bankruptcy be resolved on, to appoint a trustee, committee of inspection, &c., as at first meeting under a bankruptcy. If the creditors determine an open bankruptcy, the Court should forthwith make an order of adjudication, and appoint a sitting for the public examination of the bankrupt. If a liquidation by arrangement be resolved on, the debtor should, at the meeting, be sworn by the chairman as to the truth of the statement of his affairs submitted by him to his creditors. If the creditors fail to pass any resolution whatever, the Court should adjudge the debtor bankrupt without petition, and with or without an application by a creditor."

Except that the public examination would be dispensed with, the subsequent proceedings would continue as in bankruptcy. With regard to compositions, Mr. Wreford seemingly favours the Scotch system, in which a majority of nine-tenths in value is substituted for our majority of three-fourths. The objection to this is, of course, that one or two hostile creditors might be able to prevent a really deserving debtor from obtaining his discharge. He suggests also that where a composition of less than 10s. in the pound is paid, the debtor should be protected for the term of three years, as in bankruptcy, and should then remain liable for the balance to the dissentients. On the whole we

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prefer Mr. Wreford's alternation scheme, which we quote *in extenso* :—

"The creditors to have power at the first meeting, under a petition for composition arrangement summoned as above, to pass a special resolution that any proposal for compounding the debts due from the debtor be entertained, and that the terms of the proposal be embodied in a deed of composition to be made between the debtor and his creditors,or a trustee on their behalf to be named by the resolution, such deed to be binding upon all the creditors when signed or assented to in writing by a majority in number, and three-fourths in value, of all the creditors whose debts exceed £10, and when approved by the Court; a period of fourteen or twenty-one days to be allowed for obtaining the requisite signatures or assents, and notice of the time appointed by the Court for confirming the arrangement to be given to every non-assenting creditor—any dissentient to be heard in opposition to the deed. The Court to be satisfied that all creditors signing or assenting to the deed have proved their debts in the prescribed manner. The debtor's estate to be protected after the first meeting, and pending completion of the deed, by a receiver appointed by the creditors at the meeting, or prior thereto, such receiver to be the same person as the trustee, if any, appointed under the deed. If the debtor fail to obtain the requisite majority of assents within the prescribed time, the Court to adjudicate him bankrupt upon the application of a creditor for £20, and without petition."

The extracts we have made will show pretty clearly the spirit and the style in which Mr Wreford writes, and we shall be glad to see his views commented upon. The book can be judged from the specimens we have given; and we repeat our cordial commendation of it to our readers.

Correspondence.

TO THE EDITOR OF THE ACCOUNTANT.

DEAR SIR,—As under the rules of the various Societies of Accountants, candidates are frequently subjected to an examination, I send you a few questions and answers to assist both the examiners and the candidates.

1. What is bankruptcy?—A system of whitewashing much in vogue at the present time

2. What are its peculiar advantages to bankrupts?—It enables them, if sufficiently unscrupulous, to punish those creditors who dare to differ from them, and to obtain complete protection from their menaces.

3. What are its advantages to creditors?—Doubtful; it does, however, enable them to reduce an uncertainty to a practical certainty, *i.e*; whereas outside of bankruptcy they might be paid; in bankruptcy they are sure to make a heavy loss.

4. How are bankrupts' estates administered?—Generally by professional trustees, but not unfrequently by trade creditors acting in such capacity, and supervised by a committee of inspection.

5. What are the trustees' duties?—To get in the estate if there is one to get in, to incur personal risks, such as damages and costs, with an occasional variation in the monotony of routine, such as being shot at; and to receive with good temper abuse or censure from anybody who chooses to volunteer it. To examine and settle the claims, and to hope to get paid for his services once in six times.

6. Is the post often accepted by trade creditors?—Not unfrequently, but rarely more than once by the same person, the *mania* working its own cure.

7. Is bankruptcy considered distasteful?—Yes, to honest men; but rather agreeable to rogues, as it affords a lively diversion to constant dunning.

8. What is touting?—A system of canvassing resulting from the Bankruptcy Laws, which is strongly reprobated by all respectable solicitors and accountants, and largely adopted by all.

9. If touting is considered so derogatory, why, then, is it adopted?—Because, under our present laws, unless it is done, swindlers have it *all* their own way.

10. How could it be prevented?—It is difficult to prevent it altogether; but it could be materially reduced if all respectable accountants were to agree not to interfere with the accountant who is first called in; and by holding him responsible,either pecuniarily,or in reputation, for making statements which he is not in a position to substantiate.

11. How could the responsibility be rendered effective?—By a charter, and by rendering a man liable to expulsion from his corporation (thus withdrawing his power to practice) in the event of his acts being such as to tend to bring the profession into disrepute.

12. Define an accountant?—At the present day there are two classes of accountants—those who know their business and those who do not. Those who know their business are competent to deal with accounts of all kinds, and are well versed in commercial customs and usages. They are eligible as liquidators, arbitrators, trustees, and for various posts requiring high business and professional attainments, and demanding integrity in conjunction with efficiency. Those who do not know their business have no business to exist: they are not only commercially, but also physically, a mistake.

13. Is it the duty of an accountant to garble or misstate accounts in the interest of his client?—Certainly not! A solicitor is bound to twist the law as best he can to suit his client's interests, because laws are open to various interpretations and constructions, but accountants should deal with facts and figures as facts. An accountant who misrepresents figures or facts is a mistake, and should be wiped out.

14. Then you have a rather high estimate as to the value of an accountant?—Certainly. He should be like Cæsar's wife, above suspicion, and honour and brains his sole stock in trade?

15. But accountants are liable to temptation like other men?—There is no denying this, but owing to the peculiar nature of their avocations their services should be properly appreciated, and the penalty for infringement of the highest code of honour, efficiency, and integrity, proportionately severe.

The foregoing, Mr. Editor, is only a small instalment of the outpourings of a full heart. There is more to come in due course from your obedient servant,

A MAN OF BUSINESS.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—Some delay in receiving the copy of the *Accountant* of the 6th inst. and a variety of engagements, have prevented me from writing in reply to your comments on my previous letter; but you have one sentence which contains a statement by no means correct. You say, "All proofs of debt must be verified by affidavit made before some commissioner, and not by oath to the trustee." I venture to submit that the trustee has ample power to administer oaths in verification of proof debt in any matter in which he is a trustee. In support of which assertion I beg to refer you to the Bankruptcy Act 1869, sec. 25, par. 1; also to a comment on it in "Roche and Hazlitt's Law and Practice of Bankruptcy,"

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p. 49, which is as follows:—"As the trustee after his appointment at the first meeting *is empowered to administer an oath*, persons swearing falsely will be liable to indictment for perjury."—Yours truly,

J. H. C.

COURT OF CHANCERY, Lincoln's Inn.

February 19.

(Before the Lords Justices *of* Appeal.)

Bankruptcy Business.—Yesterday Mr Glasse, Q.C., mentioned to the Court that Thursday is an inconvenient day for the hearing of Chancery appeals by reason of its being the motion day in the Courts of the Master of the Rolls and the Vice-Chancellors. Their Lordships then said that they would change the day for hearing bankrupt appeals from Friday to Thursday, if they found that this would not be inconvenient for those members of the Bar who practise in Bankruptcy. This morning the matter was mentioned by Lord Justice James, and both Mr. De Gex, Q.C., and Mr Winslow, Q.C., agreed that the proposed change would occasion no inconvenience. Thereupon, Lord Justice James said that during the remainder of the present sittings the bankrupt appeals will be taken on Thursday instead of on Fridays, and Chancery appeals will be taken on Fridays.

February 22.

(Before the Court *of* Appeal.)

In re Charles Lafitte and Co. (Limited).—Lafitte's Claim.—The object of this application was to obtain leave to enrol an order of Vice-Chancellor Bacon made in December, 1873, with the view of appealing against it to the House of Lords. The case arose out of a claim by M. Charles Lafitte, banker and financial agent at Paris, under the winding-up of Charles Lafitte and Co. (Limited), for damages sustained by the company's breach of their contract to purchase his business. The company, which was formed at the end of 1865 for the purpose of purchasing and carrying on this business, was in November, 1866, ordered to be wound up. After a long litigation, the House of Lords referred it back to the Court of Chancery to ascertain what damages M. Lafitte had sustained from the company's breach of contract. The official liquidator desired to have the question of damages assessed by a jury, and attempted, but without success, to obtain an order to that effect from Lord Selbourne, when sitting for the Master of the Rolls in July, 1873. The case was afterwards transferred to Vice-Chancellor Bacon's Court, and on the 11th of December, 1873, his Honour ordered that the question of damages should be tried before himself without a jury. This order was not enrolled, and in December last M. Lafitte's claim was heard by Vice-Chancellor Bacon, who allowed the claim for the whole amount (£90,000) with interest. The official liquidator, being dissatisfied with this decision, obtained on the 9th of February, a conditional order to enrol the order of December, 1873, notwithstanding the expiration of the period of six months prescribed by the Orders of Court. Cause was shown against this conditional order on behalf of M. Lafitte, who, on the 12th of February, succeeded in getting it discharged. From such discharge the present appeal motion was brought by the official liquidator. Mr Jackson, Q.C., and Mr Graham Hastings, for the appellant, contended that the burden of showing that the enrolment ought not to be allowed was thrown upon the party resisting the enrolment, which simply gave validity to the order made, and enabled the party wishing to appeal to produce to the House of Lords in the official form alone recognized by that tribunal the order of the Court below against which the appeal was brought. The hearing of the claim for damages in Vice-Chancellor Bacon's Court had been postponed until December last by the pending of other heavy matters, and until the result of that hearing was obtained it was not worth while to appeal from the preliminary question of assessment by the Vice-Chancellor sitting alone or by a jury. Lord Justice James said that the order of the Vice-Chancellor was quite right. The mode in which the question was to be tried, whether by the Judge sitting alone or with the assistance of a jury, was in this case the question to be tried; and now that the whole thing had been tried and determined by the Vice-Chancellor and all the expense had been incurred on the basis of the order, which had been allowed to remain unenrolled since December, 1873, it would be eminently unjust to allow the official liquidator to go to the House of Lords and endeavour to set aside all that had been done. The Court was intrusted with a judicial discretion, and was bound to exercise it by refusing leave to enrol in the present case, when the official liquidator had submitted to the order for more than 12 months, and had not only gone on incurring expense himself, but had put his adversary to very considerable expense, and only now, for the first time, when the decision had gone against him, turned round and sought to set aside everything that had been done under the order. The appeal must be dismissed with costs. Lord Justice Mellish was of the same opinion. Of all other orders, an order which prescribed the mode in which a case should be tried was one that should be appealed from before it was acted upon. Allowing an appeal to be brought in this case was entirely a matter in the discretion of the Court, and in the exercise of that discretion their Lordships must decline to allow the official liquidator, who had waited to see if the decision of the Court below was in his favour before making up his mind to enrol the previous order, now to enrol that order so as to enable him to appeal from it to the House of Lords.

VICE-CHANCELLORS' COURT, Lincoln's-inn,

February 19.

(Before Vice-Chancellor Sir R. Malins.)

In re the Pneumatic Company (Limited).—Mr Graham Hastings appeared in support of a petition by a creditor for winding-up this company. Mr. Speed opposed the petition on behalf of the company, and stated that negotiations were in progress with two railway companies for a transfer of the undertaking. It appearing that the petitioners, a firm of engineers, had made repeated applications for payment of their debt, but without success, His Honour made an immediate order for a compulsory winding-up, but directed that it should not be drawn up for a month.

February 20.

In re the Universal Non-Tariff Fire Assurance Company (Limited), ex parte Peter Forbes and Co.—The arguments upon this adjourned summons were commenced on Saturday, the 23d of January, continued on Saturday, the 30th of January, and concluded on Monday, the 1st of February, when his Honour reserved his decision. Judgment was delivered this morning, and, as it will be seen, the case, which is a claim made in the winding up of the above-named company by persons who had effected an insurance with them, involves important principles with reference to the law affecting insurances against fire. Mr Higgins, Q.C., and Mr Langley appeared for the claimants, Messrs Peter Forbes and Co., in support of the claim; and Mr Glasse, Q.C., and Mr M. Cookson, on behalf of the official liquidator of the company, opposed it. The Vice-Chancellor said: This company was incorporated and registered on the 29th of March, 1871. The capital was to be £250,000, divided into 100,000 shares of £2 10s. each. The company was a failure from the beginning, for it appears from the evidence of Mr Jones, the manager, on his cross-examination of the 16th of December, 1873, that no more than 1,119 shares were ever taken, producing a capital of £2,817 10s. (assuming the shares to be paid in full, which they were not), out of which the expenses of forming the company had to be paid; and with this capital they had the boldness—I may say audacity—to begin the business of fire insurers, and to hold themselves out as a substantial company, with a sufficient capital to meet all demands that could be made upon them. It is plain that this is an imposition practised on the public for which all the parties concerned in it ought to be answerable. The claimants in this case were in 1871 carrying on business as manufacturing chemists and paraffin oil makers at Port Dundas, Glasgow, and believing the representation made by this company they had the misfortune to open negotiations with them for an insurance on their

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manufactory in the month of May, 1871, which resulted in their effecting a policy with them on the 8th September following, for the sum of £1,550. The insured property was destroyed in an accidental fire on Dec. 23 following, by which the claimants have sworn that property covered by the insurance to the value of £1,350 was destroyed. The claim for this amount was sent to the company in the usual course, and I have no doubt it would have been promptly met if they had been in funds, but the facts I have stated show that they were not in a situation to meet the demand, and the consequence was that, as might have been expected, objections were taken to the validity of the policy which would not have been thought of if it had not been for the wretched state of poverty and insolvency of the company. It appears from the cross-examination of the same Mr Jones, the manager, that when the demands of the claimants under the policy ought to have been satisfied, namely, in April, 1872, the balance of the company at their bankers was £20, and that they had the command of between £200 and £300 altogether, though upon being pressed he declined to say where it was. The claimants, being unable to obtain satisfaction of the demand under the policy, presented a petition to wind up the company on the 20th of March, 1872. That petition came on to be heard before me on the 31st of May following, when it was resisted on the ground that the company disputed the liability under the policy, and therefore the debt upon which it was founded, but they stated most erroneously, as it now appears, that they were perfectly solvent and able to pay the debt of the petitioners if they proved it. The debt in respect of which the petition was presented being thus disputed, I ordered the petition to stand over until the petitioners had proved their debt. For the purpose of doing so they immediately brought an action against the company, which was called on for trial at the Summer Assizes at Hertford on the 10th of July, 1872, but as there was not sufficient time to try the case, a verdict was taken for the petitioners for £1,350, subject to a special case or some other proceedings before the Common Law Courts; but, for some reason which has not been explained, the Judge who tried the case appears to have required the company to pay £1,000 into Court, which they accordingly by some means did. Before anything further had been done, the company resolved to wind up voluntarily in November, 1872, and another creditor having presented a petition to wind up the company, upon that petition an order to continue the voluntary winding up under supervision was made by me in December, 1872. Under this order Messrs. Peter Forbes and Co. have claimed the £1,350 which they say is due to them under the policy as a debt against the company, and their demand being resisted by the official liquidator, I have to decide the question which has been raised as to the validity of the policy. I should state that the premium paid on the policy was £33 17s 3d, being at the rate of £3 3s per cent. on the buildings and 31s 6d per cent. on the stock-in-trade. These, I am informed, are about the largest premiums ever paid, and it may therefore have been well supposed by the assurers that they paid such to cover all risks. But the liability under the policy is resisted on the ground that there was such a misdescription of the property insured as to render it void; and the misdescription consists in a statement that the buildings were slated—that is, roofed with slate; while one of them, the still and boiler-house, was roofed with felt. The assured contend that this is not such a misdescription as to vitiate the policy, and that if it could have that effect it would only do so as to the particular building, to which a liability of £200 only was attached, which they say became unimportant, as that building was not destroyed or affected by the fire. And they also contend that if the misdescription was important, it was not made by them, but by Mr Donald, who was the agent of the company at Glasgow to inspect the property for the purpose of fixing the amount of the premium, and that he forwarded the misdescription to the company without having been told by them what the roof was, or having made any inquiry on the subject. Now, as to the materiality of the misdescription, the first condition endorsed upon the policy was as follows:—"Any material misdescription of any of the property proposed to be hereby insured, or of any building or place in which the property to be so insured is contained, and any misstatement of, or omission to state, any fact material to be known for estimating the risk, renders the policy void as to the property affected by such misdescription, misstatement, or omission respectively." It is suggested on the part of the company that they would have refused the risk if they had known of the felt roof, but I am satisfied they would not have done so, and that a higher premium would not have been required, and I do not, therefore, consider that it was a material misdescription within the meaning of the first condition of the policy, and I am satisfied that no such defence would have been set up if it had not been for the miserable state of poverty of this company, to which I have already referred. Several cases were cited by the counsel for the official liquidator for the purpose of justifying the defence. There is no doubt that if the description is in the form of a warranty, or amounts to a warranty, it must be strictly true, or the policy will be void. His Honour then elaborately reviewed the various authorities upon this point, referring to "The Newcastle Insurance Company v. M'Mullan," 3 "Dow," 255; "Parsons v. Bignold," 15 "Law Journal Report, Chancery," 379; "Anderson v. Fitzgerald," 4 "House of Lords," 484, 497, 502, and "Bates v. Hewitt," "L. R., 2 Q. B.," p 595, from which later case he cited a passage from Cockburn, C. J., at page 604, that "the party proposing an insurance is bound to communicate to the insurer all matters which will enable him to determine the extent of the risk against which he undertakes to guarantee the insured." The Vice-Chancellor also referred to "Donald v. the Law Life Insurance Company," "L. R., 9 Q. B.," 328; "Doe v. Manning," 4 "Camp," 76; "Benham v. the Guarantee Society," 7 "Exch.," 744; and "Towle v. the National Guardian Society," 3 "Giffard," 42; and after stating that the principle applicable to the present case was that stated in "Smith's Merc. Law," 8th edition, page 405—viz., "if the description of the property be substantially correct, and a more accurate description would not have varied the premium, the error is not material," continued:—But, assuming the misdescription to be material, I am of opinion that it was made by Donald, as the agent of the company, and that the assured are not answerable for it. It was strongly contended by the counsel for the official liquidator that Donald was not the agent of the company, but the correspondence between him and Jones, the manager of the company, so completely showed that he was their agent that this part of the defence was virtually given up. The proposal for the insurance was made by him in a letter of the 30th of May, 1871, and the correspondence between him and the company was continued down to the date of the policy, and afterwards and throughout that correspondence he was treated as the agent of the company, and in their books he was stated to be so. A great number of letters were read on the part of the official liquidator, which it is unnecessary to go through; but there is one, dated the 22d of August, 1871, from Jones, the manager, to Donald, which conclusively shows that he was the agent of the company, for it contains this expression:—"Please do not put the company on risk until advised of its acceptance from here." How could Donald put the company on risk if he was not their agent? Was he, then, the agent of the company to inspect and describe the property to be insured? Upon a careful consideration of all the evidence in this case, I am of opinion that the description of the property was given to the company by Donald as their agent, and did not proceed from the assured at all, and that they are, consequently, not responsible for the mistake which was made as to the felt roof or any other misdescription of the property. I am, therefore, of opinion that the assured have established their right to stand as creditors against the company for the damage sustained by the fire, not exceeding the sum of £1,350 which they claimed in the action; and I am also of opinion that the £1,000 paid into court in the action must be applied in or towards satisfaction of the amount for which they may prove themselves to be creditors. I suppose the amount of the loss must be ascertained in Chambers if it is disputed. They must also have the costs at law and in the winding-up.

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COURT OF COMMON PLEAS.

February 23.

WALKER AND OTHERS V. THE GREAT BRITAIN MUTUAL LIFE ASSURANCE SOCIETY.—The plaintiffs were the executors of Mr. John Wells, and they sued to recover the amount of two policies upon his life for £499 each, which were effected in May, 1845. The defendants disputed their liability upon the ground that the last annual premium had not been paid. Mr D. Seymour, Q C., appeared for the plaintiffs; Mr M'Intyre for the defendants. It was stated that Mr Wells in his lifetime had more than once sent the premiums late, and further that the office was in the habit of sending notices when the time for payment arrived. Mrs Wells would state most distinctly that she had received no notice as to the last payment becoming due. If she had received the notice she would have paid the premium, as she had plenty of money in the house at the time. Mr Justice Brett said that the premiums had been paid for 30 years, and now what the defendants relied upon was that the last premium had not been paid. Mr M'Intyre said that was so, but the correspondence showed that the directors wrote to the plaintiff's attorneys saying that they had no power to pay the money under the circumstances, but they would bring the case before the shareholders, and strongly recommend them to pay it. The plaintiff's attorneys, however, refused to agree to this, and brought the action at once. This step having been taken, the matter must now be disposed of according to law. Mr Justice Brett made some strong observations upon the course which the directors of the company had thought fit to pursue. The defendants had received the premiums for 30 years, and their objection now was that the last premium, which became due when Mr Wells was out of his mind, and dying, was not paid. After some discussion it was arranged that a juror should be withdrawn, the defendants undertaking to pay both policies less the amount of the premiums due.

COURT OF BANKRUPTCY.

February 19.

(*Before Mr Registrar* PEPYS, *sitting as Chief Judge.*)

IN RE HENRY BRINSLEY SHERIDAN, JUN.—The bankrupt was a contractor carrying on business in George-street, Westminster, and he had been adjudicated upon the petition of Messrs D. M'Stephens and Co., discount brokers, Manchester. This was an adjourned sitting for public examination. Mr Baker appeared for the trustee, and Mr E. Lee for the bankrupt. It was stated that the bankrupt had made a proposal with a view to the annulment of the adjudication, and the proceedings were adjourned for a month.

IN RE R. L. HOLLAND.—The debtor was described as lately carrying on business as an insurance broker at 10, Clement's-lane. He filed yesterday a petition under the 125th and 126th sections, with liabilities returned at £17,000, and assets consisting of furniture of the value of £1,000, and a reversionary interest under a settlement. It appeared that actions were pending at the suit of creditors, and in one case judgment had been signed, and execution would shortly issue. Upon the application of Mr Brough for the debtor, and with the concurrence of creditors, whose claims amounted to £5,578, his Honour appointed Mr Spain, accountant, receiver of the property, and granted an interim injunction to restrain actions.

February 20.

(*Before the Hon.* W. C. SPRING-RICE *sitting as Chief Judge.*)

EX PARTE EDWARD HARVEY, RE NUTT.—(The Bankruptcy Act 1869, s. 126. Rules 297, 298, and 299. Receivers and Managers: Payment of balances due to them and their charges).—This was an application by Mr Edward Harvey, the trustee under an extraordinary resolution for composition passed under proceedings for liquidation, or composition, instituted by the debtor, for an order that the debtor should repay Mr Harvey the balance due to him, as shown by his accounts, whilst acting as receiver and manager of the debtor's estate; and also for payment of Mr Harvey's charges for his services whilst acting as such receiver and manager, and for the costs of the application. Mr J. Seymour Salaman, solicitor, appeared for Mr Harvey, and stated that the debtor was a builder, and that the principal part of his property consisted of two contracts for the erection of two chapels; and that, at the time of his failure, some sums of money were required for the purpose of continuing the contracts. It also appeared that the receiver who had been appointed on the nomination of the debtor, was unable or unwilling to make the necessary payments, whereupon, at the instance of the principal creditors, Mr Harvey had been appointed receiver and manager, and at the first meeting the creditors assented to Mr Harvey continuing to manage the estate and to make the necessary disbursements. This continued until, at the adjourned meeting, a composition was offered and accepted by the creditors; and a resolution was passed that the receiver and manager's outlay, and his charges, should be paid in full. On the presentation of the resolution to Mr Registrar Keene, the learned Registrar rejected a portion of the resolution referring to the receiver's outlay and charges, but registered the rest of the resolution as to composition. Mr Harvey had then been appointed trustee, and had paid an instalment of the composition out of monies handed to him by the debtor for that purpose. Mr Harvey now claimed a sum of about £400 balance of account—having expended very large sums of money, portions of which he had been recouped; and he had also his claim for remuneration as manager. Another instalment of the composition was about to become due, and there were considerable assets belonging to the debtor in other directions. Mr Harvey now applied for an order that he should be recouped his outlay, and be paid his charges. Mr Salaman referred to the case of "re Lyons ex parte Brett," where it had been decided that, after the passing of an extraordinary resolution, the Court had no jurisdiction under the 72nd section of the Bankruptcy Act to interfere between the receiver and the debtor; but argued that, according to the judgments of the Lords Justices in that case, it appeared that the Court had jurisdiction, even in cases of composition, to take the accounts and exercise jurisdiction between receivers and the debtor who had been put into possession of his estate, but only subject to the charges created thereon—such as amounts due to receivers and managers, for their charges as officers of the Court. Mr Salaman also referred to Rules 297, 298, and 299, the latter of which applied the principles of the Court of Chancery as to receivers and managers appointed under the Bankruptcy Act, and cited "Kerr on Receivers" to show that the Court of Chancery would direct the payment of a receiver's expenses, and any amount due to him where he had made disbursements out of his own pocket in the management of an estate. Mr Williams appeared for the debtor, and contended that the Court had no jurisdiction to entertain the application. His Honour expressed his opinion that the debtor was liable, but ultimately made an order that Mr Harvey should deliver his account of his receipts and disbursements to the debtor, and should carry in his bill of charges and expenses as receiver and manager to the Taxing Master's office for taxation; and reserved his judgment upon the rest of the application, with liberty to apply, and also reserved the costs of the application.

IN RE WM. FINNEY.—This was an adjourned sitting for public examination. The bankrupt formerly carried on business at the Coal Exchange as a coal merchant, and his accounts showed liabilities of about £25,000 and assets £3,800. He has been before the Court for a period of nearly 12 months. Mr. W. A. Crump, who appeared for the trustee, said the bankrupt had been examined privately as to his transactions, and no good object would be attained by again adjourning the matter. Mr Oswald appeared for the bankrupt. The Court allowed the bankrupt to pass.

IN RE ROLAND G. T. BARNETT.—This was an adjourned meeting for public examination in the case of Roland Gideon Israel Barnett, described as of 8, Buckingham-street, Strand, commission agent, whose statement of affairs discloses liabilities to the extent of £9997, and assets £40.—Mr G. Lewis, jun., appeared for Mr H. A. Bass, of Rangemore, near Burton-on-Trent, a creditor for £512, and proposed to examine the bankrupt.—On the case being called the bankrupt did not appear, and Mr Lewis said he presumed that as it was a cold morning the bankrupt

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preferred the comfort of his fireside to attending the court.—Mr Lee represented the bankrupt.—His Honour said that if there was no appearance a memorandum to that effect must be filed. —Mr Lewis said that the bankrupt had not attended any of the sittings of the Court. His deeds were not unknown to the Court of Bankruptcy on previous occasions.—The Registrar: We won't discuss them now.—Mr Lewis said the creditors did not intend to allow him to pass through the court without opposition. It was noticeable that two trustees had been appointed in the bankrupt's interest to administer an estate of £40.—Mr Lee said that the trustees were highly respectable persons, and there was no ground for making any attack upon them.—Mr Lewis observed that the trustees, at all events, appeared to be represented by the bankrupt's solicitor.—His Honour thought it would be useless to continue the discussion, and directed a memorandum of the bankrupt's non-appearance to be filed.

February 22.

(Before Mr Registrar MURRAY.)

IN RE ALBERT PELLY.—The debtor, a merchant, carrying on business in Finch-lane, has filed a petition under the liquidation clauses, with liabilities returned at £44,000, and property of which the value is not yet ascertained. Upon the application of Mr Brough for the debtor, and with the concurrence of creditors for £20,000, Mr Registrar Murray appointed Mr John Young, accountant (Turquand, Youngs, and Co.) receiver of the assets, and granted an interim injunction restraining proceedings by one of the creditors.

(Before the Chief Judge in Bankruptcy.)

EX PARTE HALFORDS RE JACOBS.—This was an appeal from the Derby County Court. Shortly before the debtor, Benjamin Jacobs, entered into a composition with his creditors, he persuaded the appellants to renew for a further period of two months a certain bill then due. He stated to them in writing that he was perfectly solvent, and should be well able to meet the bill at maturity. Before the bill matured he entered into a composition with his creditors. The appellants proved their debt and accepted the composition offered, but took no further part in the proceedings. They then brought an action against Jacobs for the balance due to them under section 15 of the Debtor's Act, 1869. The County Court Judge made an order restraining this action, and from his order this appeal was brought. The Chief Judge held that the County Court Judge had no authority to restrain the action, and discharged the order, giving to the appellants the costs in the court below.

EX PARTE DAWE RE HUSBAND.—This was an appeal from the Plymouth County Court. In August, 1873, James Bishop obtained two judgments against Samuel Husband. The first was for £80 18s. 4d., and under this he seized the goods of Husband on September 5, and sold them on the 17th. Under the second judgment, which was for over £50, he seized the goods of Husband again on September 23, and sold them on the 29th. The proceeds of the first execution were paid to Bishop on Oct. 13, and the proceeds of the second on the 15th. On October 21 a petition in bankruptcy was filed against Husband by two creditors, the act of bankruptcy alleged being the execution issued on September 5, and Husband was adjudicated bankrupt on this petition on November 5. An application by Dawe, the trustee, to the County Court Judge for an order on Bishop to pay over the proceeds of the second execution was refused, and from this decision the trustee appealed. The Chief Judge held that, as the execution creditor had issued the first execution, he had when he issued the second execution notice of an act of bankruptcy, and that, having such notice, he could not hold the proceeds of the goods seized and sold under the second execution against the trustee. The appeal was dismissed.

February 24.

(Before Mr Registrar MURRAY, *sitting as Chief Judge.)*

IN RE WILLIAM CHAVASSE, ice safe manufacturer, of 505, Oxford-street, and Walthamstow.—A meeting for first examination was held in this matter, and the bankrupt was examined on a proof which had been tendered by his brother, Grant Chavasse, of Walsall, in which he swore that the bill exhibited was drawn and accepted by the debtor; but upon the bill being placed in the debtor's hands he stated that the signature was by his brother, Grant Chavasse. An account also appeared in one of the ledgers, which the trustee (Mr J. H. Tilly, of the firm of Tilly and Co., public accountants, Victoria Buildings, Queen Victoria-street), had reason to believe referred to the Walsall business, and from entries in this book he believed that the business really belonged to the bankrupt, although not so set out in the statement of affairs. The bankrupt explained this heading by saying that it was "The Washing Machine Account." An account also appeared in another ledger headed, "W. Chavasse, Walsall," which was debited with a sum of £1,300 as capital carried to the credit of the London business, the natural inference being that the Walsall and London businesses were one and the same. The debtor had also refused to give up certain papers and documents in his possession. The Judge ordered him to do so immediately. The further examination was then adjourned to the 21st April, leave being given to the trustee to apply for a private examination before the Registrar. The solicitor to the proceedings is Mr. Mathias Boyce, of 21, Abchurch-lane.

February 25.

(Before Mr Registrar BROUGHAM.)

IN RE J. LANG AND SON.—The debtors, James Lang and Edward Lang, gun manufacturers, of 22, Cockspur-street, Pall-mall, have petitioned the court, under the liquidation clauses of the Act, estimating their liabilities at £14,300, and assets at £5,078, consisting of stock-in-trade, furniture, &c. Upon the application of Mr Bagley, instructed by Messrs Pritchard and Englefield, his Honour appointed Mr Josolyne (Baggs, Clarke, and Josolyne) receiver of the estate.

February 26.

(Before Mr Registrar PEPYS.)

IN RE JOHN BROWN.—The debtor was a shipwright, of Millwall. He presented a petition for liquidation about a fortnight since; but Mr. Owles now stated that the appointment of a receiver and an interim injunction were necessary in consequence of proceedings instituted by a creditor named William Lyne, who was seeking to attach money due to the debtor from a firm in the City. Unless the Court interfered, Mr. Owles stated that Mr. Lyne would shortly be in a position to have his garnishee order made absolute.—His Honour, under the circumstances, appointed a receiver and granted an interim injunction.

IN RE R. L. HOLLAND.—In this case, upon the application of Mr. Brough, an interim injunction granted last week was continued until further order. The debtor lately traded as an insurance broker in Clement's-lane, and his liabilities amount to about £17,000, with assets £1,000.

LIVERPOOL COUNTY COURT.

February 19.

(Before Mr. J. F. COLLIER, Judge.)

IN RE GEORGE HARDY.—His Honour delivered judgment in this case, which was reported in the last issue of the *Accountant.* He said—This is a motion to restrain an action at law brought by Mr Thomas Etty, the solicitor employed under the bankruptcy of Hardy against the trustee, for costs incurred in and about the business of the bankruptcy. Mr Etty's retainer was in the following form:—"Liverpool, 28th February, 1871. *Re* George Hardy, a bankrupt. I, the undersigned John Parlane M'Arthur, the trustee of this estate, hereby retain Mr Etty as solicitor to the estate.—J. PARLANE M'ARTHUR. We, the committee of inspection, having requested the same—John Henry Mullin, Thomas Taylor, James M'Crossan, Hugh Lewis (per Hugh Roberts)." An affidavit was filed by the trustee, and he was afterwards cross-examined upon it in court. The general effect of this evidence may be stated to be that he used due diligence in getting in the estate, and that, after paying rent and taxes, and the solicitor employed in obtaining the adjudication, not only are there no assets remaining but he is himself under advances. There are two questions for my consideration:—First whether I have jurisdiction to restrain the action; secondly, whether, if I have jurisdiction, this is a case in which I ought to exercise it. The 72nd section of the Bankruptcy Act doubtless

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gives very wide powers to the court, but they are given "subject to the provisions of the act." The 13th section points out in what cases actions at law can be restrained; and where one section of an act gives general powers, and another points out, in a restrictive sense, in what cases an important branch of those powers is to be exercised, I should have thought that, according to the received rules of construction of Acts of Parliament, the general enactment would be held to be modified by the particular enactment. Authority is, however, I think, against me on that point in *ex parte* Anderson (L.R. 5, Chancery Appeals 70). Giffard, L.J., if I understand his judgment rightly, held a contrary opinion. What he says, however, of the 72nd section is this—"The terms of this clause, in my opinion, give the Court complete jurisdiction to decide everything that it may be considered necessary to decide with a view to the distribution of the bankrupt's estate." Taking that interpretation of the section, which I humbly think is the correct one, and supposing it to extend to the granting of a restraining order, it would not enable me to restrain this action, because the action would have no effect on the distribution of the bankrupt's estate. The next section to be considered is the 66th, which gives to a county court judge, in addition to his ordinary powers, all the power and jurisdiction of a judge of the Court of Chancery. Again, in the same case of *ex parte* Anderson, Giffard, L.J., says, evidently referring to both the 66th and 72nd sections, "I have no doubt it was the intention of the legislature that the bankruptcy courts should be complete and sufficient in themselves, and that they should, for the purpose of making a complete distribution of the bankrupt's property, exercise at least all the powers conferred upon any judge of the Court of Chancery." This, I think, is the test that must be applied, and as the action would not affect the estate, I think no jurisdiction is conferred on the Court to restrain it. I have thought it better to state my opinion on this point, that it may be decided by authority if desired, although as will presently be seen, according to the view I take of the case, there was no necessity for my doing so. For, even assuming that I had jurisdiction, I should not exercise it in this case. I apprehend that the Court of Bankruptcy will not interfere to restrain an action at law unless the remedy sought is contrary to equity and good conscience, or unless the Court of Chancery has already seizin of the matter, or complete justice cannot be done between the parties by an action at law. I am by no means of opinion that this court, proceeding upon motion and affidavit, is a better tribunal for deciding a matter which may possibly depend upon questions of fact—such, for example, as whether, by his words or actions, the trustee had rendered himself personally liable to the solicitor for his costs—than a court of law. Again, if I were to be of opinion that the trustee had made himself so personally liable, what order could I make on him? It appears to me that sufficient reason has not been shown for the interference of the court in this case, even if it could interfere, and I shall dismiss the motion. Mr Potter, who appeared for Mr Etty, applied for costs, which were granted. Mr Lewis Williams, instructed by Messrs Miller, Peel, and Hughes, represented the trustee.

SOCIETY OF ACCOUNTANTS IN ENGLAND.—The monthly meeting of this Society was held on Wednesday at the offices, Cowper's-court, Cornhill, present Messrs. John Bath (Vice-President) Bolton, Nicholls, Beddow, H. Brett, E. N. Harper, and A. C. Harper (Secretary). Two applications for membership were read; one, being informal, was not accepted, the other applicant, Mr. Thos. W. Handley, of Princess-street, Manchester, was elected an Associate of the Society.

AMERICAN FAILURES.—The failure is reported of Messrs. Seggermann and Co, foreign fruit merchants of New York. The requisite number of the creditors of Messrs. Rice, Goodwin, Walker, and Co., New York, had united to put the estate into bankruptcy. Messrs. John Haviland and Co., importers and dealers in foreign fruits, 267, Washington-street, New York, had failed with liabilities of £60,000, assets £40,000.

BIRKENHEAD COUNTY COURT.

February 19.

(*Before Mr.* GILMOUR, *Judge.*)

IN RE J. S. CLEWETT.—This was an application to restrain a creditor on a bill of exchange from prosecuting an action against the debtor, a joiner and builder at Tranmere, who had recently presented a petition for liquidation. Mr. Pugh, in support of the application, cited the 28th rule, which he submitted conferred power on the court to grant the order. Mr Rodway, for the creditor, took exception to the application, on the ground that no receiver had been appointed, the Chief Judge, in *re* Robinson (22 L. T. report, 247), having held that no restraining order could be granted until a receiver was appointed. Mr Pugh, in reply, referred to the rule which, after providing for the issue of a restraining order, prescribed that a receiver also could be appointed, thereby clearly implying that one should be in addition to the other. Further, he contended that in the case cited the circumstances were different, as there the sheriff was in possession, and it might well have occurred to the chief judge, in removing the sheriff, that the property should be protected by an officer of the court. His Honour said his impression was that by the terms of the rule, a restraining order might be granted on the application of the debtor; but, as a different construction had been placed upon it by the chief judge, he must bow to that authority and refuse the order. Mr Rodway then applied for a receiver, and the court appointed Mr Bolland to that office

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CREDITORS' MEETINGS.

The following meetings of creditors have been held during the week:—

J. LOCKYER.—At the meeting of the creditors of this debtor, who is an agent for the sale of fancy goods, the statement showed unsecured creditors, £1,802 10s. 10d.; creditors holding securities, £233 13s., against assets of £184 19s. 9d. The creditors resolved to liquidate, and Mr W. L. C. Browne, of 25, Old Jewry, public accountant, was appointed trustee, with a committee of inspection. Messrs Allen and Edwards, of 8, Old Jewry, are the solicitors to the proceedings.

WILLIAM JACOMB, Taylor and Outfitter, High-street, Poplar.—At the meeting of creditors, the statement of affairs showed creditors unsecured £1,155 16s. 7d., against assets £175. The creditors resolved to liquidate by arrangement, and Mr W. L. C. Browne, of 25, Old Jewry, was appointed trustee, with a committee of inspection. Messrs Kent and Kent, of Red Lion-court, Cannon-street, are the solicitors to the proceedings.

JONES AND FULFORD (Builders, &c.).—At a meeting of creditors the statement showed liabilities £6,910 2s. 7d., less creditors holding security, £4,760 5s.; assets estimated at £592 15s. A resolution was passed to liquidate by arrangement, and Mr W. L. C. Browne, of 25, Old Jewry, was appointed trustee, with a committee of inspection. Messrs Evans and Eagle, of 10, John-street, Bedford-row, are the solicitors to the proceedings.

HENRY BERRY, proprietor of the Queen of England Tavern, Hammersmith.—At the meeting, held February 18th, the statement of affairs, showed creditors £3,308 6s. 1d, of whom £2,125 were secured, against assets £482. The creditors resolved to liquidate by arrangement, and Mr W. L. C. Browne, of 25, Old Jewry, E.C., who had been appointed receiver and manager to the estate, was appointed trustee with a committee of inspection. Mr J. Seymour Hubbard, of London Joint Stock Chambers, West Smithfield, is the solicitor to the proceedings.

JOHN AUSTIN WILLIAMSON, of 98, Regent-street, Piccadilly, trading as the Westminster Coal Company.—At the meeting held on the 19th February, the statement of affairs showed creditors unsecured £1,531, against assets, consisting of book debts, £100. Mr E. C. Chatterley, (C. Browne Stanley and Co.), public accountant, was appointed trustee to act with a committee of inspection. Mr F. W. Snell, of George-street, Mansion House, is the solicitor to the proceedings.

GEE AND CO. (BOSTON).—At a meeting on Friday of the creditors of Messrs Gee and Co., bankers, of Boston, Lincolnshire, who stopped payment in June last, Mr Waddell (trustee)

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made a report as to the outstanding assets and the prospect of realisation, and a resolution was passed confirming the arrangement made with the debtors by Mr Kearsey, on behalf of the trustees, whereby the liquidation was to be closed on the payment by the debtors, within a month, of a further 5s. in the pound—making in all 12s. in the pound.

Wilkinson (Great Driffield).—The statement presented by the debtor at a meeting of the creditors recently held, showed total liabilities £3,262 9s.; assets, £1,075 13s. 8d. The report of Messrs. M. Samper and W. C. Harvey (Gamble and Harvey) joint trustees, stated that there was a deficiency of £4,866 13s. 1d., for which the debtor ought to account. They were by no means satisfied with the manner in which he accounted for his losses, particularly an item of £1,000 at racing. They were of opinion that the debtor has not made a full disclosure of his assets, and they purposed laying the result of their investigation before a meeting of creditors shortly to be called, to take the opinion of the creditors as to what should be done with the debtor. A resolution was passed to liquidate the estate by arrangement.

Withers (Romsey).—At the meeting of creditors the debtor produced a statement of affairs showing the liabilities to be £2,053, assets, £823. A resolution was unanimously passed to liquidate the estate by arrangement, appointing Mr Gamble (Gamble and Harvey) and Mr Gue as trustees.

A. Petrali (Cardiff).—At a meeting of creditors a resolution was passed to the following effect:—"That in the opinion of the meeting a large portion of the money received by the debtor for stock-in-trade, is still in his possession, and that the trustee (Mr. Harvey, of the firm of Gamble and Harvey) be requested to lay the facts before the court, and apply for an order to prosecute the debtor criminally under the Debtors Act." It was also resolved to transfer the proceedings from the County Court of Glamorganshire to the London Bankruptcy Court.

W. Westwell (Blackburn).—The first adjourned meeting of the creditors of Mr Wm. Westwell, waste dealer, of Great Harwood, was held at the Blackburn County Court, on Wednesday, for the purpose of appointing a trustee. Mr. J. S. Scott (Blackburn), and Mr Scowcroft (Bolton), objected to the proofs of debt tendered by the father and uncle (Mr Cooper), of the bankrupt. The statement of the bankrupt's affairs showed—unsecured creditors, £3,088 18s 11d; assets, £633 18s 8d. The meeting was adjourned for proofs of debt to be enquired into.

Geering Brothers (Birmingham).—A meeting of the creditors of Henry Geering, jun., William Aaron Geering, and George Geering, brass and iron bedstead and galvanised hollowware manufacturers, of the Apollo Works, Moseley-street, trading under the style of "Geering Brothers," was held on Tuesday. The statement of accounts which had been prepared by Mr. Luke J. Sharp, receiver to the estate, showed the following items:—Liabilities: To creditors, £7,609 2s. 3d.; creditors fully secured, £192 12s.; less estimated value of securities, £192 12s.; creditors to be paid in full, £90 10s. 4d; liabilities on bills discounted, £1,690 14s. 5d., of which £70 4s. is expected to rank against the estate for dividend; total debts, £7,679 6s. 3d. Assets: Stock-in-trade, estimated to produce £1,472 8s. 7d.; book debts, about £1,535 7s., estimated to produce £857 10s. 7d.; other property, £298 6s. 1d.; total assets, £2,628 5s. 3d., less creditors to be paid in full (£90 10s. 4d.), £2,537 14s. 11d. After considerable discussion a resolution was passed to the effect that a composition of 10s. in the pound be accepted, payable as follows:—2s. 6d. in two months, 2s. 6d. in eight months, 2s. 6d. in 14 months, and 2s. 6d. in 20 months; that the security of Henry Geering, the elder, of Stechford, be accepted for payment of the composition; and that Mr. Luke J. Sharp be appointed trustee.

Accidental Death Insurance Co.—It is notified that Mr Edward Hart (Hart Brothers, Tibbetts, and Co.), the liquidator of the Accidental Death Insurance Company, has declared a fifth dividend of 2s. 6d. in the pound, making, with previous payments, 13s. 6d. in the pound. Creditors who have proved their claims after the declaration of the last dividend will be entitled to receive 11s. in the pound, being the amount of the four preceding dividends.

FAILURES.

America.—American advices report the failure of Mr W. B. Whitney, of Columbia, O., in consequence of speculation in lard; liabilities £60,000. Owing to this the England Card and Paper Company of Springfield had been closed. Mr John P. Schermerhoon, iron merchant, New York, had called a meeting of his creditors. Messrs Gillett, Titus, and Co., wholesale druggists, Chicago, had failed. Canadian advices report that a meeting of the creditors of Messrs R. M'Kinlay and Co., manufacturers of carriage wood-work, St Catherine's, Ontario, had been held; an offer of 40 per cent. was accepted—payment over two years.

England.—Mr David Booth, cloth manufacturer, of Idle, has suspended payment. His liabilities, it is estimated, will be about £8,000. His failure is attributed to the suspension of Messrs J. Holroyd and Co of Leeds, upon whose estate he is a large creditor.

Scotland.—The *Glasgow Herald* understands that Messrs William Cunningham and Co., dyers, Paisley, have suspended payment. The amount of liabilities and assets had not been stated.

Severe upon Receivers.—Occasionally it happens that double appointment take place in bankruptcy under the winding-up of single estates. It may happen that a debtor may file a petition for liquidation—a trustee or receiver may be appointed. Then a petition is presented against the debtor, under which he is adjudicated bankrupt—another receiver is appointed. So it happened in *re William Pearson*, a case which came before Mr Registrar Hazlitt, sitting as Chief Judge, on the 8th inst. The petitioning creditor was appointed trustee under the liquidation, and the bankruptcy petition fell through. Both receivers, however, took possession of the property, and both sent in bills of costs, one claiming £61 and the other £31. They were submitted to taxation, but the taxing master treated them as constituting one bill. He considered the appointment of two receivers wholly unnecessary, and pointed out that when application was made to the Court for the appointment of a second receiver, the fact that one had been already appointed was not mentioned. Mr Registrar Hazlitt was rather severe. "The amount in question might," he said, "be small in comparison with the daily spoliation of estates by the charges of professional receivers and professional trustees, but the principle was the same." He also added, with equal disregard of the feelings of the receivers, "what the personal services of the receivers in this case might have been he could not say, but where, as so frequently happened, the same accountant was receiver or trustee under a dozen, or a score, or even more different estates, his capacity for personal service in each case must be of very extraordinary ubiquitous power." This case and these remarks furnish an excellent commentary upon one of the worst phases of our law of bankruptcy.—*Law Times.*

The Canadian Oil Wells Case.—Lord Chief Justice Cockburn concluded his summing up in the Canadian Oil Wells Corporation case on Thursday. Having presented the jury with an exhaustive history of the undertaking, he directed them that the first question they had to determine was whether, looking at the materials before them, the defendants had an honest belief in the prospectus when they issued it, and put it before the public with good faith, and not with the intention to deceive. If they answered that in the affirmative, next came the point whether, between the 2nd of September, when the defendants issued the prospectus, and the 22nd September, when they received the people's money, anything occurred to change their honest belief into disbelief and distrust in the prospectus. If so, they did wrong in not disabusing the mind of the plaintiff and in taking his money. The jury retired to consider their verdict at half-past three, and remained in consultation until nearly nine o'clock, when they returned into court a second time with the intimation that there was no hope of their coming to an agreement. They were accordingly discharged.

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NEW COMPANIES.

The *Investors' Guardian* furnishes particulars relative to the following Companies, registered during the week :—

Adephia Music Hall and Entertainment—Capital £5,000, in £1 shares.

Albion Chemical—Capital £5,000, in £5 shares.

Belgian Thermo-Electric Generator—Capital £50,000, in £5 shares.

Blackthorn Cotton-Spinning and Manufacturing—Capital £20,000, in £5 shares.

Bournemouth Promenade Pier—Capital £15 000, in £10 shares.

Collins Paper Mills - Capital £15,000, in £5 shares.

Corporation Property—Capital £25,000, in £10 shares.

Dubby Syke Mining—Capital £10 000, in £1 shares.

Esperanza Gold Mining—Capital £150 000, in £5 shares.

Finland Charcoal Ironworks—Capital £30,000, in £10 shares.

Folkestone Promenade Pier—Capital £10,000 in £10 shares.

Grimsby Good Intent Building—Capital £10,000, in £10 shares.

Hyde Loan and Discount—Capital £1,000, in £10 shares.

Imperial Property Investment—Capital £100,000, in £1 and £10 shares.

John Barker and Sons—Capital £10,000, in £5 shares.

Lane Ends Estate—Capital £100,000, in £10 shares.

London Egg and Poultry Supply Association—Capital £20,000, in £2, and £50 shares.

Northern Bohemian Collieries—Capital £100,000 in £100 and £10 shares.

Robert Beswick and Co.—Capital £100,000, in £10 shares.

Rochdale Paper Manufacturing—Capital £50,000, in 5 shares.

Syston Village Hall - Capital £1,000, in £2 shares.

Registered at Truro.

Wheal Wrey, Ludcott, and North Trelawny Mining—Capital £10,000, in £1 shares.

THE SCOTCH BANKS.—The *Daily News* says: "In addition to a number of letters which we have received regarding the proposal to turn the Scotch banks out of England, and which are too long for insertion, we have also had forwarded to us, on behalf of the Manchester bankers, a copy of a memorial addressed by them to the Chancellor of the Exchequer, setting forth their views of the grievance which the proposal is designed to remedy. The memorial explains very clearly the incongruities of the existing legislation, by which Scotch and Irish banks are permitted to come to London, while English country banks it is said, can only do so on giving up their note issue, and by which also Scotch and Irish banks, though having a more valuable note issue privilege than any English provincial banks, are left at liberty to compete with the latter on their own ground. We fail to see, however, that there is any evidence in the past history that the Legislature *intended* to prevent such incongruities, and only omitted to do so by accident. It is partly by accident that the Bank of England itself enjoys its superior monopoly, and if by another set of accidents the Scotch and Irish banks have a privilege less valuable than that of the Bank of England and more valuable than the other English banks, they are no more to be interfered with on that account than the Bank of England itself. When the Manchester bankers speak of the "obvious design" of the Legislature to "make an impartial adjustment of the equities between the existing interests affected by the new Acts," they are really attributing design to the promoters of the Bank Acts of 1844 and 1845 in regard to a question which was never in their thoughts at all. The English bankers have a good case for altering the law in the direction of abolishing all monopolies, but the less they say about the "equities between the existing interests" the better. The matter, if now dealt with at all, ought plainly to be touched for the public advantage only, and not for the benefit, or supposed benefit, of private interests."

COSTS OF PROSECUTING FRAUDULENT DEBTORS.—The following letter appeared in a legal contemporary:—"I should be glad if any of your correspondents could advise me how to proceed under the following circumstances:—Some little time since a client of mine, who was trustee under a bankruptcy, was ordered by a court of bankruptcy to prosecute the bankrupt. The order was duly drawn up and filed. The bankrupt, after a lengthened preliminary investigation, was committed for trial. At the time appointed for the trial the trustee and all the witnesses were present, and remained in court four days waiting for the hearing. The prisoner applied for an adjournment, which I strenuously opposed on the ground that my principal witness was shortly obliged to leave the country. The adjournment was, however, granted, and when at length the case came on for hearing, not only had the witness above referred to left the country, but the trustee had absconded. I wanted to make the best of my case with the remaining witnesses, but counsel in consultation were of opinion that it must fall through, and submitted to the court that we had not sufficient evidence to convict. A verdict of not guilty was therefore returned. During the progress of the case I laid out about £150 in counsel's fees and other expenses, thinking I was perfectly justified in so doing, and fully protected by the order of the court. It will be seen that the failure of justice was quite beyond my control, but on making application under section 17 of the Debtors' Act 1869 for payment of my costs (which had been taxed under protest), I was refused without the slightest reason for refusal being alleged. Surely I have some means of redress, and any information by your correspondents will be gladly received."

ALL ABOUT A BOUQUET.—The *Liverpool Post* states that an action involving the question of the right to throw bouquets to actresses is about to be brought against the manager of a Liverpool theatre. An elderly gentleman, almost nightly for some time, took his place in the stalls, prepared with bouquets, and threw them with great regularity at certain actresses, at certain points of the performance, sometimes rising on their acceptance of the nosegays and acknowledging the honour by profound obeisances. The manager at length interfered, and legal proceedings are threatened.

The Master of the Rolls has appointed Mr. B. B. Daniels (Good, Daniels, and Co., 7, Poultry, E.C.) official liquidator of the *Bream Iron Mining Company, Limited.*

The *Glasgow Daily Mail* says:—"Provost Neil is in receipt of a letter from Mr Grieve, M.P., stating that he intends to propose an addition to Mr Fortescue Harrison's bill dealing with the preference payment of the wages of workmen in cases where their employers fail. Mr Grieve's proposed addition is that where the privelege exists, workmen shall not be compelled to wait till the ordinary dividend period, before being paid their wages; but that, if there be funds, they shall be entitled to payment at once.

The net income from solicitors' annual certificate duty for 1874 amounts to close upon one hundred thousand pounds. The number of certificates issued was 14,060, for the United Kingdom, of which 10,983 were granted to English practitioners.

CHANCERY COSTS.—A new regulation has been made that no solicitor in suits in Chancery is to be paid money on account until the taxation of bills.

WINDING-UP PETITIONS.—A petition for the winding up of the Woollen Trade Association (Limited) is to be heard in the Court of Chancery on the 5th of March.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM.

VOL. I.—NEW SERIES.—No. 13.] SATURDAY, MARCH 6, 1875. [PRICE 6D.

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The Accountant

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The Proprietor desires to call the attention of Subscribers to the fact that the publication of the paper weekly constitutes the Accountant a "newspaper" within the meaning of the Bankruptcy Act, and members of the profession thus have the opportunity of contributing towards the success of their own organ by the insertion of statutory notices required to be advertised under this and other Acts of Parliament. The Paper is Published every Saturday in time for the early morning mails; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being, annual subscription 24s. (post free); half-yearly do., 13s. (post free.) Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62, Gracechurch-street, E.C. to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the Accountant at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

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N.B.—Subscriptions and advertisements will now be received at the Branch-office of the Accountant, 127, Strand. Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

TO SUBSCRIBERS.

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The Accountant.

MARCH 6, 1875.

The great question of the status of accountants is being raised both in hostile and friendly quarters. In the columns of our legal contemporaries the profession is constantly held up to public scorn as being liable for the discreditable practices of some of those gentlemen who advertise themselves as "accountants," and it is triumphantly asked what manner of men they can be, whose pure fame is tainted by such associates. It is useless for us to explain that these pretenders are utterly repudiated by the profession, just as much as an advertising quack is by the College of Surgeons, —the accusation is brought out at every possible opportunity. Now, we emphatically state that no law paper can be more anxious than we are to expose any, and every, one of those men who usurp our name and standing. We have given publicity to every complaint of the kind that has been brought to our notice, and we most certainly shall continue to do so. That the members of the profession are fully alive to this, is clearly shown by two letters we publish to-day, and it is to their co-operation we must look for assistance in eradicating the evil. Once for all, we repeat our determination to purge the profession from the reproaches cast upon it. To-day we shall consider what is the most effectual remedy.

We need scarcely insist upon the fact that the profession of an Accountant is one which demands not only a peculiar habit of mind, but also very considerable training. To deal with accounts seems very simple to the outside world, but it is, in reality, as difficult a task as to solve many of the legal problems which are submitted to solicitors. There are persons who profess to teach the whole art and mystery of book-keeping in a few lessons, just as there are books which profess to contain in a moderate compass an answer to any question on a point of law which can be asked. But the trader who trusted to the promises of his would-be tutor would be just as much deceived as the "gentleman in embarrassed circumstances" who consulted a handy book instead of going to his soli-

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citor. The difficulty lies not so much in keeping as in checking the accounts. A very little learning may perhaps suffice to enable a man to keeps his books so that he understands them himself. But to extract order and method from such books, and to present an intelligible balance-sheet to the world, requires very considerable skill and experience. Even in this branch it is apparent that regular professional training is required, but in the present day an accountant is far more than a simple keeper or investigator of accounts. As auditors of public companies, as official liquidators, or as trustees in bankruptcy, they have duties to perform which are inferior not either in difficulty or responsibility to these of any other profession. We contend, therefore, that as the term "public accountant" has now a definite meaning, some measure should be adopted which shall confine the name to qualified and responsible men, and shall prevent outsiders from adopting such a designation.

At present there are several societies, to one or the other of which accountants may belong, subject to certain restrictions and tests as to their standing in the profession, and their capabilities. Now, we would suggest that these bodies should unite and demand a charter of incorporation, with the power of making such regulations as to admission to their order as may be deemed necessary. The term "certificated public accountant" would then be confined to members elected into such societies, and it should be made penal for any other person to style himself "accountant," even though it might be found impossible to prevent him from practising as such. The examination should be made so strict as to keep out incapable aspirants, and due provision should be made as to the amount of training and study to be undergone.

It can scarcely be doubted that such a course would greatly elevate the profession. At the present time it contains men whose names are as well known, and whose capabilities are as high, as those of any of the great London solicitors. But besides the outsiders whom we have so frequently joined in condemning, there are others upon whom the restraining influence of a supreme governing body might act beneficially. And especially in bankruptcy cases would the advantage be found. In every town where a County Court exists would be found a duly qualified person ready and able to act as trustee. Of course there would be no compulsion as to this. It would still be open to the creditors to manage matters in their own way. They might elect one of their own body to the post, and might reject an accountant just as they might, if they chose, dispense with a solicitor, or, in case of illness, refuse to call in a medical man. Then, in cases of auditing. The new Friendly Societies' Bill might well make the certificate of a qualified accountant necessary, with advantage alike to the depositors and the nation.

It is too late now to raise the cry that the accountants are usurping the privileges of the solicitors. The profession exists, working within clearly defined limits, and cannot be ignored. That it should be thoroughly organized, composed only of capable men, and enabled at once to put down pretenders and to keep at the highest level the status of its own members—is as expedient for the good of the country as for that of accountants themselves. Let then the profession apply for a charter. It must rest on their own efforts to obtain one, and public opinion will support the men who are striving so diligently to maintain their professional honour.

The proxy-system is one of the points in liquidations peculiarly liable to abuse, and it was certainly very ingeniously worked in the case which we report from the Birmingham County Court. Of course the interest of the debtor is to obtain as many proxies as possible, and the solicitor concerned naturally uses every effort to bring this about. The Birmingham case was very simple. The ordinary forms sent out to creditors, containing a proxy paper and bearing the official stamp of the Court, were filled up with the name of a particular person, instead of being left blank. Naturally upon receiving such a form, creditors would hesitate before striking the name out and substituting another. Some would be impressed by the official nature of the document, and would return it duly signed, others again would hestitate; and so what by passive, compliance, and doubting abstinence, the desired majority would be gained. At Birmingham, apparently, no one was to blame. The Registrar was above suspicion, the solicitor perfectly immaculate, and as only one paper was produced, it was thought that that could be of no real importance, and the matter passed over pleasantly. It might be interesting, however, to know how many similar proceedings have occurred.

It will be seen that the decision in *Ex parte Collins, Re Lees*, reported at p. 6 of our number for January the 2d, has been reversed by the Lords Justices, who hold that the non-registered memorandum was not a condition within the meaning of the Bills of Sale Act. In their view the condition that the £30 was to be paid in any event, at whatever date the principal sum

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was repaid, was merely a memorandum between borrower and lender, providing for the expenses of the latter. Chief Judge Bacon's decision seemed, as we pointed out at the time, hard upon the unfortunate money lender, but the language of the Court of Appeal which implies that, though a bill of sale must be registered, it need not express the real facts of the case, may possibly be interpreted in a sense very favourable to debtors. There are plenty of collusive bills of sale as it is. We fear that their number will not be diminished by the recent decision.

We were unable owing to want of time to notice the letter of "J. H. C." in our last number. We acknowledge the justness of his correction as to the power of a trustee to administer an oath in connection with the proof of debts, but we still do not understand the latter portion of his letter, as to being a "solicitor who was also a commissioner," &c. Perhaps we shall save some confusion if we re-state the law on the subject. A trustee may administer an oath to a creditor proving his debt, acting, in fact, as a commissioner, but he cannot do more than this. So far, "J. H. C." is, we take it, quite in accord with us. Any examination of the *debtor* on oath must take place before the Court, though the debtor is of course bound to give any information in his power to the trustee.

Correspondence.

PUFF!

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—My attention has been called to an advertisement emanating from a self-elected "public accountant." The notification in question is drawn up in the same monotonous manner as that which pervades all such classes of puffing announcements, and is quite a unique specimen of its kind. "Debtors requiring independent advice in any financial difficulty may (by rushing into the arms of this philanthropic (?) benefactor) obtain the practical assistance of a gentleman thoroughly conversant with the law of debtor and creditor!" (The note of exclamation is, by-the-bye, my own). All requiring advice as to the unsatisfactory state of their pockets, and bankers' balances, will be welcomed with open arms by so benevolent an individual, that neither "exposure nor great expense" will be the consequence of their confidence. Eureka! Difficulties, accounts requiring adjustment, embarrassments, settlements with unfortunate duns, and the financial scrapes of the youthful and indiscreet, can all be practically and definitely dealt with by this "gentleman thoroughly conversant with the law of debtor and creditor"; one who understands the difference between his right hand and his left, and the intricate morality of the laws of *meum* and *tuum*. Fond parents, responsible guardians, and "gentlemen *in absentia*" (whoever they may be), should, according to the advertiser's meek suggestion, repair to him for comfort and solace, advice and relief, between the hours of ten to five daily; but should their feelings be unable to undergo anything but a *special* appointment, combined with an exceedingly confidential conference, the victims of impecuniosity can be favoured with an interview of an exceptional nature between seven and nine p.m. on particular evenings. Seriously, Mr. Editor, allow me most respectfully to direct the attention of the members of the profession to this puff, and especially to commend the advertisement, &c., to the notice of the several councils and secretaries of the accountants' institutes and societies. When is this sort of thing to end?—Yours truly,

INQUIRER.

TO THE EDITOR OF THE ACCOUNTANT.

DEAR SIR,—The enclosed advertisement, cut from one of the daily papers, is certainly not the sort of thing to be issued by an "established certificated public accountant in the city." It is no doubt fortunate for the said "public accountant," to have "a very remunerative and gentlemanly business," embracing principally, "Trusteeships and Receiverships in Bankruptcy, and the carrying out of Liquidations and Compositions." The advertiser is also fortunate, if the major part of his business consists of such cases, in being able to say that "the profits are large,"—I am afraid that is not the usual experience of receivers and trustees. No objection can, however, be taken to these statements if they are, as I suppose in accordance with facts, but I do, as a practical public accountant, object to the statement that, "as a previous knowledge of the profession is not requisite, a young man with £1,000 to £1,500, would find this a fine opening." Surely the day has passed for unqualified men to call themselves public accountants, and I am sorry to see a "Certificated Public Accountant of the City of London," express his readiness to associate himself in partnership with another person simply because that person has money, and entirely independent of the question of efficiency! When shall we have a Charter enabling us to offer something like a guarantee to the public that we are what we profess to be namely—experts?—Yours truly,

London, 1st March, 1875. PUBLIC ACCOUNTANT.

BANKRUPTCY LEGISLATION.—Mr. George Wreford writes to us as follows in regard to the notice of his pamphlet on Bankruptcy Legislation which appeared in our last issue:—"There is one point on which the reviewer has misunderstood my remarks. I do not suggest that an undischarged bankrupt's property should be *free* at the expiration of four years from the date of his bankruptcy, but that the *creditors*, at the end of four years, shall be free to proceed against an undischarged bankrupt for the individual recovery of their debts under Sec. 154 (see page 39 of pamphlet)."

PLEASANT.—In the report of a bankruptcy examination in Scotland, published by the *Edinburgh Daily Review*, we find the following:—"Mr. M'Kay, agent in the sequestration, proceeded to examine the bankrupt as to certain bills, when, observing Mr. Scoular, who was present on behalf of the creditors, pass near him, and evidently imagining he was whispering to the bankrupt, he said, 'Don't do that again, Mr. Scoular.' Mr. Scoular denied that he was whispering to the bankrupt, and, addressing Mr. M'Kay, added—'You're a nasty cur of a fellow to allege such a thing against me.' Mr. M'Kay—'Don't say that again or you will have to go outside.'"

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JUDICIAL COMMITTEE OF THE PRIVY COUNCIL—March 4.

(*Present*—Sir James Colvile, Sir Montague Smith, and Sir Henry Keating.)

Adams and Another v. Nicholls and Another.—This was an appeal from a judgment of the Supreme Court of the Cape of Good Hope. The original suit was brought by Mr. Nicholls and Mr. Black, the official liquidators of the Frontier Commercial and Agricultural Bank, at Grahamstown, against Messrs. W. J. and A. W. Adams, merchants in London, for the breach of an agreement entered into by them upon a compromise between the bank and Mr. Locke, one of its customers. Mr. Locke was a merchant in the Cape Colony, and between him and Messrs. Adams there had been large commercial transactions. At the time of the alleged agreement Mr. Locke was indebted to the Frontier Bank in the sum of about £34,000, and to Messrs. Adams to the extent of £62,000. In 1869 the Frontier Bank was wound up, and Mr. Locke, who found himself unable to pay the amount of his liability, suggested that a compromise of his debt should be effected. Mr. W. J. Adams, one of the firm of Messrs. W. J. and A. W. Adams, happened then to be at the Cape, and with the consent of both Mr. Locke and the official liquidators, he, on the part of his firm, entered into an agreement that the goods then under order for Mr. Locke, amounting to £10,000 sterling, and such further goods as might be ordered within a year, should be delivered without their demanding any preferential security; that his firm would not withdraw their support from Mr. Locke for the same period, and that they would be contingently responsible for the payment of the premiums on Mr. Locke's life policy, which had been handed as security to the bank. That agreement was sanctioned by the Court and ratified two days later by Mr. Adams, on behalf of the firm. In consideration of that undertaking the liquidators accepted certain terms of compromise on the part of Mr. Locke, including, among others, the payment, at intervals of six months, of four promissory notes for £1,250 each. It afterwards turned out that so far from £10,000 worth of goods, as stated both in the agreement and in the subsequent ratification, being then under order from Messrs. Adams to Mr. Locke, the value of the consignment was not more than half. The later transactions between the firm and Locke only amounted to an additional sum of £8,000. The liquidators in the action at the Cape alleged that, notwithstanding the agreements in question, the goods then under order were never delivered to Mr. Locke, but were, on the contrary, taken possession of by the defendants; that they did not continue their support to him, but on the contrary withdrew it and caused his estate to be sequestrated; and that they took from him preferential security to a large amount. In consequence of their proceedings the promissory notes given by Locke to the bank, with one exception, were unpaid. The Supreme Court at the Cape held that there had been a breach of the agreement on each of these points, and ordered Messrs. Adams to pay to the liquidators, as damages, the sum of £2,000 and costs. Against that decision the present appeal was instituted. On the part of the appellants it was urged that there had been no breach of contract, that the compromise had not been effected by false representations, that the support which they undertook to give to Locke extended only to the supply of goods in the ordinary course of trade and not to the advance of money, or the guaranteeing of any payments; and that, in any view of the case, the damages awarded were excessive. Sir Montague Smith, after reciting the facts and reviewing the evidence at much length, said their Lordships would humbly advise her Majesty to affirm the decision of the Court below, and to dismiss the appeal, with costs.

Winding-up Petitions.—A petition for the winding-up of the Aldershot Brick and Tile Works Company (Limited) is to be heard before the Master of the Rolls on the 13th inst. A petition has been presented to the Court of Chancery for the winding-up of the Coal Economising Gas Company (Limited). A petition has been presented to the Court of Chancery for the winding-up of the Railway Service and General Co-operative Society (Limited).

COURT OF CHANCERY.

March 4.

(*Before the* Lords Justices *of* Appeal.)

Ex parte Collins—in re Lees.—This case involved a question of some importance as to the construction of the Bills of Sale Act, 1854. It was an appeal from the decision of the Chief Judge in Bankruptcy. The case was argued about a fortnight ago, and this morning the judgment of the Court was delivered. The Bills of Sale Act, 1854, requires that every bill of sale shall be filed or registered within 21 days after execution, in order to give it validity against the assignees in bankruptcy of the grantor, in all cases in which a sufficient possession of the goods included in the bill of sale has not been taken before the commencement of the bankruptcy; and section 2 of the Act provides, "If such bill of sale be made or given, subject to any defeasance, or condition, or declaration of trust not contained in the body thereof, such defeasance, or condition, or declaration of trust shall, for the purpose of this Act, be taken as part of such bill of sale, and shall be written on the same paper or parchment on which such bill of sale shall be written, before the time when the same or a copy thereof respectively shall be filed, otherwise such bill of sale shall be null and void to all intents and purposes" as if it had not been registered. On the 11th of July, 1874, John Lees, a farmer in Staffordshire, borrowed £100 from Abraham Collins, a money-lender in Liverpool, and to secure the repayment of the loan he gave Collins a bill of sale of his farming stock, live stock, and other effects. The deed was expressed to be made in consideration of £130, lent by Collins to Lees, and it was provided that the loan should be repaid by five consecutive monthly instalments of £3 each, on the 11th day of each month, beginning with March, and the balance of £115 on the 11th of August, 1874, and there was no provision as to payment of interest. The deed gave the grantee power to take possession of the property at any time after the execution of the deed, and further power in case of default in payment of any of the instalments to sell the property and repay himself. Collins, in fact, retained the £30 as his charge for making the loan. A contemporaneous memorandum, in writing, was signed by Lees, which provided that the charge of £30 was to be paid in full to Collins, notwithstanding that the money secured by the bill of sale might be repaid to him, or his rights under the bill of sale enforced, before the expiration of the time for payment mentioned in the bill of sale. The bill of sale was registered; the memorandum was not. On March 10, 1874, Lees filed a liquidation petition. Collins had not before this taken any sufficient possession of the property; but on the 13th of March he seized some of the cattle on Lees' farm, drove them away, and sold them. The trustee under the liquidation claimed to have the produce of the sale refunded; but the Judge of the Burton-on-Trent County Court decided against the claim. The Chief Judge, however, was of a different opinion, and ordered Collins to refund the money. Collins appealed. Lord Justice James, after stating the facts, said that the question was whether the non-registration of the memorandum had avoided the transaction under section 2 of the Act; whether the memorandum was a defeasance, or a condition, or a declaration of trust, within the meaning of that section. It was certainly not a defeasance; it was certainly not a declaration of trust. Was it a condition, either in the legal sense of the word or according to ordinary parlance? The word "condition" was a term well known to the law. The terms "condition precedent" and "condition subsequent" were familiar. The former was one by virtue of which a gift or an estate might never arise; the latter might defeat a gift or an estate after it had arisen. There might be a third species of contemporaneous condition by which a gift or estate was qualified or modified. But a condition annexed to a gift or estate was always something which diminished the rights of the grantee or affected them prejudicially in favour of the grantor. His Lordship was of opinion that in this memorandum there was no condition to which the bill of sale was made subject. The memorandum did not in any way diminish, defeat, or change that which was by the bill of sale given to the grantee. If it amounted to anything at all, it was

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really an additional bill of sale given to the creditor. It said in effect,—"Doubts may arise whether the £30 was not really in the nature of interest, and whether, if repayment of the loan should be made before the end of the six months, there should not be an abatement from the £30. To prevent any such doubt, I declare that the £30 shall be paid in full in any event." It was an additional right given to the creditor, of which, of course, he could not avail himself, because the memorandum was not registered; he could not rely on it at all. But if that was so, what were his rights under the bill of sale? That certainly contained a false recital that £130 had been lent, when the advance was, in truth, only £100. But the Act in no way dealt with any matter of that kind. It said that the bill of sale must be registered; but it did not say that it must express the real transaction between the parties. The bill of sale, when registered, must be dealt with in the same way as an unregistered bill of sale would have been dealt with before the Act. And if so, could there be any doubt that the creditor was entitled to be paid the full amount secured by the bill of sale? He could conceive a very sufficient reason why the debtor should not like to have the real nature of the transaction stated in the bill of sale. It would go so much against his credit. But he well knew what he was about. Before the Act he would have been bound by the terms of the bill of sale, and his creditors would have stood in the same condition. His Lordship was therefore of opinion that the memorandum did not require registration as being a defeasance, condition, or declaration of trust, to which the bill of sale was subject, and not included in it, and the deed must have full effect given to its terms. The decision of the County Court Judge was right, and it must be restored, and the appellant must have his costs of the hearing before the Chief Judge. —Lord Justice Mellish was of the same opinion.

VICE-CHANCELLOR'S COURT.

February 26.

(*Before Sir C. Hall.*)

RE LONDON AND COUNTY TRAMWAYS COMPANY.—This was a petition by the official liquidator of the London and County Tramways Company (Limited), asking for payment out to him of the sum of £762 5s 7d, being the money which, under the Tramways Act, and the rules made in pursuance thereof, had been deposited by the company before a provisional order which the company had obtained for making "the Uxbridge and Southall and Ealing and Brentford Tramways" could be delivered to the company. The company were the promoters in obtaining the said provisional order. On the 6th of November, 1874, the company was wound up on the petition of certain creditors, and in due course an official liquidator was appointed. The petition raised a question as to the construction to be put upon the 26th rule of the Board of Trade, which seems to give a discretion to the Court either to forfeit the deposit money, or to pay it to the official liquidator for the purpose of being applied as part of the assets of the company. His Honour had, when the petition was first before him, directed the solicitors for the Treasury to be served. Mr Crossley, for petitioner, now commented on the rule, and submitted that as the deposit money was required for the purpose of paying creditors of the company, it should be paid out to the liquidator, as prayed. Mr Hemming, for the Attorney-General, did not oppose the application; but argued that the Court had no discretion to pay the deposit out to the liquidator without the solicitor for the Treasury waived his right to have it forfeited, and further, that in any event the deposit could not be paid out except it was required for the purpose of paying creditors of the company, and that it was not the intention of the rule that any part of the deposit money should be applied for the benefit of the shareholders. After some discussion, in which reference was made to the rules of the Board of Trade under the Railway Abandonment Act, the Vice-Chancellor ordered that on an affidavit being produced showing the amount of uncalled capital of the company, and that the whole deposited fund would be required for payment of creditors of the company, and the Attorney-General not objecting, the costs of the Attorney-General should be paid out of the deposit fund, and the balance should be paid to the official liquidator to be applied as part of the assets of the company for the benefit of the creditors thereof.

(*Before Vice-Chancellor Sir* R. MALINS.)

IN RE THE HECKMONDWICKE IRONWORKS COMPANY (LIMITED). —The voluntary winding-up of this company was ordered to be continued, under supervision.

IN RE THE CO-OPERATIVE SUPPLY ASSOCIATION LIMITED.—This company was ordered to be wound up on a creditor's petition.

IN RE THE MUTUAL SOCIETY TRUST FUND.—This was a winding-up petition presented by two investors in the funds of the above society. The investors amounted to 40 in number, and consisted principally of clergymen and ladies, and persons in a humble condition of life investing their savings. The society having got into difficulties, the petition was presented. Mr Higgins, Q.C., appeared in support of the petition, which was also supported by Mr Romer, on behalf of other investors; Mr Everitt opposed the petition on behalf of creditors; and Mr G. Hastings, for the society, asked that the petition might stand over, in order that certain persons might be cross-examined. The Vice-Chancellor, however, said the case was a very bad one, and as clear a one for winding-up as he had ever seen, and that the application by the company for leave to cross-examine was a mere subterfuge to gain time commonly resorted to by companies in this position, but which, if allowed, would defeat the administration of justice. There must therefore be an immediate compulsory order for winding up the society.

(*Before Vice-Chancellor Sir* JAMES BACON.)

March 3.

ASHURST V. MASON—ASHURST V. FOWLER.—These were two contributory suits of some novelty in their facts. Mr Ashurst, the plaintiff in both suits, was chairman of a company called the English Assurance Company, which was registered under the Companies' Act in September, 1867. A Mr Brockett subscribed to the memorandum of association in respect of 250 shares. He retired from the Board in July, 1869, and applied to be relieved of his shares. The directors agreed that his shares should be placed in the names of nominees for the company, and accordingly a transfer was executed to Mr Ashurst, and Mr Leyland, the manager of the company. About the same time a Mrs Elder, who was entitled to 100 shares as executrix of her husband, being dissatisfied, applied to the company to find a transferee, and threatened to take winding-up proceedings in case this was not done. These shares were also transferred to Messrs Ashurst and Leyland, and £100 paid out of the company's assets as the price of them. The company had no power at that time to invest their funds in their own shares. The company was ultimately wound-up voluntarily, under a special resolution passed and confirmed in December, 1870. Messrs Ashurst and Leyland were settled on the list of contributories in respect of the 350 shares, and Mr Leyland not being able to pay calls, Mr Ashurst had to pay a considerable amount in respect of calls and also to recoup the £100 paid on the late transfer out of the funds of the company. He now brought these suits to get contributions from such of his co-directors as approved the transaction. In the suit of "Ashurst v. Fowler" a Mr Coles was made party. There was no evidence against him of knowledge, except that he had formally approved the transfer of Mrs Elder's shares. In the suit of "Ashurst v. Mason" one of the directors who had been present at the subsequent meeting, when the minutes of the meeting at which the transfer from Brockett had been approved, was made party. The Vice-Chancellor said that the case was a singular one, but the principle governing it was reasonably plain. A number of persons had to effect a common object come to a common design; in carrying out that design one of them had incurred liability; it was only reasonable that the other parties should contribute their share to the loss and not escape. Mr Banner had attended a meeting at which the minutes of the previous meeting had been read; he could not be allowed to say that he was not attending, or for some other reason had not notice. He would, therefore, have to contribute in respect of the 250 shares. Mr Coles was in a different position.

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No motive could be imputed to him of the reason of the transfer he approved, and he would, therefore, not have to contribute. But against the other defendants a decree was made.

COURT OF BANKRUPTCY.

February 26.

(*Before Mr Registrar* BROUGHAM.)

IN RE CAPEL COAPE.—This was an adjourned first meeting, the bankrupt being described as of Church-street, Fulham, colonel of militia. He now produced a statement of affairs disclosing debts and liabilities to the amount of £15,030, of which £12,000 had been incurred in connection with various public companies in which he had been a director or shareholder. There are stated to be no assets. In consequence of the continued absence of a quorum of creditors a further adjournment was taken.

February 27.

(*Before the Hon.* W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE J. W. F. ROSE.—A question of considerable importance arose in this case. The debtor had filed a petition for liquidation in April, 1873, under which the creditors passed a resolution to liquidate by arrangement, and they granted the debtor his discharge. New debts had since been contracted, and the debtor, being desirous of making a proposal to his creditors, had signed a second petition, but the Registrar declined to receive it, on the ground that the former liquidation had not been closed. Mr Finlay Knight now applied for an order to file the petition, notwithstanding the refusal of the Registrar to receive it. He submitted that the debtor, having obtained his discharge nearly two years since, had a perfect right to present a second petition, and that the omission on the part of the creditors to close the liquidation could not affect that right. Mr Registrar Spring-Rice referred to Sir William Russell's case, recently decided by the Lords Justices, and to the 15th section of the Bankruptcy Act, 1869, sub-section 3, which provided that the bankrupt's property should comprise all property belonging to him at the commencement of the bankruptcy, or acquired by, or devolving on, him during its continuance. The question was whether there were assets or not; *prima facie*, the debtor in the present case had no property whatever. Mr Knight asked that so serious and important a question should not be decided upon an objection of this kind taken *in limine*. Mr Registrar Spring Rice said he would consult his colleagues upon the subject, but the present inclination of his mind was against the filing of the second petition. He thought a clear distinction existed between the discharge of the debtor, and the close of the liquidation.

March 1.

(*Before the Chief Judge in Bankruptcy.*)

EX PARTE GREENER—RE LINDSAY.—This was an appeal from the Newcastle County Court. On October 20, 1873, Edward Lindsay entered into an agreement with Marshall, Osborne, and Co. to build for them an iron screw steamer at the price of £7,600. The agreement contained, amongst other stipulations, the following:—That the vessel and the materials should, from the time of giving or paying the first instalment, be deemed in every respect, and for every and all purposes, to be the property of Marshall, Osborne, and and Co. to the extent of their advances, "subject, nevertheless, to the builder's lien for any unpaid instalments." That the vessel should be delivered to the purchasers complete on September 1, 1874; and that Marshall, Osborne, and Co. should pay for the vessel as to £500 in cash, and as to the rest in bills of exchange, payments to be made by instalments in accordance with the progress in the construction of the vessel; but "all bills given during construction to be retired by Marshall, Osborne, and Co. at completion and transfer." In July, 1874, £100 had been paid in cash and £3,000 in bills of exchange. The bills were drawn by Lindsay and accepted by Marshall, Osborne, and Co., and were expressed to be for "value received in iron screw steamer now building." The bills were endorsed by Lindsay, and five out of the six of them, amounting to £2,700, were taken by him to his bankers, Messrs Lambton and Co., and were discounted by them. On July 31, 1874, a petition for liquidation or composition was filed by Marshall, Osborne, and Co.; and on August 14, Lindsay called a meeting of his creditors. On September 7, Lindsay was adjudicated bankrupt; but this adjudication was subsequently set aside under the circumstances stated in ex parte Lindsay re Lindsay. On September 18 the creditors of Marshall, Osborne, and Co. duly confirmed a resolution to accept a composition of five shillings in the pound; and immediately after, Mrshall, Osborne, and Co. gave notice to Lindsay that they abandoned the contract for the ship. On November 18 Lindsay filed his petition; and on this petition he was, on December 11, adjudicated bankrupt, and Joseph Greener, the appellant, was appointed trustee. On January 23, 1875, Lambton and Co. obtained an order from the County Court Judge, declaring that the steamer was a security to Marshall, Osborne, and Co. for indemnifying them against payment of the bills, and that Lambton and Co. were entitled to the benefit of the security. From this decision the trustee appealed. Mr Little, Mr Winslow, and Mr Colt for the appellant. Mr De Gex and Mr Doria, for Messrs Lambton and Co., contended that the case was governed by ex parte Waring. The Chief Judge considered that the whole contract was subject to the builder's lien for unpaid instalments; that the case of ex parte Waring did not apply, because, under the contract, no equities and no legal rights could arise until the purchaser had paid the purchase money. As, then, the purchase had been abandoned, he held that the holders of the bills had no lien on the ship, the proceeds of which belonged to the bankrupt's estate alone.

March 1.

(*Before Mr. Registrar* HAZLITT.)

IN RE W. J. PROSSER.—This was a meeting for public examination. The bankrupt was a wine merchant of Mark-lane and Mincing-lane, formerly trading in partnership with John Prosser, under the firm of Prosser Brothers. He had filed a petition for liquidation, but the proceedings fell through and adjudication ensued. Liabilities £34,102, and assets £13,142. Upon the application of Mr Bagley, on behalf of the trustee and inspector, his Honour granted an adjournment for two months, the bankrupt in the meantime to furnish certain additional accounts.

IN RE ALBERT PELLY.—In this case an interim injunction granted last week, staying further proceedings at the suit of the Consolidated Bank, was continued upon the application of Mr Brough until further order. The debtor is a merchant carrying on business at 18, Finch-lane, and his liabilities are estimated at about £44,000, the assets have not yet been ascertained.

March 3.

(*Before Mr Registrar* MURRAY, *sitting as Chief Judge.*)

IN RE GEORGE MARRIOTT.—The bankrupt was a boot and shoe manufacturer, carrying on business in White's-row, Spitalfields. He absconded in January last, and adjudication was made upon the petition of Mr Wm. Somervell, leather merchant, 35, Noble-street. This was a sitting for public examination. Mr H. Montagu represented the trustee. The bankrupt was not in attendance; and the Court ordered the usual memorandum of non-appearance to be entered upon the proceedings.

March 5th.

(*Before Mr Registrar* PEPYS.)

IN RE MARY CROXON.—The debtor, described as of the Park Hotel, Park-place, St. James's, hotel keeper, has presented a petition for liquidation, and Mr. Watney, in now applying for the appointment of a receiver and manager, and an interim injunction to restrain proceedings by creditors, read an affidavit, from which it appeared the debts were estimated at about £6,000, and an offer had been made for the purchase of the hotel, furniture, and effects at the sum of £5,000, subject to the business being continued.—His Honour appointed a receiver and manager, and granted an interim injunction.

LIFE INSURANCE—DEPUTATION TO THE BOARD OF TRADE.—A deputation introduced by Sir Graham Montgomery, M.P., and consisting of Mr David Smith, manager of the North British Mercantile Insurance Company; Dr W. Smith, manager of the English and Scottish Law Life Insurance Company; and Mr M'Candlish, manager of the Scottish National Insurance Company, had an interview with the Right Hon. Sir C. Adderley at the office of the Board of Trade on Saturday upon the subject of life insurance. The object of the deputation was to urge upon the President of the Board of Trade the advisability of modifying some of the provisions of Lord Cairns' Act of 1872. Sir Charles Adderley promised to give the views of the deputation his favourable consideration.

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PARLIAMENTARY INTELLIGENCE.

HOUSE OF LORDS, TUESDAY, MARCH 2.

THE EUROPEAN ASSURANCE SOCIETY ARBITRATION ACTS, (1872 and 1873), AMENDMENT BILL.—The Lord Chancellor presented a bill for amending the European Assurance Society Arbitration Acts of 1872 and 1873. As the bill would have to be brought before the Standing Orders Committee and pursue the course which was usual in connection with private bills, it was unnecessary for him to detain their lordships by any lengthy explanation. The European Assurance Company failed some years ago, and there were involved in it, by amalgamation, as many as 44 other companies. The affairs of all these companies had to be considered, adjusted, and wound up, and for this purpose an Act of Parliament was passed authorising the appointment of an arbitrator. The Lord Chancellor for the time being was empowered to appoint a successor in the event of the arbitrator's death, and any such successor was to be chosen among those who had been Judges of the superior Courts of Law and Equity. Under this power the late Lord Romilly was appointed successor to Lord Westbury, and it was now necessary to choose another. The amount of business still to be done was both large and irksome, and among those qualified under the original Act there was none who could be found to carry on the work. It had, therefore, become necessary to enlarge the area under which the choice of an arbitrator could be made, and the matter was very important, inasmuch as, although the past arbitrators had from time to time pronounced opinions on the cases which had come before them, all that had to be done in the shape of making an award still remained to be done. Inasmuch as some difference of opinion on certain points had been expressed by those who had acted as arbitrators in this matter, it was thought desirable that in the event of the arbitrators differing from the decisions already given, there should be a single appeal allowed in certain cases to the Court of Appeal in Chancery, in order that a conflict of decisions might be prevented. With that explanation, he should merely present the Bill to their lordships, without asking them to read it a first time on that occasion.

HOUSE OF COMMONS, MARCH 4.

PARLIAMENTARY DRAUGHTING.—On the motion of the Attorney-General, a select committee was appointed "to consider whether any and what means can be adopted to improve the manner and language of current legislation, and to report their opinion thereon to the House."

BIRMINGHAM COUNTY COURT.

February 24.

(*Before Mr* H. W. COLE, Q.C., *Judge*.)

THE PROXY SYSTEM—RE CHARLES LYONS, FOREST INN, KNOWLE.—In this case Mr Nathan, instructed by Mr J. Ansell, appeared on behalf of Messrs Ind, Coope, and Co., who were secured creditors in the matter, and objected to the registration of the resolution for liquidation passed at a meeting of the creditors, on the ground of certain irregularities. Mr Loxdale Warren, instructed by Mr W. J. Burman, appeared for the debtor. Mr Nathan explained that it was the duty of the officers of the court to send to every creditor a notice of the holding of the first meeting of the creditors, accompanied with a form of affidavit for the creditor to use in proof of his debt, and appended to such affidavit was a form of proxy for the creditor to appoint some person to vote in his stead at the first meeting. The first objection which he had to make to the registration of the resolution was, that the notice so sent out in this case was accompanied by an affidavit, having appended to it an appointment of proxy, not blank, but filled up beforehand with the name of the debtor's own solicitor or his clerk. He handed in the notice containing the appointment of proxy filled up with the name of the debtor's solicitor, and bearing the seal of the Court, and said that the document being sent out in that form was in direct contravention of the order issued some time ago that that particular thing should not be done. His Honour said he considered it an improper thing to do, and he should speak to the Registrar about it. He was astonished that such a notice should go out officially from his court. It was most improper. Mr Nathan said that it seemed to him most extraordinary. He added that an uneducated creditor might be induced to sign the proxy appointing the debtor's solicitor, in the belief that it was an official document. His Honour said the document spoke for itself. Mr Nathan said that there was no improper motive attributed to the debtors' solicitor. Mr Warren: I think your Honour will find it has been regularly done. His Honour: It has not been regularly done; it has been done irregularly, and if I had known of it I should have stopped it long since. Mr Nathan: It really voids all resolutions taken under such circumstances. You cannot accept resolutions come to by a majority of the creditors when the proxies were obtained in such a manner as that. Mr Nathan then referred his Honour to the various sections of the Act in regard to the matter. His Honour, having sent for the Registrar, said that Mr Chauntler told him exactly what he expected, that these papers were delivered out of the Court to Mr Burman. Mr Nathan: No, they are brought in and posted by the Court. His Honour: Whose handwriting is this? Mr Chauntler: The solicitor's. His Honour: Is this written before or after the seal of the Court? Mr Chauntler: It is written, no doubt, before. His Honour: It is most improper that a proceeding of this kind should be adopted by the officers of this Court. Mr Chauntler: They never look at them any more than to seal and post them. His Honour: But the seal of the Court has to be put to a document, and before this is done it must be in a proper form, and the idea of putting the seal of the Court to a document without looking at it enables this to be done. It is grossly improper. Mr Chauntler: It has always been done. His Honour: It must never be done again. The seal of the Court has been put on the document which had already been filled up, and the proxy's name given, which ought to be blank for the creditor to select his own proxy. The solicitor in this way can take advantage of his position in a way that the Court never would sanction, and I am sure if your attention had been called to it you never would have allowed the seal of the Court to go upon it. Mr Chauntler: I never see them. His Honour: Then your clerk is the person who has the responsibility; he puts the stamp on. Mr Chauntler said that the solicitors brought in the proxies, and they were posted by the officers of the Court, who did not examine them beyond the directions. His Honour: For the future they must be examined. Before the seal of the Court is put to any official document, I require it, on the responsibility of the registrar, to be examined, and that no seal be put upon a document that has not been properly verified. It is impossible to say what irregularities may arise if this course is permitted. Mr Chauntler: The Act of Parliament has been fully carried out in every respect. His Honour: The Act of Parliament never intended that the solicitor should put in his own name as proxy. Mr Chauntler said that if his Honour made an order it should be obeyed. His Honour: Unquestionably it was an oversight, but it must not occur again. Mr Chauntler: Of course if you make this order it shall be done. His Honour: I shall certainly do it. Mr Nathan: I am told there was a communication from the Treasury before. Mr Chauntler: That was for the solicitors. Mr Nathan said that the effect of this practice was to give the debtor's solicitor complete control over the whole of the proceedings. His Honour pointed out that the officer of the Court who made the affidavit had made an affidavit that the notice was sent out in its blank form, and he had the notice produced bearing the seal of the Court, in which the form was filled up with the name of Mr Burman, or his clerk. If he had sent out the form in the way stated in the affidavit it would have been right. Mr Chauntler repeated that they did not examine the notices, but simply the addresses. His Honour added that such a form must not be sent out again. Mr Nathan then proceeded with his objection to the registration. His Honour said that he had nothing to show him that there were any other similar proxies, and Mr Nathan said that he was unable to say whether there were any more. Mr Nathan contended that the irregularity voided the proceedings altogether, and said that it was impossible to tell the mischief which might arise from the practice in regard to the voting of the creditors. His Honour said he could not see that the paper in question had any appreciable effect in the case. Mr

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Nathan said his next objection was that the notice convening the meeting of creditors was not sent a sufficient number of days before the meeting. He argued that it was necessary there should be fourteen clear days' notice, and quoted cases in support of that view. Mr Warren said that it was a universal practice for solicitors to fill up forms in the way indicated, and it was not until very recently that the custom had been put a stop to. The Judge said there was not the slightest imputation upon Mr Burman. Mr Nathan concurred. Mr Warren then contended that there was no irregularity in sending out the forms. His Honour said he would not trouble Mr Warren on that point. He was of opinion that an irregularity had been committed, for which the Registrar was not to blame at all. It was not an irregularity of that kind which invalidated what had been done. The irregularity was occasioned by the gentleman who posted the notice and made the affidavit. The Registrar was not to blame personally; but the person was responsible for the irregularity who, by inadvertence, no doubt, did not perceive that the form in reference to which he gave an affidavit was filled up. If, however, it had been shown that the irregularity had had the effect of altering the statutable majority at the meeting of creditors, he should have considered that would have invalidated the proceedings; but it appeared that the one case did not affect the majority, and that the vote given by Mr Burman, as proxy, would have no effect whatever, and he agreed that it did not affect the right to have the resolution registered. Mr Warren then addressed himself to the question of the fourteen days' notice, and first of all asked his Honour to decide whether Mr Nathan's clients had any *locus standi*, as they did not raise any objection with regard to the fourteen days' notice at the first meeting of creditors. After further discussion, his Honour said that, on the question of fourteen days' notice, he was of opinion, on the authority of the case of "Mitchell and Foster," that fourteen clear days' notice of the meeting should be given. That being the case, he thought the meeting, which was summoned on the 25th of January, and held on the 8th of February, was not duly summoned. With regard to the irregularity of the form of proxy he thought that Mr Nathan had not shown him that any substantial injustice had arisen in consequence; but he gave some importance to the objection. He held that the proceedings at the meeting were ineffectual, and made an order that another general meeting of the creditors should be summoned in the place of the meeting held on the 8th February. He should suspend the registration of the resolution until that meeting had been held.

LIVERPOOL COUNTY COURT—FEB. 26.

(*Before* Mr. T. P. THOMPSON, *Judge.*)

IN RE CHARLES QUERNER.—This bankrupt, a commission merchant in Lombard-chambers, appeared on his adjourned public examination. Mr. W. Morris represented Mr. Bolland, the trustee, and stated that the accounts, which were of a complicated and voluminous character, had been fully investigated, and although the result was far from satisfactory, he did not think any benefit would accrue from a further adjournment. The bankrupt, accordingly, was allowed to pass his examination. The liabilities were £4,364, and assets £470.

IN RE JAMES TATLEY.—This was an application to set aside a bill of sale. The debtor, a car proprietor at Ormskirk, presented his petition for liquidation on the 30th December last, and on the 14th January of this year liquidation was determined upon, and a trustee chosen. A creditor who held a bill of sale over the bankrupt's property took possession thereof on the 1st January, and the simple question for the court was, whether this seizure was not too late, it being after the commencement of the liquidation. Mr. Segar appeared for the trustee, and Mr. Cobbett for the creditor. The contention of the latter was that the liquidation did not commence until the appointment of a trustee, and therefore the seizure was in time. He argued the point at some length, but the court, without calling for reply, ruled, upon the authority of cases cited, that the liquidation commenced on the presentation of the petition, and therefore the property, being then in the order and disposition of the debtor with the consent of the true owner, passed to the trustee. The application would be granted with costs.

BIRKENHEAD COUNTY COURT.

March 2.

(*Before Mr* GILMOUR, *Deputy Judge.*)

Mr Potter, instructed by Mr Isham Gill, appeared in behalf of Mr Blease, trustee of the estate of John Dickson, of 9, Hamilton-square, contractor, whose affairs are in liquidation, for an order to restrain Edward John Cox Davies from further proceedings in an action brought by him against the debtor in the Court of Exchequer. The claim was for £2,000, and was for liabilities incurred in employing persons in the business of the debtor; that he had had an award made against him in the matter for money lent, and for money paid. Mr Etty, on behalf of the creditor, contended that as an element of damage entered into the claim, the debt was not a provable one, and until the matter had been adjudged the trustee could not have cognizance of it. Mr Potter urged that it was a matter for the trustee to investigate. His Honour granted the application but refused costs.

COURT OF BANKRUPTCY, DUBLIN. FEB. 27.

(*Before Judge* MILLER.)

IN THE MATTER OF A PETITION FOR ADJUDICATION.—The debtor in this case was a farmer residing near Tralee. He farmed over 500 acres of land. He had been adjudicated on a creditor's petition, in which he was described as a farmer and cattle dealer. The act of bankruptcy relied on was the failure to pay, secure, or compound, the petitioning creditor's debt within seven days from the service of the debtor summons. This summons had been obtained on an affidavit, in which the debtor was also described as a "farmer and cattle dealer," and immediately after the service of the summons, on a further affidavit, stating that the debtor had sold all his property and was about leaving Ireland, the creditor obtained a warrant from this court for the debtor's arrest, and he was subsequently arrested and lodged in Tralee Gaol. An application was then made to the Court for his discharge, on the ground that the summons was irregular and should be set aside, because in the affidavit obtaining it, and in the summons itself, he was described as a trader, whereas he was a farmer, and because the summons required him, as being a trader, to pay, secure, or compound the debt within seven days, instead of giving him 21 days, as in the case of a non-trader. A great number of conflicting affidavits was filed on both sides. On the hearing of the motion on Friday, the 12th inst., Judge Miller directed it to stand until the creditor had an opportunity of electing either to abandon the proceeding, or to proceed to an adjudication, on the alleged act of bankruptcy. He elected to adopt the latter course, the debtor having shown cause on the same grounds, against the adjudication. The case came on to be argued before the Court on Saturday. The debtor was brought up in custody, and he and some other witnesses were examined. Judge Miller said the only point in the case was, whether the debtor was a trader or not. Without levelling all the landmarks which separated traders from non-traders, and finding that every farmer who bought or sold cattle was a trader, he could not hold that the debtor in such a case was a trader, and while he did not approve of his act in selling his property, he should allow the cause against the adjudication, dismiss the debtor summons, and order the debtor's discharge, on the debtor undertaking not to bring an action. His lordship ordered the petitioning creditor to pay the debtor's costs of showing cause against the adjudication, as well as of the motion for his discharge, and his expenses back to Tralee.

March 2.

IN RE THE BANBRIDGE EXTENSION RAILWAY COMPANY.—This matter came before the Court in reference to the amended bill before Parliament, in relation to the sale of the line. Mr Wallace entered into a statement as to the details of the bill. The present liabilities of the company, he said, amounted to £5,600, and there were net funds available to about £3,000, or £4,000, which

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would leave a balance of about £1,200. If the matter were got out of bankruptcy, some chance would be given to the original shareholders. Judge Miller thought it would be a great matter if the undertaking could be taken out of bankruptcy. The line had now lain dirilect for ten years, and that in, perhaps, the first county in Ireland, with an opulent resident gentry. His lordship said he did not see how the Court could interfere with the matter at present. A bill was now before Lord Redesdale, of whose abilities in such matters he (Judge Miller) happened to have some knowledge. The Court had already given its sanction to the promotion of the bill, and would authorise the parties to incur any necessary expense in having proper clauses framed. He had no doubt that some provision would be made to revest the estate for the benefit of the creditors.

"A QUARREL AMONG THE ACCOUNTANTS."

The *Liverpool Courier* of March 1st contained the following, under the title of "A Quarrel among the Accountants":—

A battle royal, concerning which the public, as yet, hear little, but which costs that same unconscious public several thousands a year, has been waged, with intervals of months annually, between two Government departments for four years. There is in London a vast establishment known as the Accountant-General's and Audit Department, which is the best customer manufacturers of foolscap paper and Dechroic ink ever had. This department is under the control of Sir William Dunbar, a Scotchman, and, we understand, a connection of Mr Lowe. The business of this Audit Department was generally connected with shoe brushes, wax-ends, tacks, milk for arsenal cats, pens and penknives of Government clerks, &c. Vouchers were required for every article of this and similar classes charged in the public accounts, and in numerous cases the correspondence caused by the absence of a voucher for a hammer value 5½d. cost the public ten times the amount in stationery and stamps. It is said, (although we by no means vouch for the accuracy of the statement,) that Mr Lowe owes his great discomfiture to the Audit Department. Observing the enormous number of matchboxes charged to this department, the office transmitted, as we were informed, statistics to Mr Lowe. That poor man never thought of the number of cigars consumed by the legion of audit clerks who smoke to pass away the time, but simply took the returns as the average of the public consumption, and hence his fall. But when the Irish Church Bill was passed there was joy in the tents of Dunbar. There were the receipt and expenditure of 16 millions of money to be accounted for, and would not the "office" have glorious times of it, picking holes and searching for mare's nests in the accounts? So, as soon as the Irish Church Bill had obtained the royal assent, the Audit-office received a large number of new clerks. We admit that it was quite as well that part of the plunder should go to enterprising young men, as to Roman Catholic imbeciles, idiots, and cracked Cabinet Ministers. Then a special office was formed for the discovery of mites in the rich cheese of Irish Church plunder. The belligerents on the other side are the Church Commissioners; Lord Monk, late Governor-General of Canada, the statesman who inaugurated the new Dominion; the Right Hon. Mr Justice Lawson, formerly Professor of Political Economy in the University of Dublin. These gentlemen, in conjunction with Mr Hamilton, M.P. for the county of Dublin, and Secretary of the Treasury, who died in 1869, formed the Board of Irish Church Commissioners. This triad, appointed by Mr Gladstone, had to obtain accurate information respecting Church property, to settle the claims of 2,140 clergymen and 4,160 ecclesiastical persons, to value all the lands in the possession of the Church, to take up the collection of many thousand rent charges, to make arrangements with the Church representative body extending to 11,460 accounts, to manage landed property estimated at £210,000 a year, and to satisfy everybody. They never thought of the terrible Accountant-General. In 1870 the Church Commissioners published their first report, and after an interval of 13½ months the Comptroller-General pounces down upon them. His report seemed to prove that he had discovered that the Commissioners, in many thousands of accounts, some for sums as small as 3s. 1d., had made mistakes amounting in the aggregate to £58 4s. against the surplus fund. It is quite right that mistakes, however trivial, should be pointed out; but when the Audit-office claims credit for having caused the repayment of £58 4s., the officers should remember that by officious meddling they compelled the Church Commissioners to pay £2,500 as a compromise for a matter which no living man had heard of until the Accountant-General poked it up. Next, the report charged the solicitor of the Commissioners with receiving a week's interest on the small sums lodged by him in the bank, which allowed no interest on deposit, and in fine, they altogether mistook their position, and imagined that an ex-Governor-General of Canada, officially thanked by his Sovereign and Parliament, and an honoured judge of her Majesty's Court of Exchequer, were warders of convict prisons liable to be called to account in the matter of a shoe-brush. When the report of the Auditor-General was presented to Parliament, there was, of course, a shindy, and all the Roman Catholic members wanted to know how much was the surplus of the Church spoil and when would it be divided. It would be a good thing if Paulus Cullen could get six millions or so of Protestant Church money without delay. But the Commissioners were silent and bided their time. They say they were clothed with judicial powers by the disestablishing act, and they denied that they were bound to account or send vouchers to an accountant in London. But, on the last day of January, 1875, the Commissioners, having completed two parts of the three entrusted to them, published a full and minute account of every shilling received or distributed since their appointment in 1869. They do more; they publish in full the criticisms of the Accountant-General, and in juxtaposition their refutation. No public body ever received such a quiet but effective castigation before. The Audit-office should henceforth confine its inquisitorial duties to bills for shoddy, cats' meat, and lucifer matches. The curious part of the history is this: the Commissioners report extends down to the end of December, 1874, but on the 1st day of January, 1875, the Accountant-General publishes his comments on the accounts up to December, 1873! He had 18 months to hunt for mares' nests and found none. Altogether unaware of the bombshell which was to fall upon him next day, he recapitulated his old charges and inuendoes. He must now gird himself up to the task not only of "answering" the "answers," but of accounting for the animus which dictated his State report. The matter is of national importance in this way, The Accountant-General's office demanded and received from out of the Irish Church funds, £6,250 for auditing the accounts up to January, 1874. This is a neat little sum, sufficient to pay a small army of clerks, and to defray the cost of pleasure trips to Ireland "to look at the books." The office compels every public institution in the kingdom to furnish accounts and vouchers to it. The head of the office is, as it were, a Commissioner, above all other Commissioners, an autocrat of all he surveys, and his is the only office, and he the only officer, in the entire kingdom who is not subject to an audit himself. It is a glorious position this, to have all public boards, offices, departments, &c, trembling under the touch of the auditor, and paying in to his account vast sums of money, while no man dares to ask, Pray, have you, Mr Auditor, a voucher for that odd box of steel pens?

MESSRS. CHILD'S BANK.—**Among the curious papers** recently discovered on the shelves of Messrs. Child and Co., in the upper room over Temple-bar, are several of historic interest. One file of ancient documents contained, *inter alia*, several receipts signed by the executors of Sir Peter Loly, who lived hard by in Covent-garden. With them was one of Noll Gwyn's doctor's bills, which runs as follows:—"Received by the hands of Mr Child the summe of one hondert and nine pound yn full of all remedes and medecins delivered to Mrs Ellin Gwyn, deceased, I say received by me this 17 of November 1688; Christianus Harell, £109 .. 00 ,, 00 .." In the same parcel was discovered an acknowledgment for the sum of £200, received from the Duke of Bolton, signed by Lady Rachel Russell, the widow of William, Lord Russell, who was executed in Lincoln's-inn-fields in 1684.

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CREDITORS' MEETINGS.

RALPH CHILD (SUNDERLAND).—Messrs Gamble and Harvey have issued a circular to the creditors of this debtor, who is making application for his order of discharge. The debtor filed a petition for liquidation by arrangement on the 23d October last, and in the statement of affairs presented to a meeting of creditors on the 19th November, he estimated his liabilities at £1,498 12s. 7d.; and his assets, consisting of stock in trade which cost £702 8s. 4d, and which the debtor put down as likely to realize £562, and book debts £253 3s. 6d., which he thought would realize £155 1s. 8d. In his examination before Mr Registrar Murray at the London Bankruptcy Court the debtor admitted that he gave a number of orders before filing his petition, and that goods were delivered within a month of that date to the amount of £306 2s. 8d. Just about that time he was very much pressed for money, and had been selling goods by auction. He was informed that the trustee had only been able to collect book debts to the value of 3s. 0d., and that all the other letters had come back through the Dead Letter Office. He accounted for the deficiency by the fact that he had been realizing his stock by auction to pay creditors. These facts are placed before the creditors in order that they may judge as to using their proxies towards the debtor's discharge.

A. W. MABERLY, Architect and Surveyor, Strand and Glo'ster. —The first meeting of creditors was held on Friday, 26th Feb., at the offices of the receiver, Mr Flaxman Haydon. The statement of affairs disclosed total liabilities £9,685 9d., with assets £850 12s. 2d., besides doubtful items. After long discussion it was resolved to wind up the estate in liquidation with Mr Haydon and Mr J. Andrews, accountants, as joint trustees, assisted by a committee of three creditors. Mr Andrews, of Ironmonger-lane, who appeared for the "Protector" Life Office, occupied the chair. Messrs Guscotte, Kelly, and Scott, are the solicitors to the proceedings.

T. AND C. KINGSFORD.—At a meeting of the creditors of Messrs T. and C. Kingsford, who recently suspended payment, the accounts prepared by Messrs James and F. Ford showed the following results:—Joint estate, total liabilities, £15,221 4s. 5d., of which £3,500 is fully, and £4,296 8s. 2d. partly, secured; and assets of £4,917 11s. 7d.; and the private estate of Mr Charles Kingsford — liabilities, £22,041 15s. 9d., of which £9,136 18s. 8d. is fully secured: and assets of £5,760 17s. 11d. The creditors on the joint estate agreed to accept a composition of 8s. in the pound in four equal instalments, extending over a period of seven months; and those on the private estate of Mr C. Kingsford to a composition of 5s. in the pound, to be paid in three months, Mr James Ford being appointed trustee.

SOUTHWELL BANK.—At a meeting of the creditors of the Southwell Bank, Nottinghamshire, held on Wednesday, the resignation of Mr Millward, J.P., the local trustee, was accepted, and a resolution was passed appointing Mr Waddell the accountant, as sole trustee.

J. HOLROYD AND CO. (LEEDS).—A meeting of the creditors of James Holroyd and Co., woollen manufacturers, Leeds, was held at the Great Northern Railway Station Hotel, Leeds, W. B. Dennison in the chair. The greater part of the creditors reside in Yorkshire, but there are others connected with London and the county of Durham. The statement of affairs prepared by Messrs Burrell and Pickard, accountants, was laid before the meeting. It showed that the liabilities amounted to £56,433, and that the assets were estimated at £16,835. In addition to this statement, the deficiency account, showing the losses incurred by the debtor (James Holroyd) during the last two years was submitted. There was a long and excited discussion among the creditors present as to the way in which the debtor had conducted his business, upon the deficiency account, and the way in which the Barnard Castle mill had been managed. Heavy losses in Holroyd's business transactions were freely commented upon by the creditors. The position of the Barnard Castle estate was also freely discussed, as it appeared that the realisation of that property would materially affect the dividend which the debtor might be able to show. No offer being made to the creditors by the debtor, a committee, consisting of seven creditors, was appointed to investigate the accounts connected with the Barnard Castle concern, with orders to report to a future meeting of creditors. The debtor, trading as James Holroyd and Co., has long been associated with religious and philanthropic efforts in Leeds.

FAILURES.

ENGLAND.—The stoppage is announced of Messrs. Schroeder and Mortleman, Russia brokers, of Old Broad-street, a firm established in 1857; but their liabilities are understood to be small. The difficulties of the house appear to have been chiefly caused by the fall in the price of tallow.—The suspension is reported of Mr W. H. Pridmore, corn merchant, of Birmingham, with liabilities estimated at about £30,000, chiefly due to Liverpool firms. The failure in Manchester of Messrs P. and J. M'Gregor, machine makers, is reported, with liabilities of £11,000.—Also, Mr Alfred Butterworth, shawl and mantle manufacturer—liabilities, £2,600—and Mr Ohanes Damgagion, merchant and shipper, with liabilities of £8,000.—Messrs Zucco and Kessissoglu, merchants, Adam's-court, Old Broad-street, have suspended payment, but their liabilities are understood to be small.—A petition for liquidation by arrangement or composition with creditors has been filed in the Halifax County Court by Messrs Cockroft and Chambers, of Bottoms Mills, Ovenden, worsted spinners. Mr Samuel Johnson Beswick, of the firm of Beswick and Co., of Halifax, accountant, has been appointed receiver and manager to the estate. The liabilities are estimated at between £8,000 and £10,000.—A petition for liquidation has been filed in the Sheffield Bankruptcy Court by Mr. John Arthur Ashbury, carrying on business as a Britannia metal manufacturer at Sheffield, under the style of John A. Ashbury and Sons. The liabilities amount to nearly £4,000, but the assets are not yet known. The creditors reside in various large towns.

AMERICA.—A New York despatch says the large Bowery dry goods house of Bradbury Brothers has suspended, and makes a bad exhibit—liabilities, $170,000; assets, $87,000. The estate promises a dividend of only 25 or 30 per cent.—American advices report the suspension of Messrs. Stauffer and Johnson, flour and grain merchants, Philadelphia, with liabilities of £10,000. Messrs. Bradbury Brothers, in the dry goods trade, had suspended, with liabilities put down at £34,000; assets £17,000. The estate, it was thought, would yield a dividend of 25 or 30 per cent. Mr. James Dodds, of Philadelphia, in the caned goods trade, had suspended. Liabilities, £20,000; assets, £12,000.

A Liverpool paper says:—"The recent failures in the timber trade have served to direct attention to what has for some time been felt as an evil—viz., the long-credit system. At present six months' credit is allowed, but it is proposed to make a determined and combined effort to bring about a system of payment of cash in a month less 2½ per cent. or of short-date bills, as is in force in London.

The *Japan Mail* says that Shimada, the native banker, stopped payment on the 19th February. His business ramifications were very extensive.

FRIGHTENING DEBTORS.—The *Birmingham Daily Mail* says: A practice has grown up of late for creditors to send to their debtors pseudo-legal documents for the purpose of frightening them into the payment of their debts. A case of this kind was heard at Salford Police Court on Wednesday. A tradesman named Rutter and a debt collector named Kitto had, it was said, issued a sham writ, drawn up on a parchment form, purchased at a law stationer's by Kitto, who had been promised half the debt, if paid. He had been careful not to omit from the document a further demand of 10s. for costs. Both men were committed for trial.

Vice-Chancellor Malins made an order on Saturday in a cause in which it is stated that every Judge on the Equity Bench has held briefs. It relates to the will of a gentleman who died in 1829, leaving an estate which is now valued at £135,000. His three sons have been in litigation ever since, and the costs are said to amount to £10,000.

Vice-Chancellor Sir C. Hall has appointed Mr. C. J. Schneidau, of the firm of Whiffin and Schneidau, official liquidator of the London Cotton Mills (Limited).

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NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following companies, registered during the week:—

Belize Estate and Produce—Capital £45,000, in £10 shares.
Dunkerley and Steinmann—Capital £50,000, in £10 shares,
Glommen (Norway) Salmon Fishery—Capital £8,000, in £2 shares.
International Navigation Company, Liverpool—Capital £200,000, in £10 shares.
London Patriotic Society's Club and Institute—Capital £2,000, in £1 shares.
Millwall Wharf and Warehouse—Capital £60,000, in £10 shares.
Nicholson's Discount—Capital £20,000, in £100 shares.
North of England Printing and Stationary—Capital £16,000, in £10 shares.
Oldham Ship Manufacturing—Capital £10,000, in £5 shares.
Perry Colliery—Capital £150,000, in £20 shares.
Rastrick Stone—Capital £15,000, in £5 shares.
Sheffield Blacksmiths—Capital £2,000, in £1 shares.
Sulby Glen Starch—Capital £25,000, in £5 shares.
Theatre Royal Company, Manchester—Capital £50,000, in £20 shares.
Trinidad Gutta-percha and Plantation—Capital £5,000, in £10 shares.
Water Supply Apparatus—Capital £20,000, in £5 shares.
William Harding and Co.—Capital £60,000, in £10 shares.
Yorkshire Independent and People's Advocate Newspaper—Capital £2,000, in £1 shares.

INSURANCE OF FEMALE LIVES..—On Monday evening, at the monthly meeting of the Institute of Actuaries, held at King's College, Somerset House, an interesting paper on the duration of female life as distinct from that of the male sex, was read by Mr Cornelius Walford, F.S.S. He showed that the subject was one which had not attracted much special attention till a comparatively recent period, Dr Halley, of Breslau, who wrote in 1693, having evidently supposed both sexes to be equally long-lived. Maitland, in his "History of London," published in 1739, was of opinion that the old idea of there being more females than males in the world was a fallacy, the christenings of boys within the Bills of Mortality being 3 per cent. greater than those of girls. Kerseboom, in his investigations into the mortality of Dutch annuitants in 1742, separated the male from the female lives; but he does not appear in his tables to have noted any difference in their relative longevity. Four years later, M. Deparcieux, in his observations on the nominees of French Tontines, lays it down that the "expectancy of life" is greater in the female than in the male at all ages; but he does not determine the precise ratio. It was the "Equitable" Society which, in 1762, first approximated to the truth of the matter, by making a distinction of the rates of premium for each sex, and taking no female lives under 50 years of age as insurers except at special rates. The well known Dr Price, a great authority on insurance matters, in 1771-3, speaks incidentally of "the greater mortality of males as compared with females" as being generally acknowledged; and Brand, speaking of the "Amicable," says that in it "the life of a woman as compared with that of a man is of the same proportion as two to one." Mr T. Chester, in 1783, asserted that the difference between male and female lives was in favour of the latter; and the same rule was laid down in some Swedish tables constructed by Dr Price about the same date. It is only in the fifth edition of his work on this subject that Dr Price appears to have awoke to the importance of the question, in the interest of insurance companies. Mr Walford then quoted the statements of the Carlisle Tables, of the Parliamentary Committee of 1827, of M Quetelet, of Messrs Bailey and Day, of Mr Finlaison, &c., as on the whole showing that from first to last the expectancy of life is greater in the female than in the male sex. The same result was arrived at from certain statistics of uninsured lives among the higher and wealthier classes, which were obtained and tabulated in 1874; a result which may be expressed in the following terms—viz., that "at every age the aggregate mortality from birth up to such age is greater among males than among females; and that out of the same number of each sex, born alive, fewer males than females survive to any given age." On the whole the above statement is confirmed, added the reader of the paper, by the experience of foreign countries, both on the Continent and in America. But this must be understood with some qualification; for, strangely enough, while the expectancy of life is greater generally among women than men, most offices find that of a given number of insured lives more women die than men. This, however, was to be accounted for by the fact that whereas male insurers are drawn from all classes, only one small class of females, as a rule, seek to insure their lives—namely, women in a state of actual or expectant pregnancy; and here, as he believed, lay the secret of the anomaly which had been observed, and to which attention had been already drawn in the "Insurance Cyclopædia," now in the course of publication. The paper gave rise to a long and interesting conversation, in which Dr. Alfred Smee, of the Bank of England, Mr W. B. Hodge, Mr Tait, Mr Allen, Mr Curtis, Mr Bailey, Mr Harben, &c., took part; and the proceedings of the evening were closed with a vote of thanks to the lecturer for his "able and lucid contribution to actuarial science."

BANKRUPTCY OF A COLLIERY PROPRIETOR.—At the London Bankruptcy Court, on Tuesday, an application was made to register the resolution come to by the creditors of R. Ward-Jackson, who failed in January last, describing himself as a colliery proprietor, of Hyde Park, and Brampton, in Derbyshire. The liabilities, appearing by the statement of affairs, amount to £74,748, exclusive of fully secured liabilities to the amount of £42,000, the assets being put down at £7,874. There is a very large list of creditors, among whom are numerous firms carrying on business at Leeds, Hartlepool, and Stockton-on-Tees, and other towns in the North Riding of Yorkshire. Messrs Linklater and Co. applied to register the following resolutions, viz.:—"That the estate be liquidated by arrangement, with Mr J. Cooper, of Coleman-street-buildings, and Mr R. Fletcher, of 2, Moorgate-street, as trustees." It appeared creditors to the amount of £1,970 had not been served with the notice of the first meeting, but it was explained that they had subsequently had notice, and did not now attend. Several of them were creditors on bills which had since run off, and even if the whole of them dissented from the resolution, they would not anything like affect the majority. All objections to proofs had been withdrawn, and referred to trustees to deal with them. Under these circumstances the learned Registrar ordered that the registration should take place in the usual form.

THE CREDIT MOBILIER.—At the meeting of the Credit Mobilier at Paris, on Tuesday, resolutions were adopted giving the administrative council extensive powers for entering into a compromise respecting the three actions pending between the company and the former directors. It was also resolved to add to the capital by the issue of £100,000 preferred shares, bearing interest at the rate of 8 per cent. on the whole capital.

STAR LIFE ASSURANCE SOCIETY.—The thirty-first annual general meeting of the Star Life Assurance Society was held at the Society's House, 48, Moorgate-street, on Monday last, Mr Alderman M'Arthur, M.P., the chairman, presiding. The report shows an addition of 1,502 new policies, assuring £511,240 for the past year, and states that the invested funds now amount to no less than £1,216,115. In evidence of what may be accomplished by means of careful and able attention to the affairs of life assurance societies by those elected to conduct such businesses, it may be well to mention that the shares of the "Star," on which the sum of 25s. only has been paid, are not negotiable under £13 per share. The last bonus declared amounted to £150,464; and there is every prospect, considering that each succeeding year advances the prosperity of the society, that the next quinquennium will afford still more gratifying results to the share and policy holders, whose interests are allied to this excellently managed office. It may be added that great satisfaction was expressed at the meeting with the manner in which the secretary (W. W. Baynes, Esq.) and the officers of the staff had conducted the business of the society. The auditors are Francis Parnell, Esq., Robert Davis, Esq., and Theodore Jones, Esq., F.I.A., and the official accountant, G. E. Ladbury, Esq., A.S.A.E.

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A "BREACH OF PROMISE" BANKRUPTCY.—Geo. Henry Wildes, described as of Lowndes-square, London, gentleman, was formerly a captain in the 2d Cheshire Militia. He was the defendant in an action brought by Miss Nuttall for breach of promise of marriage, tried at the Liverpool Assizes in August last, in which damages for £3,000 were found. Previously to the trial the defendant re-married his divorced wife, and took up his residence in Brussels. The plaintiff in the action, unable to obtain the fruits of her judgment, instituted proceedings in bankruptcy, which resulted, after considerable litigation and expense, in an adjudication. The first meeting of creditors was held in London a fortnight ago, when the mother of the bankrupt tendered a proof of debt for £6,000, being for money she alleged she had paid to tradesmen on account of her son at his request, and for interest thereon. She was examined as to whether her payments were loans or gifts, but being unable to satisfy the registrar on the point, the meeting was adjourned to Tuesday last. On that day she again appeared and produced an account by which her claim was increased to seven thousand five hundred pounds. Mr. Yate Lee, instructed by Mr. Henry Gregory, of Liverpool, appeared for the petitioning creditor (the plaintiff in the action); Mr. Bolland, accountant, attended as proxy for Liverpool creditors; and Mr Lanyon and Mr Hulse for the bankrupt and his mother. The mother was again submitted to an examination as to her claim; but her evidence, although it did not differ from that she previously gave, was in many respects at variance with the account she produced. The counsel for the petitioning creditors thereupon submitted, on the authority of cases he cited, that the proof should not be admitted, the claims of relatives being those which ought not to be allowed, unless indisputable, where they would swamp the ordinary trade creditors. The Registrar (Murray) said he was of opinion that this claim was one eminently requiring the investigation of the trustee; but, as chairman of the meeting, he had no judicial functions. His duty was to satisfy himself as to the *bona fide* character of the claims. Here he was satisfied there was a *bona fide* claim, and such being the case, he should allow the proof. The doctrine referred to with respect to the proofs of relatives being left in the cold was recognized under the former bankruptcy acts; but now, as the creditors had the power of choosing a committee of inspection to supervise the trustee, there was no fear, as formerly, of the trustee being improperly influenced. The proof was accordingly admitted, and the nominee of the mother of the bankrupt appointed trustee.

MR FORSYTH'S MOTION.—The *Law Times* says:—"The profession are indebted to Mr Forsyth for directing attention to the language and manner of drawing modern statutes, and more particularly to the practice of legislating, by incorporating with, and referring to, portions of other statutes. There is no doubt, at present, great ground for complaint, and Judges and counsel alike have constantly expressed the difficulty felt in construing the provisions of many of the more recent statutes. A bill, as Mr Forsyth stated, might be admirably drawn, yet after the second reading, when it was considered in committee, amendments were introduced which conflicted with other parts of the bill, and which caused the greatest difficulty when the measure came to be administered as law and construed by the Judges. These amendments or alterations, it was suggested, should be finally considered and revised by a committee of the House, assisted by a legal officer, who should afterwards report to a committee of the whole House as to the accuracy of language, consistency of provisions, and harmony with existing legislation. The Attorney-General admitted the necessity for some amendment of the present system, and undertook, on the part of the Government, that it should receive early consideration. There is one point to which attention might, with advantage, have been drawn, whilst this subject was under discussion, namely, the modern mode of passing what may be termed a skeleton Act of Parliament, and relegating the minutiæ of the Act to rules which are to have the force and effect of the Act. This is an innovation of which the present Bankruptcy Act affords an unfortunate example. The Act itself consists of 136 sections only, yet the rules number 350, with 200 forms. These rules were assumed to be framed by the late Lord Chancellor with the assistance of the Chief Judge, but they bear no trace of his master hand. They are in many respects altogether outside the Act of Parliament, and in some instances at variance therewith, the Lords Justices, on more than one occasion, having ignored them in favour of the Act. How the Legislature should have consented to give the force of the Act itself—over nearly every section of which there was a discussion—to rules over which it had no control, seems inexplicable. Much of the dissatisfaction expressed with the expensive character of the Act is due to these rules, and it is to be hoped that the committee now sitting to consider the working of the Act will apply themselves to their speedy amendment.

HONDURAS BONDHOLDERS.—A meeting of Honduras bondholders was held on Wednesday afternoon at the London Tavern, for the purpose of adopting concerted action with reference to proceedings which have been instituted by one of the bondholders against the contractors for the loans. Major Peel occupied the chair. The proceedings of the meeting were of a somewhat stormy character, owing to attempts to prevent any legal steps being taken whatever, but a resolution was carried, we are informed, approving of the proceedings in Chancery, and of an appeal being made for subscriptions in order to support the committee in their efforts on behalf of the bondholders. According to another report, an amendment was carried in favour of the formation of a fresh committee, and of the lease of the railway to responsible parties.

BANK OF ENGLAND.—A general court of the proprietors of the Bank of England will be held on the 11th instant, to declare a dividend. A meeting is also called for the 6th of April, for the election of a Governor and Deputy Governor for the year ensuing, and on the following day 24 directors will be elected. It is understood that Mr Henry Hucks Gibbs, of the firm of Anthony Gibbs and Son, is recommended by the Court for the post of Governor, and Mr Edward Howley Palmer, of the firm of Dent, Palmer, and Co., for that of Deputy Governor.

A dividend of 6d. in the pound (making 16s.) is payable on the 4th inst. to the creditors of the Oriental Commercial Bank (Limited), at the offices of Messrs Cooper Brothers and Co.

Mr. Charles Chatteris, of the firm of Chatteris, Nichols, and Chatteris, has been appointed official liquidator of the London and Southwark Warehousing Company (Limited).

AMENITIES OF THE BAR.—On the trial of the municipal election petition, Mr Collins was the leading counsel for the petitioners, and Mr Cole, Q.C., for the respondent, and there were some sharp passages between these gentlemen. Mr Collins having remarked that a certain fact was what he wanted to bring out, Mr Cole retorted:—You are a devilish long time bringing it out.—Mr Collins: A member of Parliament and a Queen's Counsel uses such language as this!—Mr Cole: Perhaps I ought not to have said this.—The Commissioner: I think you should not have made the remark. I see Mr Collins's drift.—Later on, Mr Collins asked for certain coal tickets, and said he thought they were the other side (near Mr Cole). The tickets were handed to him by the Registrar, who had them in his possession.—Mr Cole: You have them in your hand.—Mr Collins: You can say that when you see them in my hands. Mr Cole (angrily): You say I am telling a lie then. I advise you not to do so again.—Mr Collins: I made no such imputation.—Mr Cole: You did, sir; and you had better not do so again.—Mr Collins: You get out of temper, and swear, and then say I make an imputation, which I do not.—Mr Cole: If you do not behave yourself, I shall ask his Honour to keep you in order.—Mr Collins: His Honour will tell me if I am wrong. I made no imputation.—*Portsmouth Times.*

The report of Brown, Bayley, and Dixon, Sheffield Steel and Ironworks, published March 1, shows a loss of £123,000 for the year ending March 1874, and the profit and loss account to December increases the loss to over £130,000.—*Liverpool Courier.*

A first dividend of 10s. in the pound has been declared in the matter of the Vron United Silver Lead Mining Company (Limited), and is now payable at the offices of Messrs. Tilly and Co., Victoria-buildings, Queen Victoria-street, London, E.C.

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THE ROLL OF THE LORDS.—There are 26 spiritual and 465 temporal Lords upon the roll of the Lords. The total number—namely, 491—is one less than the number on the roll of last Session. The name of Prince Arthur, as Duke of Connaught and Strathearn, appears on the roll for the first time. The names of Lord Kildare (now Duke of Leinster) and Lord Panmure disappear. The other changes are but substitutions. The Earl of Clonmell and Lord Castlemaine take the places of two Irish representative peers deceased; the Bishop of Ely comes into the House on the retirement of the Bishop of St. David's and Baron Ravensworth is advanced to a place among the earls. The House of Lords consists of five Princes of the Blood, 28 Dukes, 32 Marquises, 171 Earls, 37 Viscounts, 26 Prelates, and 192 Barons. John Wilson Patten, Lord Winmarleigh, is still the junior Lord.

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The only contract entered into by or on behalf of the Company is dated the 23rd day of January, 1875, and made between Willert Beale of the one part, and Thomas Kynnersley Gardner, on behalf of the United Kingdom Aquarium Company (Limited) on the other part.

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of Messrs. LANGTON and MATHISON, 22, Lord-street, Liverpool;
And at the Offices of the Company.

The LIST of APPLICATIONS FOR SHARES will be CLOSED on MONDAY, the 22nd March, 1875.

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The Accountant.

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The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation. and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday

N.B.—Subscriptions and advertisements will now be received at the Branch-office of the ACCOUNTANT, 127, Strand. Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62, Gracechurch-street, London, E.C.

The Accountant.

MARCH 13, 1875.

We spoke last week of the unsatisfactory condition in which the profession of accountancy is allowed to remain, and suggested to its members the means by which this might be remedied. But in order to bring about any effectual change it is necessary that the action taken should be vigorous and united. It should not be left to the energy of a few isolated men in different parts of the country to expose pretenders, and to endeavour to obtain legal sanction for the measures necessary to elevate the profession. It is to the great firms that we look for action in the matter. It is to their interest, as much as to that of the youngest member of the profession, that the evils which exist should be promptly removed.

We must briefly recapitulate what the sham accountant we have so often alluded to, is. In various papers may be seen an advertisement, emanating professedly from an accountant, which states its author's willingness to undertake business of almost any kind. Liquidations, arrangements with creditors, settlement of family matters, collection of debts, initiation and carrying into effect of legal process, raising of money, and various other matters, are all to be performed by this one man. Not unnaturally the outside world, but little skilled in professional technicalities, confound all accountants with such a specimen, and are apt in the case of their placing confidence in him (with the natural result of disappointment,) to cry out, not against their own blindness, but against the profession which numbers such men in its ranks. Here is a case which we urge upon our leaders to take up. Let them compare with their own apathy the conduct of the medical profession. No body of men were more liable to abuse than the doctors, and their reputation in many instances suffered from the trickery of the various quacks who abound. But in their own defence steps were soon taken to put down the evil, and now no man is allowed to hold himself out as a physician, unless he is duly qualified. Take again the case of the solicitors. There are good and bad members of that profession, men in whose honour and integrity secrets are guarded which affect the

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well-being of half England, men to whom anything like deception, or taking undue advantage, are wholly and utterly unknown, Others, there are whose business is to fleece their clients in every conceivable way, the entrance to whose offices is like the gloomy portals of the road to want and misery. But irregular practitioners there are none. A client aggrieved by the misconduct of his solicitor has an immediate remedy open to him; and besides, he has the protection of the great mass of organized professional opinion which passes with great weight upon even the most untrustworthy. Why should not accountants strive to elevate their profession as has been done by solicitors and doctors.

We hope to see the profession shake off its apathy in this matter. So long as any man may legally call himself an accountant, so long will some portion of the discredit attaching to the misdeeds of pretenders be incurred by every one of those who are not striving earnestly to shake off the reproach. The public are not always able to distinguish between the status of a man who calls himself an accountant, and of a man who bears the title of Fellow, or Associate of an Instituce, or Society, of Accountants- Rightly or wrongly they will hold fast to the opinion that the difference is one of degree, simply, instead of being as it is, the distinction between a true member of a honourable and responsible profession and a mere outsider.

But any action in the matter must be united as well as determined. Manchester and Liverpool must join their efforts to those of London, to form the incorporated society in which the profession must be fully represented. There may be local societies, and local organizations, but the headquarters should be in London. To this all real accountants should be required to belong. With a stringent examination for the future, and proper tests, the profession would then take its proper rank. There might still be one difficulty as to men who are not members of the existing societies, and whose practice is simply provincial, but who are neverthless well acquainted with the details of their business, and who do not aspire to undertake any of the higher branches. Obviously these men ought to be allowed to retain the name of accountants, and to receive the certificate of the new society, though they would not, without some very strong testimonial as to their fitness, be placed upon the register of the Bankruptcy Courts as duly qualified trustees. But then they might be trusted not to undertake such business, and the safeguard against the omnivorous pretenders, whose net is supposed to sweep in every kind of business, would soon be relegated to utter obscurity.

That the profession stands in need of purifying and elevating cannot be denied. We earnestly entreat those of its members, to whom, from their professional standing and high position, we look to take the lead in the matter, to exert themselves earnestly, and to let their boast be that they have regarded honour as much as the acquisition of wealth. The good name of the profession has been in their keeping; they find now that it is smirched and tarnished by the misdeeds of those associates, whose alliance they do not openly repudiate. Let them so work that their final recollections may be, that they were not content to leave the status of their profession as they found it, but that their efforts tended to bring about its purification and elevation.

The case of *ex parte* Stebbing deserves a few words of comment, as the necessary shortness of our report may make it a little obscure. In the case of liquidation, the Court has power under the 266th Rule—if it is of opinion that it has not sufficient power to protect the estate of the debtor by the use of its authority—to restrain actions to adjudicate him bankrupt, but is bound to suspend proceedings until it can be seen if a composition can be arranged; and in the event of a composition being agreed upon, will annul the bankruptcy forthwith. It may be presumed that the judge of the County Court considered that the circumstances were such as to justify this order, and that the fact of a creditor for so large an amount as to preclude any resolution being passed without his sanction being hostile, would prevent any substantial injustice being done. But it does seem, nevertheless, extremely hard to adjudicate a man a bankrupt without allowing him to be heard in his own defence, and it is satisfactory to find that the Chief Judge took this view and reversed the decision. It will still however be open to give proper notice, and try the question of the propriety of adjudication.

The point decided in Sir William Russell's case, as reported by us in our number for February the 20th, has, cropped up again in a somewhat different form, in the matter of J. F. W. Rose. In this case the debtor having received his discharge under liquidation proceedings, filed a second liquidation petition, though matters were not yet wholly closed. In this case the Registrars concurred in thinking that where there were assets for distribution the petition might be received, although it might still be open to refuse to register any resolutions passed. In Sir W. Russell's case the Court held that the after-acquired property, having been exonerated, and there being assets in the hands of the new trustee, the liquidation might continue, but stayed the proceedings, as being in the interest of the debtor, and not of the creditors. If there were no

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assets, it is clear that the creditors could reap no benefit, and in this case now no petition will probably be received.

BANKRUPTCY LAWS.—No 7.

LIQUIDATION BY ARRANGEMENT OR COMPOSITION.

As pointed out by Mr. G. Wreford in his well written "review," it was apparently the intention of the Act to treat liquidation by arrangement as something entirely distinct from composition, but up to the first general meeting of creditors, the rules and orders practically treat the two sections as one. We shall, therefore, follow the *working* of the Act, and deal with them as one, so far as they run together. The object of the legislature in framing the present laws evidently was to induce a man who found himself unable to pay his creditors in full, to place himself in their hands with a view to an amicable arrangement before his estate showed less than 10s. in the pound: and the first impression taken by the commercial community assuredly was, that "liquidation by arrangement or composition" would become the order of the day, and that the majority of estates would produce a minimum of 10s. in the pound. How far that happy anticipation has been realized, and to what a fearful extent the "liquidation clauses" have become a by-word, is but too well known. We shall in due course have a few suggestions to make on this point, which may be right or wrong, but which are the result of some considerable experience extending over a number of cases. At this point, however, we will content ourselves with suggesting that no arrangement outside of bankruptcy should be binding on dissentient creditors, unless the debtor can, by proper books of account, fully *substantiate* the causes of his failure and deficiency. At the present time a debtor "unable to pay his debts" has but to petition for liquidation by arrangement or composition, and this he frequently postpones until the last moment, adopting it as a last resource after he has, by keeping his creditors at arms length, put them to much needless expense.

RECEIVER OR MANAGER.

The petition having been duly filed, either the debtor, if he have executions to restrain, or one, or more of his creditors, if they can adduce grounds for such appointment,—applies to the Court for the appointment of a receiver, or of a receiver and manager, if there are grounds for the latter appointment. A receivership, pure and simple, is even more anomalous under liquidation or composition, than in bankruptcy. As a rule under the latter clauses the appointment is only sought by the petitioning creditors after adjudication, but under the former it is generally almost simultaneous with the filing of the petition. What, it may be asked, are the duties of a receiver under the liquidation clauses? To take possession of all effects in the "apparent" order and disposition of the debtor, and exercise *no discretion whatever* in the way of giving up any portion of such effects, however strong the evidence adduced to prove that the title will not vest in the trustee. Cash, bills of exchange, book debts *remitted*, stock in trade, furniture, leases, policies, &c., should all be taken over and secured, as well as the whole of the debtor's books, papers and documents. Following, however, the strict rule laid down by the court, he must *not* investigate the books (unless appointed by a majority of the creditors); he must *not* protect the estate by giving notice to persons owing money thereto of his appointment; he must *not* give up possession of goods which the debtor may, undisputedly hold only as an agent; he must not take an inventory of the stock, furniture, &c., although he may be put upon his defence on a charge of negligence if it transpires that any portions thereof have been converted without his knowledge; or rather he *may* do all these things at the risk, either of being called upon to make good the same, or of doing the work for nothing.

We need not point out how directly this is in contradiction of the accepted practice; for every respectable body of creditors expects the majority of these things to be done, and every respectable accountant does it, but does it at the risk of being disappointed of his remuneration for the labour entailed, unless protected by a resolution to that effect.

In one instance which came under our knowledge, the debtors (there were two) filed a petition in order to stop bankruptcy proceedings at the last moment, and thereby obtained nearly a month's delay. That time they carefully devoted to the collection of all the realisable book debts, and levanted to America some days before the meeting, having taken the best portion of the assets with them; and yet, although this fact was brought under the notice of the court, it was nevertheless decided that a receiver had no right to charge for notices to debtors. In another instance, the liquidating debtor, a publican, (whose estate eventually did not pay the costs out of pocket) entertained his friends to sumptuous champagne and brandy parties. This, the receiver, notwithstanding threats of personal violence, and one actual assault,—succeeded in stopping; but finding the stock diminish rapidly without a corresponding increase in the takings, (but rather the reverse) caused a watch to be kept, and found that bottles of wine and spirits were being systematically tossed out of the windows to friends below,—but the receiver must not charge for taking stock.

In another case the debtor was agent to various firms whose stocks were kept entirely distinct from his own, and the receiver having satisfied himself by an examination of the books and correspondence that such goods were not the property of the estate, and moreover procured very strong affidavits from the respective principals—attended before the Court in support of an application that he might be directed to hand over the articles specified, but the Court ruled that a receiver had no discretionary power, and adjourned the motion until after the appointment of a trustee, on the ground that the trustee might take a very different view of the matter.

Notwithstanding the many tricks which have been played on receivers by unscrupulous debtors, there is one nice point which has not to our knowledge been tried,

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although frequently threatened, viz., as to how far a receiver is justified in allowing stock to leave the premises in the ordinary way of trade. We are disposed to think that, although under a petition for liquidation or composition where there is a reasonable prospect of a composition being effected,—the receiver is in the happy position, if he refuses to part with goods on credit, of standing the chance of an action for damage for injury to the debtors connection (under a composition) or of being held responsible for bad debts made by allowing credit if liquidation results. It also appears to us that there is no justification for a receiver being required to give an indemnity to restrained creditors. We would emphatically urge that under the proposed amendment the appointment of receiver for the purpose simply of restraining actions should be done away with, and that notice of the petition should suffice *per se* to restrain; and that where a receiver is appointed, his powers should be extended in order to give him *full* temporary control under the supervision of the Court. At the present time estates are put to much needless expense by the almost universal appointment of receivers; while the receivers themselves justly complain that their risks are not even taken into consideration when the question of remuneration has to be settled. It is true that in the majority of instances creditors rectify the omissions of the Act where a receiver has done his duty from their point of view; bnt it is nevertheless a fact that he is at their mercy, and not infrequently comes off but poorly requited for his services, and more particularly when he is superseded by the choice of another person as trustee. Thanks to the present law, many estates do not suffice to cover costs; and as the trustee comes last he is by the law of self-preservation, in many instances, bound to protect his own interest at the expense of the receiver.

H. B. (LONDON.)

AUDITORS.

No. 3,—THEIR RESPONSIBILITES.

Before proceeding to deal with the legal and moral responsibilities of auditors, it would not be amiss to refer to some remarks concerning the auditing of public companies which have recently fallen from the pen of a contemporary, and which evince but a somewhat meagre knowledge of the requirements of the day. It can barely be conceived that there exist "scores of men of high character and fixed position who are only anxious for something to do, and who would be especially attracted by a position involving responsibility and rewarded by emolument, but not accompanied by the necessity for daily work." Such a statement appears slightly inconsistent with fact, and the assumption that a man, in consequence of his position and character, must of necessity possess pre-eminent qualifications for the onerous duties of an auditor is decidedly erroneous. What necessity there exists for "a new and very high profession to spring up" we fail to see, and are equally as blind to the fact that there exists any new and indispensable requirement for the appointment or selection of additional "men of high character" to investigate the accounts of public or other companies—in the face of the large body of eminent accountants who are amply qualified to grapple successfully and easily with matters of the greatest intricacy. The result of appointing Government auditors would be to saddle a disagreeable amount of irksome responsibility on some single department, and to bring about a piece of hampering legislation which would prove to be entirely superfluous and equally abortive.

As regards the immediate responsibilities of members of the profession acting as auditors, it may be said that the present system is not altogether to be admired. If the report or other document of the auditor should be found to be incorrect, and palpably false, a prosecution, in which every matter becomes public, is not always the wisest or most advisable course to be pursued, and consequently an unscrupulous or incompetent man can generally rely on coming out pretty free from any stigma attached to his name, beyond what may be known to a certain circle. There is no doubt that all this calls for alteration. In the first place, no one but a professional accountant should be allowed to take an auditorship; secondly, an auditor should be held responsible for any misstatements published in the certificate, report, or statement of accounts which he authenticates or vouches. An action for damages would in some cases act as a deterrent to malpractices, and the liability of being removed from the power of practising, in the same manner as a barrister is disbarred, and a solicitor is struck off the rolls, would not only make the would-be delinquent auditor scrupulously avoid offending, but would be, to the public, one of the strongest guarantees for his fidelity. So far as the employment of non-professional gentlemen as auditors is concerned, it is a system, the adoption and extension of which is to be thoroughly deprecated. It involves a vast waste both of money and time, and affords but a small modicum of security to anybody, to say nothing of the opportunity afforded for ample excuse in the event of any difficulty arising. There is doubtless a great deal to be said on behalf of those who, having a thorough sense of their obligations and a desire to fulfil them, have to accept for their important services a miserably small fee. We would advise such to release themselves, by previous arrangement, from any personal responsibility, otherwise the position in which they may possibly find themselves placed through their inability to perform their contract with justice to themselves, may be more than unpleasant.

We have before addressed those who are still young in the profession; and it will perhaps not be out of place to conclude these remarks by advising the student-accountant of to-day to bear in mind that no other branch of his chosen profession calls for more attention than auditing, and the duties and responsibilities connected therewith.

X.

A summons was granted at Manchester on Saturday against Mr Broadhead, secretary of the British Guardian Life Assurance Company (Limited), London, for obtaining money by false balance.

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Correspondence.

BANKRUPTCY LAWS.

TO THE EDITOR OF THE ACCOUNTANT.

DEAR SIR,—As the information afforded by the articles on bankruptcy appearing in your paper (signed H. B.) is, generally speaking, of a most reliable character, there is the more reason why a slight inaccuracy in the article of the 27th ult. should be corrected. H.B., in considering the duties of a trustee in bankruptcy, says—"Even if a creditor neglects to send in his claim, the trustee must in his declaration of dividend make a reservation, or his neglect to do so will entail a personal responsibility." This is not so. A trustee is only required to declare a dividend amongst those creditors who have proved to his satisfaction debts payable in bankruptcy (sec. 1, 41), and if, after giving the notices required by Rule 131, any creditor neglects to prove his debt in the prescribed manner, he is properly excluded from the benefit of the dividend. The trustee is, however, bound to reserve the dividend for any creditor who has not proved, provided his case falls within the operation of section 42, that is, where the creditor's proof or claim has not been determined by the trustee, or where the creditor resides at a great distance from the trustee.

Under liquidation by arrangement the case is different, as a trustee is required by Rule 312 to reserve dividends upon all debts appearing in the debtor's statement of affairs, whether proved or not.—I am, yours truly, G. W.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I observe that the Law Committee of the Scottish Trade Protection Society have been considering the propriety of having *judicial* superintendence of *private trusts;* and in their report to a meeting of the Society held on the 2nd inst. they recommend, "that steps be taken to prevail upon the Lord Advocate to introduce a measure which will place the accounts of all judicial factors and of private trustees under the surveillance of the Accountant of the Court of Session." As regards the accounts of judicial factories not falling under the Pupils Protection Act, it may be a question whether it is desirable that *they* should be audited by the Accountant of Court. But surely in the case of *private trusts* it may well be left to the trustees and beneficiares, in their own interests, to have their accounts regularly audited by competent professional men, which affords as perfect security as if audited by the Accountant of Court. If they fail to have this done, they are scarcely to be pitied if they are subjected to losses, which would have been obviated by an annual audit of their accounts. It is to be hoped the Lord Advocate will not consent to introduce such a measure—at least in so far as concerns the accounts of *private trustees*.—I am, sir, yours &c.,

Edinburgh, March 6, 1875. J. F. M.

VICE-CHANCELLORS' COURT, LINCOLN'S-INN,

(*Before Vice-Chancellor* Sir R. MALINS.)

March 5.

IN RE THE LISBON STEAM TRAMWAYS COMPANY (LIMITED).—In this case a petition had been presented by a fully paid-up shareholder for winding up this company on the ground of insolvency, and Mr. Keith, the company's secretary, had been served with a notice to be cross-examined and also to produce the company's books at such cross-examination. Mr Keith, in the course of his cross-examination before the special examiner, read an entry in one of the books, but refused to hand the book itself to the cross-examining counsel, whereupon the cross-examination was suspended. The petition, which was presented some time ago, had been ordered to stand out of the paper until the cross-examination should be completed, but having been restored to the paper it now came on, together with a motion on behalf of the petitioner, to compel the company's secretary to make a proper production of documents on his cross-examination. On the petition being mentioned by Mr Glasse, Q.C., who, with Mr Montague Cookson, appeared for the petitioner, Mr J. Pearson, Q.C. (Mr E. C. Willis with him), for the company, submitted that the petition was demurrable, on the ground that it was presented by a fully paid-up shareholder. His Honour, however, overruled the objection, stating that several authorities had decided that a fully paid-up shareholder was a contributory within the meaning of the Companies Acts, 1862, and accordingly entitled to present a winding-up petition. Mr Glasse, Q.C., and Mr Cookson then argued in support of the motion, and cited his Honour's decision in the case of the Emma Mining Company, and affirmed on appeal. The motion was opposed by Mr Pearson, Q.C., and Mr Willis, on behalf of the company, on the ground that the secretary had practically conformed to the decision in the Emma Mining case, and that the books could not be handed to the cross-examining counsel without being properly put in evidence. Mr Higgins, Q.C., appeared for debenture-holders, in support of the petition and motion; and Mr Bristowe, Q.C., and Mr W. W. Karslake, on behalf of shareholders, opposed. The Vice-Chancellor said the books ought not only to have been simply produced but to have been handed to the petitioner's counsel for inspection. The petitioner was a shareholder, and therefore there ought not to have been any withholding of documents whatever. The company had resisted the decision of the Court of Appeal in the Emma Mining case, and, more than that, it appeared that the solicitors for this company were the solicitors for the Emma Mining Company, and were therefore well aware of that decision, by which the very same objection that they made in this case was overruled. This was a mere obstruction to the proper administration of justice, and those who raised it he could, he regretted, only punish by making them bear the costs occasioned by it. He was satisfied that the objection raised by the secretary to allowing an inspection of the books was merely made because he found himself pressed by the cross-examination. He should now make the same order as he did in the Emma Mining case—namely, that the company should, by their secretary, Mr Keith, produce the books and documents in question, and the company must pay the application.

IN RE THE UNIVERSAL NON-TARIFF FIRE INSURANCE COMPANY (LIMITED)—EX PARTE PETER FORBES AND CO.—This was an application on behalf of Messrs Forbes and Co., who had presented the petition for winding up the company and had established a claim against the company, as reported in *The Accountant* of Feb. 27th, that the costs of their petition for winding up the company and of the proceedings thereunder, and of the action at law under which they established their debt might be paid out of the assets of the company, in priority to all other costs. The whole of the facts of the case will be found stated in our former report. Mr Higgins, Q.C., and Mr Langley appeared for the applicants, Messrs Forbes and Co.; Mr Glasse, Q.C., and Mr Montague Cookson for the company. The Vice-Chancellor said it was clear the costs of Messrs Forbes had been incurred by the unjustifiable conduct of the company in disputing their claim, and he must consider every member of the company as having resisted this demand, to which the company ought at once to have submitted. It was important that liquidators should carefully inquire into the assets of the company in liquidation, and consider what action or other proceedings ought to be brought or defended by the company, and if they allowed improper proceedings to go on, they must take the consequences. They ought to know under what circumstances the petitioner was entitled to his costs. The ground on which he rested his decision in this case was that a petitioning creditor was entitled to have his costs in priority to those of other parties; that not only his costs in the winding-up, but also his costs properly incurred in establishing his right to a winding-up order. He must therefore decide that Messrs Forbes were entitled to have their costs of the petition and of the proceedings at law and in the winding up in priority to all other costs.

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COURT OF BANKRUPTCY.

March 6.

(Before the Hon. W. C. SPRING-RICE *sitting as Chief Judge.)*

IN RE J. F. W. ROSE.—An important question had arisen in this case in regard to the right of an insolvent debtor to file a second petition for liquidation. The debtor presented a first petition in April, 1873, under which a trustee was appointed, a resolution passed for liquidation by arrangement, and the creditors granted a discharge to the debtor; but the liquidation had not been closed. The debtor, having incurred fresh debts, signed a second petition, which he caused to be tendered to the Registrar, but the Registrar declined to receive it without the order of the Court. The matter was mentioned on Saturday last, when his Honour said he would consult his colleagues upon the point. Mr Finlay Knight appeared for the debtor. His Honour now said that he had communicated with the other Registrars in regard to the right of a debtor to file a second petition, and they agreed with him in thinking that each case must stand upon its own grounds, and that the Registrar of Liquidations was quite right in desiring to have the order of the Court before he received the petition. In the present case the first petition was filed so long since as the year 1873, and under it a resolution was passed granting the debtor his discharge. There might be circumstances which would disentitle the trustee under the first petition to recover the debtor's property as against the trustee under the second, and possibly assets might exist for distribution, but, at all events, that was a point which could be considered at a subsequent stage, upon an application being made to register the resolution of the creditors. He thought, however, and his colleagues agreed, that, in a case where there were no assets for division, the debtor ought not to be allowed to present a second petition. As that state of things was not shown to exist in this case, leave would be given to file the petition.

March 8.

(Before Sir J. BACON, *sitting as Chief Judge.)*

EX PARTE STEBBING—RE STEBBING.—This was an appeal from an order of the Colchester County Court adjudicating George Hutley Stebbing a bankrupt. Mr De Gex, Q.C., and Mr R. Griffiths appeared for the appellant; Mr F. Knight for the respondent. The appellant was a farmer residing at Easthorpe, near Kelvedon. On the 23d of January he filed a petition for liquidation, and at the first meeting, held on the 13th, the creditors resolved to adjourn until the 20th. In the meantime, on the 19th of February, the London and County Banking Company, creditors for £1,800, presented a petition for adjudication against the appellant, who was on the same day (under rule 266) adjudicated a bankrupt. The appellant deposed that no notice or intimation was given to him of the proceedings under the petition for adjudication. There was no proof of the debt of the bank beyond the formal allegation contained in the petition; but it was alleged that the amount was such as to preclude the passing of any resolution for composition. His Lordship held that it was contrary to the intention of the Act to adjudicate a man bankrupt without notice, and that rule 266 did not dispense with proof of the requisites. The adjudication would be annulled.

(Before Mr. Registrar HAZLITT.)

IN RE J. S. DE VASCONCELLOS AND CO.—The debtors are merchants, carrying on business at 39, Lombard-street, 24, Brown's-buildings, Liverpool, and Ceara. Two of the partners have presented a liquidation petition, the liabilities being estimated at £120,000, with assets consisting of outstanding debts and other property to about the same sum, subject to realization. The case was now mentioned to the Court upon affidavits showing that goods and money to a considerable amount were being received every day, and it was necessary that the business should be kept in working order, and for that purpose that a receiver and manager should be appointed. It was also alleged that in consequence of the principal creditors residing in South American States, it would be impossible for them to receive notice of the proceedings in sufficient time to attend the meeting of creditors unless the period limited by the Act and the rules were extended. Upon the application of Mr Brough, the Court appointed Mr J. F. Lovering receiver and manager, and extended the time for holding the first meeting of creditors until the 27th of May.

March 10.

(Before Mr Registrar MURRAY, *sitting as Chief Judge.)*

IN RE THOMAS STAMMERS WEBB.—This case gave rise to a question of some importance in practice in regard to the right of a debtor petitioning for liquidation to convene a new first meeting of creditors, the meeting originally held having become abortive. The debtor in the present case, described as a colliery proprietor, of Gracechurch-street, had filed a petition for liquidation, with debts secured and unsecured amounting to about £90,000. At the first meeting, held on the 3rd of February, creditors whose debts amounted to £26,537 were present in person or by proxy, and of those 34 in number, representing an aggregate of £19,930, voted in favour of liquidation by arrangement, and eight creditors, whose total debts were about £6,600, dissented from the resolution. Upon the resolution being submitted to Mr Registrar Keene for registration, various objections were raised by opposing creditors, and after a short examination of the debtor the learned Registrar (following a decision of the Chief Judge in "ex parte Cockayne") refused the application to register, on the ground that the debtor, in his statement of affairs, had not distinguished between those debts which were due from him solely and those in respect of which he was liable jointly with other persons. Thereupon application was made to the Court on behalf of the debtor for leave to summon a fresh first meeting. He stated in his affidavit that he produced to the first meeting a statement showing the whole of his debts and assets, but from inadvertence and ignorance of the rule in that respect he had omitted to distinguish between his joint and separate creditors. Mr Finlay Knight appeared in support of the application. Mr De Gex, Q.C., and Mr Hemming, for creditors, opposed, contending where there was a defect that went to the constitution of the meeting the Court had power to order a new first meeting, but that where the defect affected the validity of the resolutions the Court had no such power. Mr Registrar Murray, in giving judgment, said it was not suggested that the whole of the creditors, joint and separate, had not received notice of the meeting, nor that any of the creditors had objected at the meeting to the statement of affairs. Rule 306 provided that any mistake made by a debtor inadvertently in his statement of debts might be rectified with the consent of a majority of the creditors present at the meeting. That rule applied in the present case, and his Honour had come to the conclusion that he might, consistently with the decision of the Chief Judge in "ex parte Cockayne," and of the Lords Justices in "ex parte Cobb, re Sedley," allow a new first meeting to be summoned; it being also consistent with reason and justice that the wishes of a large majority of creditors should not be rendered abortive by an omission on the part of the debtor, which was formal more than substantial. The application was accordingly granted.

IN RE ALFRED BOWES.—The debtor in this case carried on the business of general merchant and dealer in scrap iron at Queen's-street, Bermondsey, and New Kent-road. He has filed a petition for liquidation, estimating his debts at £35,187, and his assets at £9,000. Mr G. Lumley (Messrs Lumley and Lumley) now applied to the Court for the appointment of a receiver and manager. He stated that the application was supported by creditors to the extent of £10,000, and that a manager was requisite in order to prevent the stoppage of the business, which was a very valuable one, and would realize a large sum for the creditors if sold as a going concern. He proposed to ask for the appointment of Mr H. C. Brown, public accountant, of Old Jewry-chambers. Mr Burend, who stated that he represented a creditor to the extent of £12,000, opposed the application on the ground that it had come on him by surprise, and he wished to consult his client. The learned Registrar said that he thought a creditor to such a large amount as £12,000 ought to have a voice in the appointment of a receiver, and as the property was quite safe, he postponed making the appointment for 48 hours, and gave leave for the application to be made to the Registrar sitting as Chief Judge on Friday. Mr Burend then applied to

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the Court that he might be permitted to see the list of creditors filed with the petition; but the learned Registrar ruled that he could only do so after filing an affidavit stating that the creditor in question was a *bonâ fide* one, and that the applicant had his authority to represent him.

March 11.

(*Before Mr Registrar* BROUGHAM.)

IN RE EDWARD FULLWOOD.—This was an adjourned meeting for public examination. The bankrupt, described as of Somerset-place, Hoxton, was adjudicated on the petition of the liquidators of the Montrotier Asphalte and Cement Concrete Paving Company (Limited), and at the first meeting held under the bankruptcy, about a year since, Mr James Cooper, public accountant (Johnstone, Cooper, and Wintle), one of the liquidators of the company, was appointed trustee. The proceedings have been adjourned from time to time to enable the bankrupt to render further accounts, as required by the trustee, but he was still in default; and upon the application of Mr Cooper, his Honour now adjourned the meeting *sine die*.

IN RE G. GECK.—An adjourned meeting for public examination was held under the bankruptcy of Gustavus Geck, lately trading as a merchant in Little Trinity-lane, in the name of A. T. Geck. The liabilities were returned at £15,023, and assets £16 15s. Upon the application of Mr Cronshey, on behalf of the trustee, his Honour allowed a further adjournment for the investigation of the accounts.

March 12.

(*Before Mr Registrar* PEPYS.)

IN RE ALFRED BOWLES.—This case was again mentioned to the Court. The debtor was a general merchant of Bermondsey and New Kent-road. He had filed a petition for liquidation, his debts being estimated at about £35,000, and assets £9,000. An application made on Wednesday for the appointment of a receiver and manager stood over in order that creditors might be consulted on the subject; and his Honour, having regard to a desire expressed by a majority in value of the creditors, now appointed a receiver and manager.

IN RE GRIEVES AND LOVERIDGE.—The debtors, who have petitioned under the liquidation clauses, are provision merchants, of Wood-street, Westminster. Their debts are about £28,000, and assets of considerable value. Upon the application of Mr Watney, on behalf of creditors for £20,000, his Honour appointed a receiver of the estate.

SCOTLAND.

BILL CHAMBER—March 8.

(*Before Lord* CURRIEHILL.)

APPEALS IN STEWART SOUTER ROBERTSON'S SEQUESTRATION. —(1) Appeal for GEORGE AULDJO JAMIESON, Accountant, Edinburgh, and JAMES AULDJO JAMIESON, W.S. there.—The appellants were creditors on the bankrupt estate for two bills for £2,000 and £700. They were also co-obligants with the cautioners of the bankrupt in a bond for £2,000. They also held certain securities belonging to the bankrupt estate, the value of which securities they insisted on imputing primarily towards payment of their liability under the bond for £2,000. The trustee rejected the claim so far as regarded the cautionary obligation. The Lord ordinary has now reversed the trustee's decision by the following interlocutor, which explains the nature of the claim, &c.:—

"The Lord Ordinary, having heard counsel for the parties, and considered the note of appeal and productions, sustains the appeal, and recalls the deliverance of the trustee appealed against. Finds that the claimants are co-obligants with the cautioners for the bankrupt in a bond for £2,000 to Wm. Burnett, which, at the date of the sequestration, amounted, with interest, to the sum of £2,033 8s 3d, but in security of which Mr Burnett held an assignation to certain policies of insurance on the life of the bankrupt: Finds that Mr Burnett realised the surrender value of said policies, amounting to £172 2s 9d, which reduced the amount due under the bond of £1,861 5s., for which sum he has been ranked in the sequestration, and will receive a dividend of 3s. 6d. per £, amounting to £325 14s 6d, whereby the liability of the claimants as cautioners foresaid will be reduced to £1,535 11s; Finds that the claimants held at the date of the sequestration, and still hold on titles *ex facie*, absolute and unchallengeable securities over certain shares and other assets of the bankrupt; Finds that the securities so held by the claimants consist of (1) 600 £10 shares of the State Line Company, the value of which is £1,485 19s 8d, being the value of said shares at £3 10s each, or £2,100, less £614 0s 4d, being the amount of calls paid by the claimants. (2) Claim on Lewis T. Merrow under his letter to the bankrupt guaranteeing said shares, the value of which is £50. (3) Claim on the estate of L. T. Merrow and Co. in respect of a bill for £2,500 granted by them to the bankrupt and endorsed by him to the claimant, George Auldjo Jamieson, in security of the claim of the claimants against the bankrupt, the value of which is £125, being an expected dividend from the estate of L. T. Merrow and Co. of 1s. per £; Finds that in the value of, the said shares there ought not to be included the sum of £430 18s. 1d., being the amount of an expected dividend on a separate claim in this sequestration made by the said George Auldjo Jamieson in respect of said endorsed bill of £2,500, which claim has been rejected by the trustee; Finds that the true share of the whole securities so held by the claimants is £1,660 19s. 8d.; Finds that the said securities are available to the claimants for extinction and relief *pro tanto* of all their lawful claims against the liabilities for the bankrupt; and that they are entitled to hold and apply the same, in the first instance, for their relief of the said balance of £1,535 11s., or for such other balance as shall be ultimately claimed from them by Mr Burnett under the aforesaid cautionary obligation:—Finds that on the assumption that the liability of the claimants under said cautionary obligation will amount to £1,535 11s., the value of their said securities available for payment or satisfaction of the debts due to them by the bankrupt, and falling to be deducted from the claim of the claimants in respect of the bankrupt's acceptances to them for £2,000, and £700 and interest, £125 8s. 8d: Remits to the trustee to rank the claimants accordingly, and decerns: Finds the appellants entitled to expenses, &c.

(2) APPEAL FOR GEORGE AULDJO JAMIESON.—This was a claim for £2,465 0s. 4d., on a bill for £2,300 by Lewis T. Merrow and Co., to the bankrupt, and endorsed by him to the claimant. The trustee rejected the claim in respect that a creditor was not entitled to rank on a security (which the present claim appeared to be for) which he held for a debt due by the bankrupt. The Lord Ordinary has pronounced the following interlocutor:—"The Lord Ordinary having heard the counsel for the parties, and considered the note of appeal and productions, dismisses the appeal, and refuses the prayer thereof, and remits to the trustee to proceed: Finds the appellant liable in expenses."

(3) APPEAL FOR D. S. ROBERTSON OF LAWHEAD.—This claim was for £2,872 8s. 8d., in respect of a bond of caution to the Duke of Hamilton, under which the claimant was cautioner along with the bankrupt. The claim was rejected by the trustee, as no vouchers nor an assignation were produced, and as the claim was a contingent one. The following is the interlocutor in this appeal:—"Allows the appellant to amend the note of appeal to the effect proposed by him (that the trustee be ordained to set apart a dividend corresponding to the debt for which the appellant claims to be ranked, with bank interest on the dividend from the time the same was or ought to have been set aside by the trustee), and sustains the note of appeal. Recalls the deliverance of the trustee complained of, and remits to the trustee to investigate the claim of the appellant, and dispose thereof in terms of the statute."

(4) APPEAL—D. S. ROBERTSON.—This was a claim for £2,117 5s 2d in respect of an acknowledgment for £2,000 by the bankrupt to Miss M. S. Robertson, and a letter of guarantee by the appellant to Miss Robertson for that amount. Both documents were stamped with a penny stamp only. The trustee rejected the claim on the ground of want of the proper stamps, the one document being equivalent to a promissory note, and the other to a bond, and also that no assignation had been produced. The

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Lord Ordinary has pronounced the following interlocutor in this case:—"Allows the appellant to amend the note of appeal to the effect proposed by him (that the trustee should be ordained to 'set apart' a dividend, instead of 'making payment' of the dividend corresponding to the debt for which the appellant claimed on his oath to be ranked with the bank), and the same having been done at the bar, sists procedure to enable the appellant to have the documents founded upon stamped in terms of law."

BANKRUPTCY PROCEEDINGS IN SCOTLAND.

Strange Disclosures.—Thomas Davidson, formerly wool agent in Hawick, and now committed for trial on a criminal charge, was examined in bankruptcy in Jedburgh on Saturday. Sheriff-Substitute Russell was upon the bench, and there were present—Mr Lindsay, C.A., Edinburgh, the trustee; Mr J Renton, jun., S.S.C., Edinburgh, agent for the trustee; and Mr Charles Anderson, Jedburgh, local agent. According to the bankrupt's statement, he commenced business as a commission agent in July, 1869, for the sale of wool and other articles used in manufactures. He had no capital. His first agency was from Mr Robert Leggett, Edinburgh, and he afterwards sold for Messrs Thos. Laidlaw and Son, manufacturers, Hawick. At first he got one per cent. for selling Laidlaws' wool, but it was afterwards reduced to a half per cent. He had no risk from bad debts. He invoiced the wools in his own name, collected the money, drew bills and discounted them in his own name on the customers, and handed the Laidlaws the proceeds. As a compensation for the reduction of the percentage on the sales of the wool, the Messrs Laidlaw gave him their yarns to sell, also at a half per cent. He had no charge with the yarn, as it was invoiced by the Laidlaws, and sent from their premises. He purchased a wool store in 1871, and for the sake of appearance, a large quantity of Laidlaws' wool was placed in it. No rent was charged for the storage, though other parties who had wool in the store had to pay rent in the usual way. Laidlaws' men brought wool to the store, and took it away again without consulting Davidson, and no record was kept of it. His reason for selling wool at a half per cent., and giving storage besides, was that he expected it would give him a status in the trade, and that he would be able soon to obtain wools on credit for himself. At one time the Laidlaws had the wool in the store insured for £5,000. He had the liberty of showing this wool to intending purchasers, and to draw samples when necessary. In the beginning of 1872 he ceased to sell on commission for the Laidlaws, and he then requested them to remove all their wools from his store. This led to their leasing of the upper flat of the store, and as their premises were adjoining, communication was made between the two places. He believed that in two years and a half he would sell for the Laidlaws wool to the value of from £80,000 to £100,000. He afterwards purchased wool from the Laidlaws as well as from other firms. He had bought wools from them in 1871. About the end of that year, or the beginning of next, he bought from a marine dealer a little Cape fleece wool, which he thought had not been got in a right way. He informed the Superintendent of Police of this, and his advice was to continue purchasing this if again he offered it, and this might lead to a detection. He bought small quantities several times afterwards. The wool was similar to some of his own, and he took every precaution to secure that no wool should be taken from his place. On the morning of the 9th of August, 1872, he received a message, on passing Laidlaws' mill, to come and speak with Mr Laidlaw immediately. He went into Mr Laidlaw's private room, the door of which was at once either bolted or locked. Mr Laidlaw then told him that he had the most serious charge to make against him which one man could make against another. Wool had been missed from their store, and they had evidence that he had taken it. He (Davidson) expressed his surprise at this, and declared his innocence, but Mr Laidlaw said it was no use denying it, for it was either him or his men, and that warrants were prepared for the apprehension of him and two of his employés, and it just came to this, that he had either to arrange the matter at once or leave under arrest. The only way to settle the matter was to give a cheque for £500, and write a letter to the effect that he would make good all loss that could be proved. He (Davidson) hesitated. His wife was lying dangerously ill, and the news of his apprehension was almost sure to prove fatal to her, and were a single whisper of this charge to get abroad it was sure to destroy his credit, and he was in credit at that time to the extent of £30,000. Laidlaw promised "eternal secrecy," so that the only course open to him was, in his opinion, to give the cheque, the amount being limited for the time to £400, determined at the same time that, when independent of credit, he would have the whole matter overhauled. The other £100 was to be paid along with any balance of loss which could be shown. At a future meeting he (Davidson) expressed his regret at what had taken place; but Laidlaw told him that he had made his bargain, and he would have to stick to it. On the 10th (the following day) he went again to Laidlaws', and asked if a list of the missing wools had been made up, as he wished a final settlement, being much distressed about the whole affair. Mr Laidlaw said that the list had not been as yet made up; but the sum would be very large. He, however, would be prepared to take £1,500 as a final settlement. He (Davidson) replied that if that was to be the claim he would demand his £400 back, and leave him (Laidlaw) to take what steps he liked. The claim was then reduced to £1,200, and finally to £1,000, including the £400 already paid. Davidson agreed to pay this on condition that it would be taken in wool, which was done. During 1871 he lost by bad debts about £2,000, and had made it up again by the spring of the following year, and he thought that the money given to Laidlaw would be just a few months' profit, and his credit would still be kept good. He found, however, by August, 1873, that, in consequence of forced sales, the transaction with Laidlaw had cost him £7,000 or £8,000, and to that amount he was deficient, although at the date of that transaction his assets were sufficient to meet his liabilities. Future wool speculations in a falling market proved a great loss, and he never recovered from his difficulties. He attributed his insolvency, in the first place, to the £1,000 transaction, which on becoming known destroyed his credit, and, in the second place, to the forced sales which he was compelled to make. He made nominal sales of wool to Laidlaw, some of which were redeemed at considerable advances. Previous to the bankruptcy Laidlaw made no allusion to the £1,000 transaction, but while he (Davidson) was in London, after he had left Hawick, he got a message to the effect that Laidlaw thought he should leave the country. There had been no other direct communication from him, but since Davidson was lodged in gaol he had been waited upon by Mr Laidlaw's agent, who said it would be much better to say nothing about the £1,000. There was no promise of any reward for keeping quiet, only it was said it would be better for him if he said nothing. Davidson had told his own clerk about the £1,000, and said he had been forced into the transaction by severe pressure, but that he hoped to make Laidlaw account for it yet. This closed the examination for the present. The bankrupt has been liberated on bail.

Robert Cooper (Glasgow).—Robert Cooper, importer of Norwegian and Swedish timber and iron, 83, West Regent-street, was examined in bankruptcy before Sheriff Clark, on Monday. Bankrupt deposed that he was a partner of the firm of Pay, Nillson, and Co., Adolfors, Sweden. The company became insolvent in September or October, 1874, and were sequestrated. The total amount of his assets was at the date of sequestration £32,607 0s. 11d.; and his liabilities £32,005 2s. 3d. He explained that said assets were composed of a claim on the sequestrated estate of Pay, Nillson, and Co., on which no value could be placed. In addition to the above there was an asset of £1,548 19s. 6d. in cash in the hands of the trustee. The statutory oath was administered.

The Bankruptcy (Scotland) Law Amendment Bill is to be read a second time on the 17th of March.

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COURT OF BANKRUPTCY, DUBLIN, MARCH 9.

(*Before Judge* MILLER.)

NEW REGULATIONS.—In the case of a bankrupt in County Mayo, a complaint had been made by the practitioners of the court that the collection of debts had miscarried in consequence of the new regulations, whereby the official assignees communicated directly with the trade assignees, who, it was submitted, never knew anything whatever about the debts. Judge Miller said the matter was of considerable importance. He would recommend the orders to be amended by an arrangement that the official assignees should take directions from the Chief Registrar, or the Chief Clerk as to the mode of recovering debts. Mr Larkin suggested that the solicitor for the assignees in each case should receive notice of any application made by the official assignee to the Chief Registrar or Chief Clerk. Judge Miller approved of the suggestion.

PARLIAMENTARY INTELLIGENCE.

HOUSE OF COMMONS, MARCH 8.

BANKRUPTCY LAW IN IRELAND.—Mr C. Lewis asked the Solicitor-General for Ireland whether the attention of the Government had been called to the unsatisfactory state of the Law of Bankruptcy in Ireland, and if any measure for the amendment of such law might be expected to be introduced by the Government during the present Session.—The Solicitor-General for Ireland: The only communication that the Government has received calling attention to the Law of Bankruptcy as at present administered in Ireland is one from the Great Northern Law Club, forwarded to us since my hon. friend placed his question on the paper, and advising that clauses should be introduced into the Judicature (Ireland) Bill to facilitate the transaction of local bankruptcy business at Belfast. I can assure my hon. friend that those suggestions, together with any which he himself may make, will meet with a very careful consideration. It is not the intention of the Government during this Session to introduce a measure dealing separately with the Irish Bankruptcy Laws.

MARCH 9.

NATIONAL DEBT COMMISSIONERS.—Mr Puleston asked the Chancellor of the Exchequer whether his attention had been drawn to a recent article in the *Pall Mall Gazette* referring to a deficiency of over four millions and a half incurred by the National Debt Commissioners in their account with the Trustees of Savings-banks and Friendly Societies, whether such deficiency was still increasing, and whether her Majesty's Government proposed to bring forward any measure to remedy a system which made such accumulating deficiencies possible.—The Chancellor of the Exchequer said he had read the article mentioned in the question of the hon. member, and which referred to a question frequently brought before the attention of the House in connection with certain yearly accounts supplied under the provisions of an Act of Parliament. The accounts between the National Debt Commissioners and the Trustees of Savings-banks and Friendly Societies showed a deficiency against the Commissioners, arising from the fact that in former years a higher rate of interest was allowed by them than they could earn from the investments then open. Of late years the rate of interest allowed by the Commissioners had been reduced, while they had been able to earn a larger amount; but the former deficiency had gone on accumulating. He hoped before long to call the attention of Parliament to some points connected with the National Debt, and this would form one of them.

In re the Erie Preferred Stock, Satterthwaite's circular states that the United States Supreme Court of the State of New York, in the suit of St. John against the Erie Railway Company, holds that the holders of preferred stock under the management of 1862 have no preference over *bona fide* creditors of the company who have become so since the arrangement, and have no right to insist, on a dividend unless there is a surplus affirmed. This we presume, terminates this question, as there is no appeal unless to the Supreme Court of the United States.—*Liverpool Courier.*

BANKRUPTCY REFORM.

The following is copy of a letter addressed by Mr. Henry Bolland, Accountant, of Liverpool, to the Committee appointed by the Lord Chancellor to enquire into the working of the Bankruptcy Act, 1869 :—

"Gentlemen,—The working of the present Bankruptcy Act being under the consideration of your committee, I take the liberty of offering a few suggestions. In doing so I would first observe that the rules are answerable for much that has created the strong feeling which exists as to the unsatisfactory character of the Act. Those framed for carrying out the provisions of the 125th and 126th sections, are perhaps most open to exception, and certainly, having regard to the great proportion of liquidations and compositions to bankruptcies, deserve greater consideration than the rest. The 125th section provides that a debtor unable to pay his debts may summon a general meeting, &c., but there is nothing to imply that the Court must be resorted to for so simple an object; yet the rules take the power virtually from the debtor and force him to go through the formality of presenting to the court a petition, and for what purpose? That notices convening such meetings of his creditors as may be necessary in course of the proceedings, may be sent in the prescribed manner. Why should we have to pray to the court for so small a favour? But, further, the court has no power to grant the request except as to the first notice, for it has no control over the trustee to compel him to call meetings in any prescribed manner. It is true that any resolutions which it may be necessary to submit to the court for registration, must be passed at a properly convened meeting, but in liquidations the majority of resolutions of creditors are simply for the guidance of the trustee, and do not come before the court. The great objection to proceedings by petition is that it unnecessarily brings into force court officialism, which means expense, delay, and trouble, especially in the country districts, and, furthermore, it was never intended under the arrangement clauses of the Act, that the court should be resorted to except to assist creditors in asserting their rights. With that view it is no doubt necessary when a man fails that he should, to protect his property for the general body of creditors, declare his insolvency. The petition referred to contains such a declaration, but in lieu of a petition for that purpose, with all its formality and expense, I would suggest that the debtor who determines to call his creditors together should simply file with the Registrar a declaration of insolvency; and to render it interesting as well as useful, the debtor should state therein the estimated liabilities and assets, and, if requisite, his desire to submit to the jurisdiction of the court of the district. In the form of petition now in use he submits to the jurisdiction of the court to which he presents his petition, all others being excepted. Thus, for instance, if the creditors transferred the proceedings to another court, the debtor might, if there was any virtue in the submission, plead that the other court had no jurisdiction. On the declaration being presented to the Registrar he should file the same, and, after ascertaining from the debtor or his solicitor the nature of the case, *i.e.*, the amount of liabilities, the addresses of the principal creditors, and, other particulars, appoint a day and place of meeting and mark the same on the declaration, which he should forthwith direct to be gazetted. The meeting should be appointed for the earliest possible day, having regard to the magnitude of the estate. In cases where the assets do not reach £200, which number eight out of ten, the meeting should be called on the eighth day, and not later, as it is a source of great complaint now that a debtor, by filing his petition, can keep possession of his estate for some three weeks, and, generally speaking, during that period, making things, as it is termed, 'comfortable.' As receiver and trustee of about 500 estates under the present system, I have rarely found an instance in which the debtor has been strictly honest; but always either on the part of the debtor or his friends, I have found the chief study has been how to avoid surrendering the whole estate to the creditors. The present system affords unexampled facilities for such purpose. But to return to the suggestions. On the declaration being filed the debtor should be responsible for due notice

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of the meeting being given to all the creditors, and on the resolutions being presented for registration the Registrar must satisfy himself, as at present, that the meeting has been duly called. The notices could be in a short form, apprising the creditors of what can be done at the meeting, and not, as at present, contain a long legal jargon that is neither read nor understood by them. A list of creditors ought not to be filed in court, but should be in the solicitor's office, and open to the inspection of any creditor upon an order of the Registrar, which should be made on some affidavit setting forth the grounds for such inspection. At present the system of filing a list of creditors in court is productive of one of the greatest evils in connection with the present system. All over the country there are established what are termed 'protection societies,' 'societies for protection of trade,' or some other delusive title, which generally consists of an adventurer who styles himself an accountant, and issues a prospectus, in which, on payment of a nominal subscription, he undertakes the charge of all subscribers' bad debts free of cost. These prospectuses are sent broadcast through the country, and nearly in every town they bring a certain number of dupes. On the statutory notice of a meeting, therefore, being received, it is sent at once to the so-called society, and thereupon the accountant obtains a copy of the list of creditors, and proceeds to scour the country for proxies, making representations, generally with but one object, viz., to obtain possession of the estate, not in the interest of creditors, but for his own benefit. Whatever amendments your committee may suggest in the present procedure, there are none which would give greater satisfaction than those which would prevent untrustworthy persons from being either receivers or trustees. To secure that object every accountant who seeks to undertake bankruptcy business should hold some certificate from the comptroller of his fitness, and there ought to be lodged in each court a list of persons so qualified. The test of fitness is more a matter of detail, but it would not be difficult to arrange a mode of selection, For instance, let the accountant obtain the signature of a certain number of legal functionaries in the town he belongs to, pretty much in the same way as a solicitor is required to do on obtaining a commission to swear affidavits. A knowledge of accounts is not the sole qualification for a receiver or trustee. He ought to be a person of experience, with a thorough knowledge of the Bankruptcy Act, not with a view of advising on matters of bankruptcy, but to enable him to act on his own knowledge and judgment without having to fly to his solicitor in the smallest difficulty. My own experience is, that an accountant trustee, simply an accountant, saddles an estate with more legal costs than the former unpaid assignee. To return, I would suggest that on a debtor filing a declaration his property should be placed under the protection of a receiver who might be nominated by himself from the list already mentioned. The moment a man commits an act of bankruptcy he ceases to be a free agent; and to prevent him yielding to the importunities of creditors to return the goods bought from them, or in some other way to give them an undue advantage, his estate should be under the supervision of the court. Further, an independent individual should investigate his books, go through his stock, and prepare a reliable statement of accounts and report thereon, to be submitted to the meeting of creditors. Having spoken severely of the honesty of debtors, I cannot allow the opportunity to pass without saying that creditors' consciences are equally elastic, and I have rarely found a case where creditors, men of position, don't try all they know to obtain a preference over their fellow sufferers. They want watching as carefully as the debtors, and hence I should say their nomination of a receiver is open equally with that of the debtor to suspicion, but for choice give me the latter. In no instance where the receiver has been appointed by the court would I allow him to be displaced by a creditor's nominee, unless there has been some impropriety of conduct. Both the rules as to receivers and restraining orders, as they now exist, might with some slight amendments be retained, the suggestion I have made as to the abolition of a petition not affecting them. Where at a first meeting no resolution is come to, the court, on an affidavit of the facts, and upon the application of a creditor, ought to have power to adjourn the proceedings into open court, and to adjudge the debtor bankrupt, as under the arrangement section of the Act of 1849. At present a formal petition has to be filed, the debtor has to be served, and, although he can have no answer to the petition, ten days have to elapse before adjudication, and another fortnight before the creditors can vest the estate in a trustee, at a cost too of £25 at the least, the whole estate being possibly less than £100. There are two other points to which, in conclusion, I would refer, viz., the accounts of the trustee, and the meetings of creditors. As to the first, I would suggest that they should all pass under the supervision of the comptroller as in bankruptcy; and secondly, that at all first meetings of creditors a registrar should preside. At present, creditors are misled by professional and semi-professional men to an enormous extent, and often they pass resolutions in utter ignorance of their effect. I have gone *seriatim* through the rules, and shall take the liberty of finishing my remarks in a few days, providing your deliberations are not at an end."

THE EUROPEAN ASSURANCE SOCIETY ARBITRATION.

"Qui Vive" writes as follows in the *Times* of the 10th inst.:—

Another act in this judicial farce was enacted on Friday last. Policyholders in companies amalgamated with the European Society were summoned by advertisement to attend on that day at the office of the Arbitrators to support their claims. At the appointed time a mob of some hundreds of all sorts and conditions of men and women assembled and vainly struggled for ingress into the Arbitration Court, which is capable of holding at the utmost about fifty persons. After an hour or so of the wildest confusion, the crowd dispersed on a rumour being circulated that the stairs were giving way. The result of the meeting was announced to those who happened to get within hearing of the officials in attendance to be that all, claims, except against the European Society proper, were disallowed, and that those who desired to pursue their rights must apply officially to the Arbitrator. The vast majority of those who attended did not even get within sight of the door of the Court. Many came from remote parts of the kingdom; one poor woman stated that she had come specially from Ireland; and the result of the whole affair to them is that their claims are disallowed without their having the opportunity of saying a word in support of them. Surely, sir, no Oriental Cadi could improvise a greater parody of justice than this? My object, however, in writing is not so much to comment on the fatuity of the manner in which this meeting was conducted, as to offer a few remarks on the inconsistency and injustice of the course pursued with regard to the claims of the policyholders. The advertisement calling the meeting announced that the liquidators, "having regard to the decisions in the Arbitration," would object to all claims except those of annuitants. Now, it is a matter of notoriety that the policyholders have in their favour a large body of decisions by the greatest legal luminary of this generation, while they have against them only a few judgments of Lord Romilly; yet, because the latter happen to be later in point of time, they are selected to furnish the governing principle in the Arbitration, and that, too, while a bill is actually pending in Parliament the main provision of which is to provide an appeal to a regularly-constituted tribunal from the conflicting views of the two deceased Arbitrators. For what possible object is the decision of the Appeal Court thus prejudged, and why are policyholders and shareholders, already driven almost to distraction by the vacillations of the Arbitration, put to the trouble and expense of the premature and abortive proceedings I have described. Surely, Sir, Lord Justice James, the present Arbitrator, cannot have sanctioned such a course, and when the facts are known to him he will surely not allow the unfortunate policyholders to be prejudiced thereby nor the shareholders to be put to the expense of paying for it?

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

Messrs Chatteris, Nichols, and Chatteris, and Messrs Harry Brett, Milford, Pattinson, and Co., have been reappointed auditors of the Government Stock Investment Company.

Messrs Broom, Son, and Hays, and Mr F. Tendron have been reappointed auditors of the London Tramways Company.

Messrs J. Allanson and J. Clark have been reappointed auditors of the Prudential Assurance Company.

Messrs Chatteris, Nichols, and Chatteris have been reappointed auditors of the United Limner and Vorvohle Rock Asphalte Company.

Mr Sydney Smith was unanimously appointed professional auditor of the Somerset and Dorset Railway Company at the recent half-yearly meeting of the company.

Vice-Chancellor Bacon has appointed Mr J. Waddell liquidator of the Cheap Fuel Supply Association (Limited).

Messrs Bates, Dickinson, and Yeats have been re-elected auditors of the Railway Passengers Assurance Company.

Messrs John Bury (Wrexham) and John Jones (Chester) have been re-elected auditors of the Provincial Insurance Company.

CREDITORS' MEETINGS.

JAMES CUNLIFFE (London).—A first meeting has been held under the bankruptcy of James Cunliffe, described as of 83, Gracechurch-street, steamship owner and commission merchant. No accounts were filed, but the liabilities were estimated at about £16,000, the assets being of comparatively small amount.

EDWARD WITHERS (ROMSEY).—A meeting of the creditors of Edward Withers, of Romsey, upholsterer, cabinet maker, &c., has been called by Mr. W. C. Harvey (Gamble and Harvey) one of the trustees, for the purpose of considering the propriety of sanctioning, "A scheme of settlement under the 28th Section of the Bankruptcy Act, 1869, whereby the trustees be authorised to sell to the debtor his estate, as disclosed in his statement of affairs filed in Court, for the sum of £1,050, and all costs incidental thereto and consequent upon the filing of the petition, such sum of £1,050 to be paid as follows:—£425 in cash within twenty-four hours of the approval of the Court of the scheme of settlement £312 10s 0d at three months, and £312 10s 0d at six months, the last two instalments to be secured by the joint and several promissory notes of the debtor, of James Withers of Romsey, and of Edward Withers of Lower Clapton, and a bill of sale over debtors stock-in-trade and household furniture."

The London correspondent of the *Manchester Guardian*, gives currency to a report that Mr. W. Quilter, of Quilter, Ball, and Co., accountants, has paid Lord Dudley £35,000 for his interest in the Haymarket Opera House. It is further said that the place is to be used by Messrs. Moody and Sankey in one of their missionary journeys to the residents of the West End.

THE UNITED KINGDOM AQUARIUM COMPANY.—We have before us the prospectus of the United Kingdom Aquarium Company, which is formed for the purpose of building aquaria in various parts of the United Kingdom as opportunity may offer upon a novel plan. This plan, suggested by Mr. Willert Beale, and which it is intended to adopt in the construction of the company's buildings, provides for the erection of an assembly room within the aquarium, a very important feature in the project. The company propose to start with Liverpool, which may be looked upon as a sort of Metropolitan centre for the north and north-west parts of England, and where there is ample opportunity for the success of an institution of this kind affording high class entertainments with protection from the weather. Kingstown will probably be the next field for the company's operations, and an aquarium at the Alexandra Palace is also in contemplation. The financial success of the Crystal Palace aquarium is patent to everybody, so that the company is not by any means starting upon unknown ground. We venture to think that the investing public—sick of brilliant mines and diamond fields—will turn with relief to an undertaking in which utility and common sense are sufficiently allied, and which, on the face of the prospectus, bears evidence of every desire to protect the interest of Shareholders by giving the latter as much power, financially, as the directors forming the board.

WINDING-UP PETITIONS.—A petition for the winding-up of E. Broyaunt and Co. (Limited) has been presented to the Court of Chancery.—There are two petitions before the Court of Chancery for the compulsory winding up of the Bradford Tramway Company.

FAILURES.

ENGLAND.—The failure is announced, by circular, of Messrs J. S. de Vascoucellas and Co., of Liverpool, London, and Brazil, after nearly forty years' trading. The liabilities are £120,000, including £65,000 acceptances, for the taking up of which negotiations with the drawers are in progress. The assets are estimated at about £90,000, subject to realization. The engagements of the firm are almost exclusively confined to the Continent. The books have been placed in the hands of Messrs J. and F. Lovering, of Gresham-street, accountants. The Baron de Vascoucellas, the head of the firm, is in England.—Mr Mence Wilkinson, druggist, Sheffield, has been adjudicated bankrupt in the County Court there. His liabilities are estimated at about £7,000. Mr Wilkinson had filed a petition for liquidation in the London Court of Bankruptcy.—A petition for liquidation by arrangement has been filed on behalf of Messrs Crompton, Cooke, and Co., Manchester, yarn dyers and polishers. The liabilities are estimated at £600,000; assets not ascertained.—A petition for liquidation was presented on Tuesday on behalf of Mr John Davis, trading as John Davis and Co., factors, Ann-street, Birmingham. The liabilities are estimated at £18,000, the assets being considerable. The failure is attributed to heavy losses in trade. Mr Luke J. Sharpe was appointed trustee.—The failure of Messrs Grieves and Loveridge, in the London provision trade, is announced, with liabilities estimated at about £28,000, and the assets at £17,000.—The failure is announced of the firm of Alfred Bowler, carrying on business in Bermondsey as a general merchant and wholesale dealer in scrap iron. The debts are estimated at £36,000, and the assets about £10,000. A petition for liquidation has been presented. There are some creditors in Birmingham and Liverpool, but the country liabilities are not heavy.—William Hales Pridmore, described as a corn merchant, of 9, Burlington-chambers, New-street, Birmingham, has filed a petition for liquidation, with liabilities estimated at £34,000 or thereabouts. Hugh Carmichael, of Cambridge-chambers, 77a Lord-street, Liverpool, accountant, has been appointed receiver of the estate.

AMERICA.—The suspension is reported of Messrs Vyse and Co., of 537, Broadway, New York, in the straw goods line, with liabilities estimated at £200,000.—The failure is announced of Messrs Jessup and Co., of 256, Broadway, ready-made clothing establishment, with liabilities of about £34,000.—The Grant Locomotive Works, Paterson, New Jersey, it is thought probable, will go into bankruptcy; their liabilities are about £160,000. American advices report the failure of Messrs Foster and Hall, wholesale grocers, Northampton, Massachusetts—liabilities, £12,000; Messrs A. and S. Baker and Co., fruit merchants, 268, Washington-street, New York—liabilities, £20,000; Mr Hermann, cotton broker, and Messrs Hart, Caugher, and Co., brokers, Pittsburgh, Pennsylvania.

American advices report the failure of Messrs Vivero and Co., Guayaquil, with liabilities of £120,000.

The *Nottingham Guardian* says:—"Disquieting rumours are reported from Belfast regarding the financial position of two or three houses connected with the linen, yarn, and flax trades. 'The liabilities of one house (an insurance and commission agency business) are said to be from £15,000 to £50,000. The principal is said to be connected with some of the oldest and most respectable firms in the linen trade.'"

The Liverpool *Journal of Commerce* states that for some days past rumours have been current at Liverpool regarding the financial embarrassments of several firms engaged in the African trade, and it has transpired that in one case a composition of 8s. in the pound was offered and accepted.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following companies registered during the week.—

African Company—Capital £50,000, in £10 shares.

Ashton-under-Lyne Conservative Land and Building—Capital £30,000, in £2 shares.

Billingsley Colliery—Capital £60,000, in £10 shares.

Bradford Bowling-green Club—Capital £4,000, in £2 shares.

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British Seamless Paper Box—Capital £50,000, in £100 shares.
Brookbotton Spinning—Capital £60,000, in £5 shares.
Bunker's Hill Mill—Capital £4,000, in £10 shares.
City of London Dwellings—Capital £50,000, in £100 shares.
Crookes and Co.—Capital £8,000, in £10 shares.
Expenditure Redemption Bank—Capital £500,000, in £5 shares.
Gilgarran Coal—Capital £20,000, in £50 shares.
Gorleston and Southtown Gaslight and Coke—Capital £3,500, in £10 shares.
Grove Mill Cotton Spinning—Capital £25,000, in £5 shares.
Henley Cottage Improvement—Capital £10,000, in £20 shares.
Holloway Manure and Chemical—Capital £2,000, in £1 shares.
Industrial Share and Investment—Capital £50,000, in £5 shares.
Kendal Incorporated Chamber of Commerce and Manufactures—Limited by Guarantee to £5.
London Anthropological Society (Unlimited)—Capital £2,000, in £1 shares.
Longride Manufacturing—Capital £20,000, in £1 shares.
London Steamboat—Capital £100,000, in £5 shares.
National Tramway Company of Buenos Ayres—Capital £400,000, in £5 shares.
Rose Hill Spinning—Capital £16,000, in £5 shares.
Ruabon Fire-clay and Sanitary Pipe—Capital £40,000, in £10 shares.
Sheffield Laundry—Capital £5,000, in £5 shares.
Stephenson Boiler-making and Forge—Capital £50,000, in £5 shares.
Warwickshire Club—Capital £3,000, in £5 shares.
West Assheton Mining—Capital £14,000, in £1 shares.
West Ham and Barking Brickfield—Capital £2,000, in £50 shares.
William Dowling and Co.—Capital £50,000, in £10 shares.
York's Foundry—Capital £10,000, in £100 shares.
Yorkshire Woollen Manufacturing—Capital £200,000, in £5 shares.

BANK OF ENGLAND.—At the half-yearly meeting on Thursday of the Bank of England, Mr. Ben. Buck Greene, the Governor, presiding, it was stated that the net profits amounted to £665,786 18s, making the Rest on the 28th February last, £3,670,720 13s 5d, and that after providing a dividend of 4½ per cent., the Rest would be £3,015,835 13s 5d. The dividend, as recommended, was accordingly declared.

BANKRUPTCY STAMPS.—The amount in fee stamps in the year ended the 31st of March had increased to £58,830, being an increase of £5,211 on the previous year.

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Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	—
Bonuses Apportioned	581,774	6	2
Claims Paid	1,140,151	1	8

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The Accountant

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The Accountant.

MARCH 20, 1875.

It has long been held as an axiom that teaching is intended for the pecuniary benefit of the teacher more than for the intellectual benefit of the taught, and it is now recognized as an equally indisputable truth that companies are often framed less in the interest of the shareholders than in that of the directors and other officials thereof. It is true that dividends are sometimes paid, and that exceptionally fortunate investors may sometimes gain, with much anxiety and perturbation of spirit, a return nearly as large as they might have received from a perfectly sound investment, but very often indeed the paid up capital is applied mainly in paying promotion money and salaries. And with rare devotion the official tribe cling to the wreck they have made. All hope of success is gone, the utmost that the most sanguine man can expect is to minimise his loss as far as possible by a speedy suspension and realization; but the concern is still kept above water in the interests of the few, till the knot demands the intervention of a stronger power, and the Court of Chancery pronounces the fiat of liquidation.

Such a case as that of the "London and Paris Hotel Company" is, we fear, only typical of a great many others. The old tale of a rash and reckless investment, of directors neglecting their duties, and of a concern which had dealt in hundreds of thousands of pounds kept alive simply to pay over nearly the whole of the receipts as a salary to their secretary. The usual argument followed on the petition, but the shrewd common sense of Vice-Chancellor Malins broke through the flimsy defences. "The Companies Act," he said, "provided that the Court might make a winding-up order whenever the Company had suspended its business for a year. This Company had virtually suspended its business for ten years; the greater part of its property had been squandered long ago, and the miserable remnant could only be effectually realized under a winding-up order." And the order was accordingly made forthwith.

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The powers of the Court of Chancery over companies have, upon the whole, been wisely and beneficially exercised, and seldom abused. There are many cases of delay and of expense, but we believe that on the whole the result is far more satisfactory than could have been otherwise attained. One great advantage is in the class of official liquidators created by these demands for their services. Every year adds to their number, and to their experience. It is a task which calls for the exercise of very peculiar abilities. Apart from the duty of realising assets to the best advantage, of settling or compounding the claims of numerous creditors, and of arranging for the due extraction of the proper amount from the pockets of the unfortunate contributories, there is evoked another spirit, the spirit which animates the detective matched against the thief. To draw to light the truth hidden and sunk in many a fictitious entry or garbled statement; to reduce to their true dimensions the overcharged representations of those who, having fought long and hard for the retention of their ill-gotten gains, now fight as hard to retain the semblance of that honour and good reputation which may be so useful to them in any future attempts to delude the confiding public a second time; to set out a simple and unvarnished story for the warning of the speculator is a work always well and worthily performed. That stern legislation must some day be involved to strengthen the hands of those who are grappling with the giant evil of fraudulent companies, is admitted. It is on the reports of official liquidators that any alteration in the law must be founded, and their experience must be resorted to for the necessary measures. If they could only have the power sometimes of examining into the state of companies before the petition was made, if upon an application supported by fit evidence a judge could order an official investigation without the publicity of winding-up orders, and long argument in open court, a great step would be made. We venture to say that the scrutiny of a competent accountant would soon purge the country of such scandals as the "London and Paris Hotel Company," while it would strengthen many whose solvency is damaged by speculative machinations.

A technical point, possessing more legal than practical interest, was raised in *ex parte* Barrow. A debtor's summons having been issued on an affidavit made, not by the creditors themselves, but by their attorney, the debtor took instant steps to dispute it. In doing this he adopted rather too strenuous means of resistance. He filed an affidavit denying the debt; he applied to have the summons dismissed; and he, in addition, moved for leave to cross-examine, not the person upon whose affidavit the summons had been issued, but the actual creditors who were resident, and carrying on business in Spain. There he was, undoubtedly, technically incorrect. The creditors had made no affidavit, and there were, therefore, no materials upon which they could be cross-examined. And his practical course was clear. The creditors had made a claim which was disputed. It was for them to take the necessary steps to prove their case. If they declined to appear they left the field open for the debtor to make an *ex parte* statement, the effect of which might be to bring about the instant dismissal of the summons. But it might also fail to shake the original case in the faith of which it had been granted. If the contention that the creditors were to attend to be cross-examined under pain of having their summons dismissed had been upheld, it would have proved a great hindrance to any bankruptcy proceedings at the instance of foreign creditors. The debtor has the advantage of being able to defend himself, and to tell his story in his own way, without the additional power of being able to stave off bankruptcy by appealing to narrow technicalities.

The Scotch are so very patriotic and nationally minded, that it is pleasant to find that they can see good even in our much abused Bankruptcy Act, and have condescended to patronize one of its clauses, while the Lord Advocate seemed to think that the clause in its entirety might properly be adopted. There seems no apparent reason why the three bankruptcy codes of England, Scotland, and Ireland, should not be assimilated by incorporating the good features, and omitting the bad, even if, as the Lord Advocate proudly declared, England was to be made like unto Scotland, and the faults of English law were to be held to begin at their departure from the Scotch system. Each country might still retain its technicalities of language, and even some slight diversity of procedure, though the principles of the statute would be the same in all cases. The diversity of system between the component parts of the same kingdom is quite as incongruous as the much censured difference between law and equity.

The letter in the *Times*, signed "Another Solicitor," while making some good suggestions for Bankruptcy Reform, shows that the writer is in a curious state of darkness as to accountants, who, he seems to think, sprang into existence only since the Bankruptcy Act,

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and its system of proxies. Dr. Johnson once said of a certain writer that he was "generated by the corruption of a bookseller," and so we suppose that "Another Solicitor" would say that accountants were "generated by the corruption of bankruptcy officials." We would respectfully remind him that though, as we have often maintained, the proxy-system is extremely liable to abuse, it is not always the accountants who abuse it, and a case we reported recently of the gross irregularities in connection with proxies may be with advantage referred to as a proof of this. Surely it is time that this silly battle about accountants should cease.

The case of *ex parte Kibble in re Onslow* gives a timely warning to those speculative tradesmen who do business with "expectant heirs," and shows that the Courts of Equity are resolved as far as possible to put down any attempts to evade the spirit of the "Infants Relief Act." To contend, as the petitioning creditors did, that a judgment must be taken as conclusive evidence of the existence of a debt would lead, as was pointed out by Lord James, to all sorts of family arrangements. The common sense of the decision is obvious. And supposing that an order for adjudication had been made, these claims could not have been allowed without diminishing the amount of the assets unfairly to the other creditors. The law says, that contracts made during infancy are utterly void and incapable of ratification, and creditors would have a clear grievance if such claims were allowed to rank for dividend merely because the debtor, careless or ignorant of his rights, did not choose to resist an action in respect of them.

Correspondence.

BANKRUPTCY LAWS.

TO THE EDITOR OF THE ACCOUNTANT.

SIR,—I am obliged by the correction of "G. W." which appears in your last issue. *Theoretically* he is right, but I nevertheless hold that a trustee is bound to take cognisance of, and reserve for, claims which are within his knowledge owing, whether in bankruptcy or liquidation. How, otherwise, could a creditor partly secured, but who has been unable to realize his security in time to prove for a proposed dividend, obtain that protection to which he is entitled, viz., to rank for the uncovered portion of his claim? My practice under such circumstances is to ascertain from such creditor what he *considers* his security worth.—Yours truly,

H. B. (London.)

NATIONAL DEBT ANNUITIES.—During the year ended the 5th of January last, the annuities granted for life and for terms of years amounted to £56,961 12s. 4d. The money paid, including commission, was £425,503 8s. 6d.

JUDICIAL COMMITTEE OF THE PRIVY COUNCIL—MARCH 16.

(*Present*—Lord Justice JAMES, Lord Justice MELLISH, Sir JAMES COLVILE, Sir BARNES PEACOCK, and Sir ROBERT COLLIER.)

THE BANK OF SOUTH AUSTRALIA V. THE OFFICIAL LIQUIDATOR OF THE TALISKER MINING COMPANY (LIMITED) AND OTHERS.—Judgment was also given in this appeal from an order of the Supreme Court of South Australia. It had been decided by that tribunal that certain debenture holders of the Talisker Mining Company were entitled, in priority to the general creditors, to be paid the amounts due to them in respect of their debentures out of certain calls on shares of the concern, which calls had not been made at the date of the debentures. The arguments were reported in the *Times* of Friday last, and it will be recollected that the main question to be determined was, whether the company in August, 1871, had power to mortgage, firstly, sums then remaining unpaid in respect of previous calls on its shares; secondly, calls made after that date, and before the voluntary winding-up of the company; and, thirdly, calls made after the winding-up. By its deed of settlement the company had power to raise money by way of mortgage of its "property," or on its bonds, debentures, loans and promissory notes or other securities. The Court below held in substance that unpaid and unmade calls formed part of the company's property, and might be mortgaged. Lord Justice James, in delivering the judgment of their Lordships, expressed their regret that the attention of the Supreme Court had not been directed to the leading decision of the subject, namely, Stanley's case, in which the then Lords Justices, affirming a decree of Vice-Chancellor Kindersley, held that future calls could not be validly mortgaged under a provision in the deed of settlement authorizing directors to borrow on the security of the funds or property of the company. That judgment was based on most intelligible grounds, and had been uniformly acted upon ever since. Their Lordships failed to see anything in the present suit to distinguish it from the principle there laid down, and they would, therefore, humbly advise her Majesty to allow the present appeal, and to discharge the order of the Supreme Court. The two respondents, who were debenture holders, must pay the costs of the appeal.

COURT OF CHANCERY, LINCOLN'S-INN.

March 11.

(*Before the* LORDS JUSTICES *of* APPEAL.)

EX PARTE BARROW—IN RE IRVING.—This was an appeal from a decision of Mr Registrar Spring-Rice, acting as Chief Judge in Bankruptcy. On the 10th of December last a debtor's summons was issued by Messrs Barrow and Roman, merchants, at Almeria, in Spain, against John Irving, a broker, in Mincing-lane. The summons claimed £178 as due upon a balance of account. The affidavit in support of the summons was made, not by the summoning creditors themselves, but a Mr M'Allum, acting under a power of attorney from them. Irving filed an affidavit denying the debt, and applied to the Court to dismiss the summons. He also gave notice to Messrs. Barrow and Roman to attend the Court, and be examined on the hearing of his application. The case came on for hearing by the Registrar on the 4th February; Messrs Barrow and Roman were not present. The Registrar was of opinion that the debtor was *ex debito justitiæ* entitled to the attendance of the summoning creditors for the purpose of examination, and on this ground he ordered the hearing to be adjourned to the 4th of March for the attendance of the creditors. Messrs Barrow and Roman appealed. Lord Justice James said that the Registrar had greatly miscarried. The question was whether the moment a debtor denied the debt claimed by a debtor's summons, it was instantly a matter of right for him to have all the summoning creditors brought from every part of the world to be examined, when they had made no affidavit upon which they could be cross-examined. There was no injustice or hardship upon the debtor in saying that he had no such right. He having denied the debt, the creditor must, just as in an action, prove the debt to the satisfaction of the

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Court. He must prove it either absolutely, or to such an extent that the Registrar might order the question to be tried. If the creditors did not attend, the debtor would have the opportunity of telling his own story, and the matter would be determined on his own *ex parte* statement. It would be monstrous if there were an absolute right to have any number of parties summoned from any part of the world because the debtor wished it. The Registrar's order must be discharged. Lord Justice Mellish concurred.

Ex parte Kibble—In re Onslow.—This case raised a question of some importance upon the construction of the Infant's Relief Act of 1874. It was an appeal from the refusal of Mr. Registrar Hazlitt, acting as Chief Judge in Bankruptcy, to make an adjudication of bankruptcy against Mr Augustus P. L. Onslow, a young gentleman, who attained 21 on the 25th of August last. Before he came of age he had incurred debts for jewellery supplied, and for money lent to him by several jewellers in London. On the 5th of November last a debtor's summons was issued against him by Mr Emanuel, of 27, Old Bond-street, Mr W. Kibble, of 22, Gracechurch-street, Messrs H. C. Green and Co., of 94, Hatton-garden, and Mr R. A. Green, of 82, Strand, claiming, respectively, debts of £258 8s. 2d., £53 18s. 7d., £14 14s., and £29 6s. On the 8th of December an order was issued by Mr Registrar Brougham, on the undertaking of Onslow's solicitor on his behalf to pay Kibble's debt within three days, staying proceedings on the summons as to Emanuel's debt, upon security being given, and as to the debts of Green and Co. and R. A. Green without security, pending the trial of the validity of the debts claimed. Kibble had on the 22d of October recovered judgment in the Queen's Bench, in an action commenced on the 10th of October, under the Bills of Exchange Act, 1854, upon a bill of exchange for £50 drawn by Onslow upon and accepted by his mother, on the 18th May, 1874, and endorsed by him to Kibble in payment. Onslow did not appear, and judgment went by default against him for £53 18s. 7d., debt and costs. The money not having been paid under the undertaking given on the hearing of the debtor's summons, Kibble, on the 14th of December, presented a bankruptcy petition against Onslow, founded on his failure to comply with the summons so far as his debt was concerned. Onslow gave notice of his intention to dispute the making of an adjudication. The debt was disputed on the ground that it had been contracted while Onslow was an infant, and that it could not be ratified after he came of age. The Registrar refused to make an adjudication, and Kibble appealed. By the Infants' Relief Act (37 and 38 Vic., c. 62) sec. 1,—"All contracts, whether by specialty or by simple contract, henceforth entered into by infants for the repayment of money lent, or to be lent, or for goods supplied or to be supplied (other than contracts for necessaries), and all accounts stated with infants, shall be absolutely void; provided always that this enactment shall not invalidate any contract into which an infant may, by any existing or future Statute, or by the rules of Common Law or Equity, enter, except such as now by law are voidable." And by section 2—"No action shall be brought whereby to charge any person upon any promise made after full age to pay any debt contracted during infancy, or upon any ratification made after full age of any promise or contract made during infancy, whether there shall or shall not be any new consideration for such promise or ratification after full age." That Act came into operation on the 7th of August last. Mr E. C. Willis (with whom was Mr Roxburgh, Q.C.), for the appellant, argued that the judgment at law was conclusive, as Onslow did not raise the defence of infancy. Mr Winslow, Q.C., and Mr Bagley, for Onslow, contended that the Court of Bankruptcy was, notwithstanding the judgment, entitled to inquire into the consideration for the alleged debt, and that since the Act of 1874 it is impossible for a contract made during infancy to be ratified. Moreover, even if it was regular that a number of creditors should join together in one debtor's summons, still if they commenced together they must go on together in the subsequent proceedings. One of them alone could not sustain a bankruptcy petition founded on a debtor's summons applying to all. Lord Justice James was of opinion that the decision of the Registrar was quite right. It was the settled rule of the Court of Bankruptcy that the consideration for a judgment debt might be inquired into. There was obviously very strong reasons for this. The object of bankruptcy administration was to distribute a man's assets among his just creditors. If a judgment was always conclusive a man might allow any number of judgments to go by default in favour of friends or relatives without any debt being due to them at all. There was in this case no ratification of the original debt or bill of exchange till after action brought by allowing judgment to go by default. The question was whether that ratification was not made invalid by the Act of 1874. The effect of section 2 of that Act was, in his Lordship's opinion, to make a ratification by an infant after the Act came into operation as void as a contract after the Act was made by sec. 1. On this ground therefore the Registrar's decision was right. But as the other question, about the form of a summons, had been raised, it was right to say something about it too. It was very inconvenient that a number of creditors should club together to issue the summons, though this course appeared to be recognized by Form 4 in the Schedule to the Rules of 1870. But, if they did unite together in this way, his Lordship thought that they must all stand or fall together. The summons could not be dealt with piecemeal. There could be only one act of bankruptcy upon it. The appeal must be dismissed, with costs. Lord Justice Mellish was of the same opinion. It was quite clear that in bankruptcy the consideration for a judgment might be examined into, even when the judgment had gone by default. This would not go to the extent that whenever a debtor had not pleaded a defence which he might have pleaded, such as that he had no notice of dishonour of a bill of exchange, the Court of Bankruptcy would say that there was no consideration for the debt. But his Lordship thought that the effect of the Act of 1874 was to make this debt one without consideration, notwithstanding the judgment. The case was not within sec. 1 of the Act, because the bill of exchange was drawn before the Act was passed. But when the Act came into operation the bill was not due and the drawer had not attained 21. The effect of sec. 2 was to prevent any action being brought against the drawer, even though he had ratified the contract after he attained 21. The consequence was that this was a contract which the infant could not ratify when he became of age, and that was equivalent to saying that there was no valid consideration for the debt. The statute in effect made a debt contracted during infancy void like a gambling debt. His Lordship also agreed with what had been said by Lord Justice James on the other point.

March 18.

Ex parte Carew—In re Carew.—This was an appeal from a decision of Mr Registrar Murray, acting as Chief Judge in Bankruptcy. Mr Benjamin Francis Hallowell Carew, in May, 1874, filed a liquidation petition. He was then in possession of an income of £6,000 a year, arising from the rents of settled estates, but he had contracted debts beyond his immediate means of payment. In the statement of his affairs which he filed he mentioned that a claim had been made against him by the executors of Lady Pigott for £1,500, but that he did not admit the claim. At the first meeting of the creditors, held on the 23d July, it was resolved by the proper majority to accept a composition of 19s.11d. in the pound in satisfaction of the debts; that Messrs William Hammond and Benn Davis should be appointed trustees for the purpose of receiving the composition and distributing it among the creditors: and that the terms of the composition should be embodied in a deed to be made between the debtor, the trustees, and the creditors. The resolutions were duly confirmed at the second meeting of the creditors on the 4th of August, they were registered on the 6th of August, and the deed was executed on the 18th of August. Before the resolutions were passed notice had been given to the debtor, on behalf of the infant children of Lady Pigott, of a claim against him jointly with another person, in respect of an alleged breach of trust. The sum claimed was £2,215 and interest, and a Chancery suit of "Pigott v. Stewart" had been instituted to enforce it. No one attended at the creditors' meetings to represent these claimants, and no one on their behalf executed the

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deed. To carry out the composition a sum of £26,000 was borrowed by Carew from an insurance company, and was placed in the hands of the trustees. This sum included a provision to meet the claim of the Pigotts. The composition was paid by the trustees to all the other creditors, and there remained in the hands of the trustees a balance of £2,148. Carew then applied to the Court for an order that the trustees should pay over this balance to him. The Chancery suit of Pigott v. Stewart has not yet been decided. The Registrar was of opinion that the Court had no jurisdiction to entertain the application, and he refused it. Carew appealed. Mr Winslow, Q.C., and Mr Job Bradford, for the appellant, contended that the Court had jurisdiction, and that the claimants, not being bound by the composition, could derive no advantage from it. Mr Roxburgh, Q.C., and Mr E. C. Willis, for the claimants in "Pigott v. Stewart," argued that any creditor, whether bound by the composition or not, had a right to claim the benefit of it; and it would be very unjust to pay this balance over to the debtor while there was this large outstanding claim against him. Mr De Gex, Q.C., and Mr F. Turner were for the trustees; Mr Northmore Lawrence appeared for the solicitors who had acted for the debtor in the composition proceedings. Lord Justice Mellish said that the statement by the debtor that there was a claim made by the executors of Lady Pigott was not such a statement of the names and addresses of the creditors and the amount of the debt due as that the persons really interested in the claim, the infant children of Lady Pigott, would have been bound by the composition under the provisions of section 126 of the Bankruptcy Act, 1869. The persons who represented the infants did not attend any of the creditors' meetings, but they gave notice of the nature of their claim to the trustees and to Mr Carew. All the other creditors had received their 19s. 11d. in the pound, and £2,148 now remained in the hands of the trustees. The first question was whether the Court of Bankruptcy had any jurisdiction to entertain this application. His Lordship was of opinion that, if the trustees had no valid reason why they should not pay the balance over to the debtor, and if an account had to be taken between them and him, that account might be taken in the Court of Bankruptcy. Sec. 72 of the Act applied, for a composition had been decided to be a "case of bankruptcy" within that section. It was clear that any creditor who claimed to share in the composition might apply to the Court, and his Lordship thought that, if there was a surplus, the Court ought to be able to take the account as between the debtor and the trustee. That raised the question whether the account ought to be taken now, or whether it should wait until the Chancery suit had been decided. The first question, therefore, was whether any creditor who was not bound by the composition might, nevertheless, take advantage of it if he chose to do so. His Lordship was of opinion that the provision of section 126 that the composition should be binding on "all the creditors whose names and addresses, and the amount of the debts due to whom, are shown in the statement of the debtor, produced to the meetings at which the resolution has passed, but shall not affect or prejudice the rights of any other creditors," was inserted for the purpose of compelling the debtor to give a full description of the names and addresses of his creditors and the amounts of their debts, but was not intended to enable him, by leaving out any creditor, whether intentionally or by accident, to deprive him of the advantage of the composition; and therefore an application under the 9th clause of section 126 to enforce the composition might be made, not only by a creditor who was bound by the composition, because he was properly entered in the debtor's statement, but by any creditor who would in a bankruptcy or a liquidation have been entitled to prove his debt. If there were not funds placed in the hands of a trustee for the purpose of paying the composition, it would probably not be to the advantage of a creditor who was not bound by the composition to claim it when he could sue the debtor for the whole debt. But if, as might be done, the whole property of the debtor was assigned to trustees as a security for the payment of the composition, or if a sum of money was placed in the hands of trustees for the purpose of paying the composition, it might possibly be to such a creditor's advantage to apply for the composition. If he did not attend the creditors' meetings he might not be able to prejudice the rights of the other creditors if he had not given due notice to them of his claim. But, as against the debtor, and when all the other creditors had been paid their composition, the money having been paid by the debtor to the trustee for the general benefit of all the creditors, his Lordship could see no good reason why a creditor who was not bound by the composition should not be able to apply to the Court to enforce its payment to him. In the present case, having regard to the nature of this claim, which was made in respect of a breach of trust, it was clear that, as other persons were involved, the Court of Bankruptcy, in the case of a proof in bankruptcy or liquidation, would have allowed the Chancery suit to proceed and a decree to be made to determine the amount of the claim, and would then have admitted a proof for the amount so determined; and that which would have been a proper case for admitting a proof in a bankruptcy or a liquidation was, in his Lordship's opinion, a case in which the creditor might apply to the Court under a composition in which a sum had been placed in the hands of a trustee for the creditors generally. It would be wrong to order the trustee to pay back to the debtor any of that sum which remained in his hands while there was a claim made by a creditor which might turn out to be valid. No order ought to be made on this application until the result of the Chancery suit was known. The order of the Registrar must be affirmed, and the appeal must be dismissed with costs. But this would be without prejudice to any application to be made hereafter. Lord Justice James said, with regard to the question of jurisdiction, he thought that the Registrar could take any account which might be necessary in order to ascertain the real amount of the balance in the trustees' hands.

ROLLS' COURT, CHANCERY-LANE.

March 13.

(*Before the* MASTER *of the* ROLLS.)

IN RE GLOBE MUTUAL LIFE ASSURANCE COMPANY OF NEW YORK.—This was a petition for the return of the deposit of £20,000 made a few weeks ago by the above-named company upon commencing business within the United Kingdom, pursuant to the requirements of the Life Assurance Companies Act, 1870, which deposit is by the same Act repayable so soon as the life assurance fund accumulated out of the premiums shall have amounted to £40,000. The Master of the Rolls, upon evidence that the reserve fund amounted to £800,000, made the order.

VICE-CHANCELLORS' COURT, LINCOLN'S-INN,

March 12.

(*Before Vice-Chancellor* SIR R. MALINS.)

IN RE THE LONDON AND PARIS HOTEL COMPANY (LIMITED).—This was a petition for winding up this company presented by three shareholders—Lieut.-General Robertson, Mr Newton, a wine merchant, and Mr Nichols, an accountant. The company was formed in 1862, with a nominal capital of £400,000, in 20,000 shares of £20 each. They succeeded in placing out not more than 9,141 shares, of which the greater part were handed to the vendors of the property acquired by the company in part payment of the purchase-money, and one promoter alone, named Jay, received no less than £10,000 in cash. The only properties actually acquired by the company were certain leasehold premises called "Crockford's," in St. James's-street, and a house adjoining it; the West Cliff Hotel, Folkestone; and Meurice's Hotel, Paris; for which they agreed to pay the total sum of £195,000. Part of the property was subsequently sold by the company's mortgagees at a heavy loss. The house in St. James's-street was let to the Junior St. James's Club at a rent of £1,500 a year, out of which the company had to pay a ground-rent of £1,000 a year, but out of the balance of £500 a year the company had further to pay a salary of £350 a year to their secretary, Mr Baker, who had also been appointed a director at a meeting of the Board, without any notice to the shareholders.

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The company never paid more than one year's dividend, and the result of their operations was that their only asset was the leasehold house in St. James's-street, which they had entered into a contract to sell for the sum of £2,500. Mr Baker, the secretary, was cross-examined, and stated that at only one or two meetings in the year were the directors able to form a quorum; that the remuneration of the directors was £3,500 per annum, subsequently reduced to £750, and that during the last five years about £3,000 had been expended in law costs. Mr Nichols, one of the petitioners, was also cross-examined, when he stated that he only paid £10 for the five shares which he held. Mr Newton, another petitioner, had died since the presentation of the petition; and Lieut.-General Robertson, the remaining petitioner, had not made any affidavit in support of the petition, the only petitioner taking any active part in supporting it being Mr Nichols. Mr Higgins, Q.C., and Mr Crossley appeared for the petitioners; Mr Glasse, Q.C., Mr J. Pearson, Q.C., Mr C. H. Turner, and Mr Northmore Lawrence, for creditors and shareholders, supported the petition; Mr Bristowe, Q.C., and Mr Montague Cookson, for the company, and Mr Karslake, Q.C., and Mr Bigg, for shareholders, opposed the petition on the ground that the only active petitioner, Mr Nichols, had no substantial interest in the company, and that the wishes of the general body of shareholders ought to be consulted before making an order. The Vice-Chancellor said that if Mr Nichols had been the only petitioner he should not have paid much attention to the petition, because, although he had said he had paid £50 for his shares, it turned out that he had paid only £10. That, however, did not disqualify him from presenting a winding-up petition. But whatever objection might be made to his appearing on the petition, there were two other petitioners, who held a considerable number of shares. One had died, and it was said that the other, General Robertson, was a petitioner only in name. But he was there in substance, and had incurred the responsibility of presenting the petition and the liability of having to pay the costs of it if it should be dismissed. The petitioners, therefore, were good petitioners. The question then was, what ought to be done with this case? It was one which presented a lamentable history, and it was surprising that gentlemen in the possession of their faculties could embark in such a concern. They commenced business by purchasing the four properties mentioned for the large price of £195,000, a great part of which they had to borrow. The result of it all was that the net produce of the property now belonging to them was less than £50 a year. Under such circumstances he should have thought that the shareholders would have said the concern was a wretched one, the money had all been wasted, the directors had been guilty of folly, or something worse, to let the concern be wound up; but, instead of that, the greater part of the day had been occupied in resisting a winding-up. In his opinion there was much in the transactions of this company which called for investigation. Here was a case in which the time of the Court had been occupied by one of the most ridiculous contests in resisting a winding-up order that he had ever seen, and he was surprised that a winding-up should have been resisted. If he refused to wind up this company what would be the consequence? There was some property which would have to be dealt with somehow or other. If he left the matter to the shareholders there would be nothing but wrangling. Here was Baker, the secretary, who had insulted the shareholders by refusing to allow them to inspect the books, and, in the course of his examination before the special examiner, he had obstructed the administration of justice by refusing to produce them. The manner in which the affairs of the company had been conducted for the last five years was most discreditable, and could but be regarded as disgraceful by all men of rational faculties. Dishonesty there must have been; and could it be said that the large number of shareholders who had lost their money, and the creditors were bound to leave their affairs in the hands of persons so unworthy to be trusted as Baker and his co-directors, who could only form a quorum once or twice a year? He could do nothing for these persons unless he made the order. If he decided that the company ought to pass a resolution to wind up voluntarily, some time must elapse before they could do so; and, if they did pass such a resolution, there would inevitably be a petition to continue the winding-up under supervision. This, therefore, was not to be thought of for a moment. It had been said that a meeting ought to be called, as in the Brighton Hotel case, but that was a going concern, and there seemed to be a prospect of the company becoming successful. The result justified his anticipations, and now the company were making large profits; but with this miserable concern the case was quite different. He was satisfied that this company had only been kept on by the directors for the purpose of drawing their salaries, and for other reasons personal to themselves. Now, what were the circumstances under which the Court would make a winding-up order? The 79th section of the Companies Act, 1862, provided that the Court might make the order whenever the company had suspended its business for a year. This company had virtually suspended its business for ten years; the greater part of its property had been squandered long ago, and the miserable remnant could only be effectually realized under a winding-up order. He was satisfied that to make an order to wind-up was the best course for companies such as this. It was the clearest case for winding-up he had ever seen; and he should therefore make the order, and the company must have only such costs as they would have had if they had simply appeared and consented to the order.

(*Before* Sir CHARLES HALL.)

RE THE BOG MINING COMPANY.—This company was established for the purpose of working certain mines with a capital of £24,000 in £2 shares. The capital was duly subscribed, but on the 28th October, 1874, a resolution was passed to wind up the company voluntarily, and Mr A. Good was appointed liquidator. Subsequently, however, a meeting of the company was held, at which it was considered that the company might be carried on at a profit, and in March, 1875, it was resolved that the proceedings under the voluntary winding up should be stayed, and that the directors should be at liberty to make arrangements with the creditors, and that application should be made to the Court of Chancery in order to carry into effect the above resolution. Accordingly a petition was presented by Col. Corbet, as representing the company, that the proceedings under the voluntary winding up might be stayed. Mr Greene and Mr Grosvenor-Wood, for the petitioner, said that the difficulty was this:—Under the 131st and 133d sections of the Act of 1862, after a voluntary winding up the business of the company was *ipso facto* stopped. By the 89th section the Court was authorized to stay proceedings at any time after an order was made, but that was necessarily in a winding-up by the Court. But by the operation of the 138th section the power given by the 89th section was extended to cases of voluntary winding up. Mr Rice and Mr L. Webb appeared for the creditors and the liquidator. The Vice-Chancellor made the order.

PARLIAMENTARY INTELLIGENCE.

HOUSE OF COMMONS, MARCH 17.

BANKRUPTCY (SCOTLAND) LAW AMENDMENT BILL.—Mr F. Harrison moved the second reading of this bill, the object of which was simply to give workmen a preference claim in bankruptcies to the extent of a month's wages where their salary was not more than £100 a year, instead of limiting the salary, as at present, to £60. The latter amount was fixed by an Act of 19 and 20 Vic., and had, perhaps, been reasonable enough at the time, but, having regard to the increase of wages, was no longer sufficient. It was felt by the working classes of Scotland that they were under a great disadvantage in this matter as compared with their fellows in England and Ireland, who had the benefit of later and more liberal legislation. Mr Leith approved the principle of the bill, and would vote for the second reading; but maintained that a much more extensive measure was needed, and that, if possible, there ought to be an assimilation of the bankruptcy laws of the United Kingdom. The existing diversity was the cause of great evils and inconvenience. On a memorial being received from the Associated Chambers of Commerce, the late Lord Advocate promised to

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take up the matter, and it was to be hoped his successor would show the same disposition. With regard to the present bill, it was to be regretted that it did not borrow from the English Act of 1869 the provision which gave to clerks and shopmen a preference to the extent of four months' wages, and in the case of labourers and workmen to the extent of two months', with, of course, a limitation as to the total amount. Sir G. Balfour would vote for the bill on the ground that it hit an undoubted defect in the Scotch Act and did not attempt a general revision of the law. The Lord Advocate would not oppose the second reading of the bill, but he should be glad to put himself in communication with the promoters of it with a view to its improvement in committee. He did not look forward to the assimilation of the Bankruptcy Laws of the three kingdoms. There was no great dissatisfaction in Scotland, though, of course, there would always be some, and when the law of England was under revision the attempt was made to assimilate it as much as possible to that of Scotland, from which it seemed to follow that the faults of the English law began at the points of departure from the Scotch system. (Laughter.)—The bill was read a second time.

COURT OF BANKRUPTCY.

March 13.

(Before the Hon. W. C. SPRING-RICE *sitting as Chief Judge.)*

IN RE SAMUEL BRANDRAM.—The debtor, who has presented a petition for liquidation by arrangement or composition, was a wine merchant, of Pall-mall, Mincing-lane, Aldershott, and Surbiton, and also proprietor of the late Junior St James's Club. His liabilities, taken at a liberal estimate, amount to about £30,000: the value of the assets has not yet been ascertained. Upon the application of Mr Walters on behalf of the debtor and certain creditors, his Honour appointed Mr J. Pierson, public accountant, receiver and manager of the estate, it being important that the goodwill of the business should be preserved.

(Before Mr Registrar MURRAY.)

IN RE J. R. DEAN.—This was an application on behalf of Mr Murray, a creditor, for an order that certain resolutions come to under a petition for liquidation presented by the debtor, who was a bootmaker in Buckingham-street, Strand, should be set aside on the ground of fraud. It appeared that the resolutions provided for the acceptance of a composition of 1s. in the pound, but their validity was impeached upon the ground that the debtor's accountant had bribed a creditor named Marshall by giving him a bill of exchange for a sum equal to 10s. in the pound on his debt in fraud of the other creditors. His Honour, in giving judgment, said it had been laid down by the Lords Justices, in "*Ex parte* Cobb, *re* Sedley," in accordance with previous cases, that the power of a majority of creditors to bind the minority must be exercised fairly. While acquitting the debtor of any knowledge in the first instance of the transaction with Marshall, the fact of the bill having been given appeared to have come to his knowledge before registration, and the resolutions being thus tainted with fraud, the Court would declare them to be void. Mr Ryan appeared for the applicant; Mr Button for the debtor.

March 15.

(Before Mr. Registrar HAZLITT.)

IN RE GEORGE GREAVES.—The debtor, who is a machinist and woollen merchant, of 18, Basinghall-street, and Leeds, has presented a petition for liquidation, estimating his liabilities at about £25,000. Mr Finlay Knight (instructed by Messrs Learoyd and Learoyd), in applying for the appointment of a receiver of the estate, said that the debtor was possessed of a large mill and foundry at Leeds, on which there was valuable stock in trade, machinery, and effects. There was a mortgage on the buildings and fixed machinery held by a Manchester building society as security for a sum of £30,000 advanced; the mortgagees had recently taken possession, and as there was a large amount of stock and effects, which formed the principal portion of the debtor's assets, it was important that a receiver should be appointed to take possession in the interest of the creditors; he therefore asked that Mr Blackburn, public accountant, Park-row, Leeds, should be appointed to the office. The appointment was concurred in by the whole of the creditors. His Honour made the appointment.

March 18.

(Before Mr Registrar BROUGHAM, *sitting as Chief Judge).*

IN RE JACKSON.—This was an application by a solicitor, who had presented a debtor's petition for liquidation by arrangement, and had afterwards been appointed solicitor to the trustee, for payment of the amount of his taxed costs out of the estate. It transpired during the inquiry that the solicitor had received from the debtor sums of money for payment of *ad valorem* duty upon filing the special resolution for liquidation. He had furnished his bill to the trustee without giving credit for these receipts. The trustee was willing to pay the amount actually due, after deducting the duty, but he declined to pay more. His Honour held that a solicitor, when he made out his bill, was bound to give credit for every sixpence which he had received. The matter was so clear that he could not imagine there could be any question about it. A solicitor was perfectly justified in requiring payment of the duty, but he was also bound to give credit for the amount. The admitted balance only must be paid by the trustee.

IN RE SAMUEL BRANDRAM.—The debtor, a wine merchant, carrying on business at 12, Pall Mall, and also in Mincing-lane, City, at Aldershott, and elsewhere, recently filed a petition for liquidation; debts, about £30,000. Mr Walters, for the receiver, now applied for an injunction to restrain the holders of wine warrants deposited by the debtor as security for advances from proceeding to a sale, the ground of the application being that loss would probably ensue to the estate by immediate realization. His Honour said that, *primâ facie*, creditors holding securities were entitled to realize those securities, but it did not at present appear that a sale was contemplated. He must decline to make any order. Notice of the petition might be given to the parties.

HULL BANKRUPTCY COURT.

March 15.

(Before F. A. BEDWELL, Esq., *Judge.)*

In re Duncan Dawson, currier and leather, Bridge-street, Hull. Mr. Hodgson (Holden, Sons, and Hodgson), appeared for the trustee. Mr. Pickering and Mr. Spink (Walker and Spink), for the bankrupt. On the 19th of December last, his Honour made an order *nisi* for the prosecution of the debtor, under or within the 1st, 2nd, 4th, and 6th sub-sections of the 11th section of the Debtors' Act, 1869, and the 3rd sub-section of the 13th section of the same Act.—Mr. Spink remarked that under the 16th section of the Act, it was necessary there should be first a representation of some creditor (which had been made), secondly, that his Honour had grounds for believing the debtor had been guilty of an offence, and further that there was reasonable grounds for believing the person charged would be convicted. All the sections under which the bankrupt was to be prosecuted related to the concealment of property. He could not contend, after the judgment of his Honour, and the result of the appeal thereon, that there were not grounds for believing the bankrupt had been guilty of an offence, but he asked his Honour to consider whether there was any ground for believing he would be convicted. There had been several attempts to show that he had been guilty of various things within the criminal law. His Honour would recollect there was an attempt to show by evidence that he had obtained goods by false pretences, but all the charges resolved into this one, that he had concealed property from the trustee. If his Honour thought the case came within the third requirement of the section alluded to, he (Mr. Spink) would reserve his defence, so as not to show what it was.—His Honour observed that he considered there was a *prima facie* case, and after his judgment, which was fortified by the decision of the Judge of Appeal (Vice-Chancellor Bacon), it was his bounden duty to follow up the judgment by directing the trustee to punish the debtor for what he believed to be an undoubted offence, concealing in the face of the Court itself property belonging to him. It was a question, however, for a jury to consider whether this was a fault for which he was punishable, and the duty was cast by the legislature upon a jury, and he felt no hesitation whatever in saying that however painful the duty might be, it was his duty to direct (following up his previous judgment) that the trustee take the necessary steps for bringing the matter before a criminal court, and he therefore directed a prosecution. He thought it was most judi-

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cious on the part of Mr. Spink, under the circumstances, to reserve his defence so as not at present to make known the case he had on his brief. —Mr. Spink said he anticipated his Honour's decision, and was not prepared with any evidence.—His Honour remarked that if Mr. Spink had been prepared he should have pressed upon him to reserve his defence.—The order for a prosecution was then made absolute.

March 17.

In re Castle Kelsey, Corn Merchant.—The case of Mr. Castle Kelsey came on for the public examination.—Dr. Rollit (Rollit and Sons) appeared for the trustee (Mr. Pickering), and for the committee of inspection (Messrs. Joseph Lambert, Maxsted, Bailey, E. Harrison, and others); and Mr. Lowe (Moss, Lowe, and Moss) represented Messrs. Smith Brothers and Co., bankers, and another creditor for a very small amount. At the opening of the case it was stated that Dr. Rollit represented creditors for £55,688, and the trustee and committee of inspection; and Mr. Lowe represented Messrs. Smith Brothers and Co., who were creditors for about £30,000, of which £10,000 was secured, and a small creditor for £53, Mr. Henry Briggs.—Mr. Lowe intimated that he should have to ask, after an investigation, that certain criminal proceedings be taken against the bankrupt.—Dr. Rollit read the report of Mr. Pickering, the trustee. It stated that the bankrupt had carried on a large business in Hull for many years. He had been insolvent since 1868. He was insolvent before that date, but recovered his position. Since that date the balances against him in his private ledger had been as follow:—1868, £7,778 2s 3d; 1869, £18,413 8s 11d: 1870 £24,648 4s 7d; 1871, £26 025 13s 10d; 1872, £34,012 14s 8d; 1873, £47 595 9s 10d; 1874. £55,924 4s 6d. The last had been considerably increased by depreciation in the value of grain held at the date of the stoppage. The bankrupt stopped payment on the 2d September last and a private meeting was subsequently held to consider the course they should pursue with respect to the estate. At that meeting the trustee presented a statement of the bankrupt's affairs, and reported on the accounts. A committee of investigation, on the suggestion of Messrs Smith Brothers and Co., was appointed, consisting of Joseph Lambert, F. B. Grotrian, E. P. Maxstead, C. Roberts, E. Harrison, S. Earle, W. Mason, Leeds; and W. F. West, of which Mr. Joseph Lambert, of the firm of Lambert and Smiths, who were creditors for £14,000, was chairman. Several adjournments of the meeting took place, and ultimately, on the 13th October, a petition for liquidation was filed, under which he (Mr. B. Pickering) was appointed receiver. The first meeting of creditors under the liquidation was held on the 2nd November, and, after repeated adjournments, the creditors were ultimately found to be divided in opinion, One creditor for £30,000, Messrs. Smith Brothers and Co., who were further secured to the extent of £10,000 by the bonds of Messrs. W. Leetham and W. F. West and another for £53, insisted on bankruptcy, and creditors for upwards of £50,000 were in favour of accepting a composition of 2s. 6d. in the pound offered by the bankrupt, or a liquidation by arrangement, but the latter, requiring by the Bankruptcy Act three-fourths in value and a majority in number, could not carry a resolution to that effect. The matter, therefore, fell into bankruptcy, Messrs. Bailey and Leetham, who like all the creditors, except the two mentioned, were not hostile to the bankrupt, were the petitioning creditors, and presented their petition through Messrs. Rellit and Sons, who up to that time had acted for the bankrupt. Messrs Rollit and Sons were subsequently, at the first meeting under the bankruptcy, appointed by the creditors solicitors to the estate. Since the commencement of the bankruptcy proceedings, his attention had been principally directed to making the most of the estate for the benefit of the creditors, and he had not made any investigation of the bankrupt's affairs with a view to his public examination, or any other proceedings against him, the committee of inspection being of opinion that after the repeated examinations and investigations which had taken place by them, and after the information given by the bankrupt, such a course was unnecessary, and they had passed a resolution, of which the following was a copy:—"Re Castle Kelsey, resolution passed at a meeting of the committee of inspection, held the 15th March, 1875.—Resolved, The trustee having stated that after a careful examination of the bankrupt's books and paper, he is satisfied that there has been a full disclosure by the bankrupt of the state of his affairs, and the bankrupt having been examined by the committee, it is resolved that, in the opinion of this committee, it is unnecessary to examine the bankrupt in public, or to take any further steps against him.—Signed, J. Lambert, E. R. Harrison, E. P. Maxsted, W. Bailey."—The statement of affairs presented at the first meeting for liquidation disclosed liabilities £90,918 4s 7d; assets, £10,005 9s 9d. The contention of Messrs Smith Brothers and Co., so far as he understood it, was that the bankrupt obtained from them bills of lading upon an undertaking to pay into the bank the proceeds of such bills of lading, a course of dealing which he believed had continued for some years. There was no doubt of the fact that the bankrupt sold the goods referred to in the bills of lading obtained from the bankers, and did not pay to them the specific proceeds or any sum sufficient to cover the value of such bills of lading, a course of conduct which could only be excused—if there was any excuse for it—by the course of business between the parties, and by the lax usages of commercial life. Messrs Smith Brothers and Co. claimed to be entitled to receive certain debts returned by the bankrupt as being due to his estate for goods sold by him and unpaid for at the date of his stoppage, on the ground that such debts were for goods included in the bills of lading handed to the bankrupt under the circumstances previously stated. If Messrs Smith Brothers and Co. should be right in this claim it would have the effect of reducing the bankrupt's assets dividable amongst the general body of the creditors, and, therefore, so far their interests were in conflict with the general body of creditors. They also contended that they were entitled to recover from Mr. W. F. West, a creditor for £9,000, a sum of £3,500, being the value of certain goods sold to him a few days before the stoppage, on the ground that such goods were their property, and formed part of one of the bills of lading referred to, and that the transaction was not a *bonâ fide* sale to Mr. West. This, however, would not, if Messrs Smith were to succeed in their contention, affect the estate, being simply a transfer from one creditor to another. It had also been alleged by the bankers that if they were not entitled to recover from Mr West, the trustee was entitled to recover on the ground that the transaction was in the nature of a fraudulent preference. The committee had not yet come to a determination on this question. The committee of inspection, who were merchants of high standing in Hull, and who had heard the allegations of Messrs Smith Brothers and Co., did not regard the matter as one that ought to be seriously pressed against the bankrupt under the peculiar circumstances of the case. They did not wish the money of the estate to be spent in ventilating a grievance of a single creditor, unless such a course would be likely to benefit the general body of creditors. He had no reason to believe that the bankrupt had not made a full disclosure of his estate, and he had rendered every information and assistance he had required. The probable dividend was 2s in the pound.—(Signed), B. Pickering. The bankrupt ultimately passed his examination.

BANKRUPTCY AMENDMENTS.

The following letters have recently appeared in the *Times*. "A Solicitor" writes:—

"Will you permit me through the medium of your columns to draw the attention of the committee which is now sitting on the Bankrupt Laws to what appears to be a grave defect in the Bankruptcy Act of 1869? By section 16 (sub-section 5) a 'secured creditor' is defined to mean 'any creditor holding any mortgage, charge, or lien, on the bankrupt's estate or any part thereof, as security for a debt due to him.' The practical effect of this clause is that any creditor claiming upon a bankrupt's estate in respect of any covenant or obligation entered into by the bankrupt as surety for the benefit of a third party, can prove upon the bankrupt's estate so as to entitle himself to vote in the proceedings for the whole of the amount for which the bankrupt may be liable upon such covenant, notwithstanding that the creditor may hold from his principal debtor security for more than three times the amount of his entire debt; and, no matter what the number of sureties may be, his right to prove against the estate of each without valuing the security he holds from the principal debtor would equally apply. The result is that it is a constant occurrence for a creditor in this position to override or neutralize the opinion of the whole of the *bona fide* creditors of a bankrupt, and practically to take the management of the bankrupt's affairs out of the hands of those who, the Legislature designed, should have the exclusive control and dominion over them —viz., the unsecured creditors. It seems to me that in any supplementary legislation which may be contemplated for the improvement of our Bankrupt Laws it should be enacted 'that no person shall be deemed to be a creditor or entitled to prove or vote in respect of the administration of a bankrupt's affairs unless and until he shall have valued the whole of the securities held by him (from whatever source derived) in respect of the debt or claim for which he seeks to prove or vote as aforesaid."

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"Another Solicitor" retorts as follows:—

"Your correspondent 'A Solicitor,' in his communication to you appearing in your City Article of the 10th inst., alludes to a defect in our present Bankruptcy Law, which, upon further consideration, will not appear to exist to the extent suggested. The acceptor of a bill of exchange is primarily liable to meet it, and although the drawer or endorser may, to enable him to discount it, lodge security with the holder, under no circumstances ought the acceptor to be treated as entitled to the benefit of this security. At law he could not claim it, and why should his position be improved when his estate is in course of realization for the benefit of his creditors? The drawer or endorser of a bill being in the case quoted not the holder, is clearly not in a position to prove, and consequently should the holder having security be required to give credit for it, the acceptor would avoid all liability for payment, although as between himself and the drawer the liability was his and his alone. I am not now speaking of what are known as accommodation bills. There are other defects in our Bankruptcy Law of a much more glaring description, and which it is hoped will be dealt with by the committee now sitting. Among these I would shortly refer to the distinction preserved by the Act of 1869 and the Consolidated Orders between 'Trader' and 'Non-Trader,' a distinction the necessity for which if it ever existed no longer remains. Another evil is the system of proxies, which has given rise to a class of persons styling themselves accountants, whose procedure can only be appreciated by those who are thrown in contact with them. Except in cases of a corporation or of a creditor residing or carrying on business beyond a given radius from the place of meeting, proxies might well be abolished or limited to persons in the actual employment of the creditor. Another point in which the Act manifestly requires modification is this. The creditors of a liquidating debtor may at the statutory meeting agree that his estate shall be liquidated by arrangement and not in bankruptcy, or they may accept a composition or come to no resolution at all. In the event of their accepting a composition this requires confirmation at a subsequent meeting, to be held at an interval of not less than seven or not more than 14 days. It would seem reasonable that the practice should on this point be assimilated, and one meeting suffice for all purposes. Again, if the creditors separate without coming to any resolution, it becomes necessary, in order to vest a debtor's estate in his creditors, that a petition in bankruptcy be presented, this involving considerable expense and further delay. All this might be obviated by creditors being allowed at the first meeting, under a petition for liquidation, to determine in what way the estate shall be administered. If the creditors should decide on bankruptcy, power should be given to the Court, upon being satisfied that all the requirements of the Act have been complied with and the resolution properly passed, to forthwith adjudicate the debtor bankrupt, and give all necessary directions."

"A Solicitor's" reply to the second letter appeared in yesterday's *Times*, with a comment by the editor of the Money Article, which we also append:—

"We subjoin a further letter on defects in the present Bankruptcy Laws, a subject which, judging by the numbers of letters that reach us, appears to be exciting much discussion just now. Another correspondent raises again the question of costs, and makes the sweeping statement that 'should an estate unfortunately get into the Bankruptcy Court, every mercantile man knows that means nothing, or next to nothing, for the creditors, even if an estate shows 20s. in the pound, and would probably realise 15s. if liquidated by the creditors with the assistance of the debtor.' We are loth to believe that things are come to so bad a pass as that, but there is no doubt that the whole question of bankruptcy costs needs looking into. They are very onerous as mere law charges, and official liquidators' fees are also so devoid of any regulation or control that public companies as well as private firms which come into their power find solid assets melt away with singular rapidity. It is for the benefit of the estate, of creditors, of debtors, and of all but those who officially do the work that insolvent estates should be wound up at little cost, and our Bankruptcy Laws can never be esteemed sound so long as they permit a state of things at all approaching to that depicted in the extract we have quoted:—

"March 16.

"Sir,—Your correspondent, 'Another Solicitor,' seems quite to have misapprehended the gist of my letter which you kindly permitted to appear in your City Article of the 10th.

"'Another Solicitor' observes that 'the acceptor of a bill of exchange is primarily liable to meet it, and although the drawer or endorser may, to enable him to discount it, lodge security with the holder, under no circumstances ought the acceptor to be treated as entitled to the benefit of the security. At law he could not claim it, and why should his position be improved when his estate is in course of realisation for the benefit of his creditors? In this I entirely acquiesce, but supposing the acceptor had himself lodged the security (which, except in the case of an accommodation bill pure and simple, is what would happen in nine cases out of ten), is it consistent with either justice or common sense that the holder should be entitled to prove against the estate of the drawer and all the endorsers, who in this case are merely the acceptor's sureties, without first giving credit for the value of the security deposited by the principal debtor?

"My complaint against the present system is that it permits a creditor to prove against the sureties, in exoneration in certain cases of the principal debtor, and that by this means much practical hardship and injustice are occasioned.

"Let me quote a case of actual occurrence. A borrows from B £20,000 on the security of a freehold estate. Before, however, advancing the money, B requires that A's friends, C and D, should join in the covenant to pay as A's sureties, which they agree to do. Ultimately all three, borrower and sureties, go into liquidation, leaving B's debt undischarged. Under these circumstances, if B seeks to prove against the estate of A, the principal debtor, he will be called upon to value his security, and will be admitted to prove for the difference only, if any. But as against the estates of C and D, the sureties, he proves for the whole amount of the debt and ignores the security altogether. Is this right or reasonable?

"In the strictures of your correspondent upon the other defects in the existing law to which he points attention I entirely concur. The question, however, is of too much importance and much too wide in its bearings to admit of its adequate consideration within the limits of any space which I dare now ask you to accord to me."

FAILURES.

FAILURE OF J. C. IM THURN AND CO.—The suspension was announced on Saturday of Messrs J. C. im Thurn and Co., merchants, of 1, East India-avenue, Leadenhall-street, with gross liabilities of over three millions sterling, of which two millions are the firm's acceptances, the remainder being open claims and indorsements on bills receivable. The losses have arisen largely from bad debts and money being locked up, but it is confidently believed that the liquidation will be favourable, although it is very difficult to form any reliable estimate. The house was established in 1844, and through the personal energy and perseverance of its founder attained the highest character as regards respectability and means. In 1872 Mr John Conrad im Thurn, jun., was admitted into partnership, and Mr G. W. Speth retired. The books have been placed in the hands of Messr[illegible] quand, Young, and Co. The *Times*, referring to the failure[illegible]

"The heavy mercantile failure which it was our painful [illegible] record yesterday furnishes another memorable instance[illegible] a parallel for which we have to go some 10 years back, o[illegible] lapse arising mainly from the radically vicious system of [illegible]ing blank credits. It appears that no longer ago th[illegible] months the late firm of J. C. im Thurn and Co. poss[illegible] capital of about £700,000, having its name under acc[illegible] for the enormous sum of about five millions sterling. [illegible] believe that large credits were granted to persons in a[illegible]ters of the world, Australia alone excepted. Apart from this credit business the firm was largely interested in several speculative enterprises in which it is understood about one-third of the capital has been lost. On the first signs of the credit of the house being in the slightest degree impaired by the extent of its liabilities getting wind, resolute efforts were at once made to reduce them; but such is the perfection of the machinery of freemasonry among bankers, aided as they are in these times by the telegraph, that all was of no avail. Three millions of direct liabilities were disposed of in a short

time, and yet a house of thirty years' standing, with an acknowledged reputation in the mercantile world, found it impossible to stem an opposition which had gathered in such unprecedented force against the name in the discount market that apparently the greater the exertions the more hopeless did the task become of meeting the liabilities as they fell due. An impression prevails that the losses will fall more heavily abroad than here, and it appears that the difficulties to be encountered latterly were due in no small degree to distrust having spread on the Continent to such an extent that bills which should have been remitted some days before the maturity of the acceptances they were intended to cover were purposely not forwarded, thus leaving the firm to meet its own acceptance—a precaution taken by the remitters for obvious reasons. Such a circumstance, however, shows the danger of these open credits, and may well act as a warning to others, of whom it is to be feared there are many, with similar engagements resting merely upon the good faith of foreigners, of whose distant operations too little is known until the truth comes to light, as is often the case, that the assistance was applied for because it could not be obtained on the spot, and then helped but to prop up for a short time a position already unsound. It is thought that the gross liabilities may amount to four millions, of which, however, not more than three-fourths will rank against the estate. The very extensive business transactions of the firm in every part of the world will render it an arduous task to complete the balance-sheet.

Siordet and Co.—The magnitude of the liabilities disclosed by the failure of J. C. im Thurn and Co. prepared the public for further revelations of the same nature, as it is obviously impossible that a house having such extensive connections could suspend its payments without causing embarrassment to others. Accordingly, on Wednesday the stoppage was announced of Messrs. Siordet and Co., of 59, Mark-lane, with liabilities estimated at from £250,000 to £300,000. The house has been in existence between 80 and 90 years, and has undergone various changes, the title of the firm originally having been James L. Siordet and Co., which was altered in 1839 to Siordet, Meyer, and Co. In 1868, Mr. Meyer retired, leaving as partners Messrs John James, Alfred James, and John Louis. In 1870, Alfred James retired and Mr William Hume Trapmann was admitted as a partner. It is understood that the firm became connected with im Thurn by marriage, which resulted in large transactions between them. As in the case of J. C. im Thurn and Co., the books were placed in the hands of Messrs. Turquand, Youngs, and Co.

England.—Messrs D. and W. Lockwood, trading as ironfounders under the title of Foster, Lockwood, and Co., and Wm. Lockwood, carrying on business as a steel and railway spring manufacturer, in copartnership with John Smith, under the designation of Lockwood & Smith, have filed a petition in the Sheffield Bankruptcy Court. Liabilities about £6,000.—Mr Thomas Hunter, tailor and outfitter, Bradford, has filed a petition for liquidation. The liabilities were stated in the petition at about £4,000.

America.—American advices report the failure of Mr James O. Woodruff, real estate operator, Indianapolis, Indiana, with liabilities of about £140,000. Several minor failures are also reported.

Alfred Bowes, a metal and general merchant, carrying on business in Bermondsey, has failed for about £35,000, with assets between £8,000 and £9,000. The liabilities will be considerably decreased by bills running off and securities. The books have been placed in the hands of Messrs. Browne, Stanley and Co., public accountants, 25, Old Jewry, E.C. On the application of Mr. Barrand Mr. Read, of Abchurch-lane, has been appointed receiver and manager of the estate. Messrs. Lumley and Lumley, of 15, Old Jewry Chambers, are the solicitors to the proceedings.

Advices from Naples, published by the *Economiste Francais*, state that a commercial panic prevails in that city. A large firm of colonial produce merchants has suspended payment, with liabilities amounting to upwards of £80,000. Other failures have also occurred. These disasters are attributed to a large accumulation of merchandise at Civita Vecchia, which, until the beginning of the present year, has been a free port. Since then the ordinary import duties have been enforced. It has been expected, however, that some indulgence would have been granted, as was the case at Ancona and Venice, and large importations of goods had been made by speculators in the hope of realising a handsome profit by passing their merchandise through the Custom House at reduced rates.

CREDITORS' MEETINGS.

S. Booth (Hull).—At a meeting of the creditors of Samuel Booth, wholesale grocer, &c., Hull, the liabilities were stated to be £10,600; assets, £8,500. The estate was sold for 15s. in the pound.

Thos. Crook (Bolton).—At a meeting of the creditors of Mr. Thomas Crook, of the Union Foundry, Bolton, engineer and ironfounder, trading under the style of Rothwell and Co., the statement of affairs submitted showed the liabilities to be £67,521 6s. 10d.; and assets, £15,874 19s. 1d. Liquidation was resolved upon.

W. Illingworth (Bradford).—A meeting of the creditors of Mr Henry W. Illingworth, cloth manufacturer, of Idle, was held on Saturday at Bradford. A statement of the affairs of the debtor showed that the liabilities were £5,014, and the assets, £2,997. It was resolved to liquidate by arrangement.

George Ferrer Green (Kidderminster).—A meeting of the creditors of George Ferrer Green, timber dealer and sand merchant, at Kidderminster, was held on Monday at the Lion Hotel, Kidderminster, Mr George King Patten, of 47, Ann-street, Birmingham, accountant, who represented several creditors, took the chair. The statement of accounts showed—liabilities, £2,572 12s. 9d. (exclusive of secured creditors for £3,300, and partly secured for £808 5s. 6d.), with estimated assets, amounting to £527. After considerable discussion, and the examination of the debtor, a resolution was carried to sell the estate to Mr J. T. Lawrence, of Kidderminster, timber merchant (who was included in the list of creditors for a large amount), and to pay the creditors a guaranteed dividend of 2s. 6d. in the pound on the 1st of May next.

Henry Cowl (Great Yarmouth).—A meeting of the creditors of Mr Henry Cowl, of Great Yarmouth, notary public and smackowner, was held at the offices of the Registrar of the Court, Great Yarmouth, on Tuesday last, when Mr Lovewell Blake, of Hall Quay-chambers, Great Yarmouth, public accountant, was appointed trustee, with a Committee of Inspection. Mr C. H. Wiltshire is solicitor in the proceedings.

J. Holroyd (Leeds).—At an adjourned meeting of the creditors of Messrs James Holroyd and Co., merchants, of Leeds and Barnard Castle, it was mentioned that the debtors owed £56,433, in addition to liabilities on bills discounted amounting to £36,174, of which nearly £9,000 is expected to rank, while the assets represent £16,835. It was proposed to pay a dividend of 6s. 6d. in the pound, but this was refused by the banks interested.

W. Riley (Southwark).—At a meeting held at the offices of Messrs Gamble and Harvey, the creditors of the above-named debtor agreed to a resolution providing for the sale of the debtor's estate for £1,150, payable by four instalments, at periods extending over about a year.

Solicitors and Accountants.—The following is extracted from a letter addressed to Mr Charles Ford, as Hon. Secretary of the Legal Practitioners' Society:—"I beg to suggest that as Government takes about £100,000 from solicitors yearly for certificate duty, we should be protected from invasion of our rights, as our profession has required years of study and great expense to fit ourselves for it; and, moreover, the Government ought to benefit the public by making the accountants a profession qualified in some manner, as in the case of auctioneers, appraisers, &c., so that the public may have a guarantee for their respectability, for I assure you, around this neighbourhood, we look on them in quite another light."

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NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following companies, which were registered during the week:—

Agricola Land Association—Capital £100,000, in £5 shares.

Australian Lithofracteur (Krebs' Patent)-Capital £30,000, in £5 shares.

Birmingham Great Western Arcade—Capital £60,000, in £25 shares.

Blackburn Alliance Loan, Discount, and Deposit-Capital £50 000, in £10 shares.

Ducie Club Building—Capital £10,000, in £20 shares.

Globe Advance, Discount, and Investment—Capital £10,000, in £1 shares.

Herts and Bucks Newspaper—Capital £1,000, in £1 shares.

Hollingworth Gas—Capital £3,000, in £1 shares.

Hulme Liberal Club—Capital £65,000, in £2 shares.

Kirby Stephen Auction Mart—Capital £2,000, in £5 shares.

Lees Estate—Capital £20,000, in £1 shares.

Liverpool Company of Shipowners—Capital £100,000, in £10 shares.

Messrs. John Littler and Co.—Capital £10,000, in £5 shares.

London Publishing Association—Capital £2,000, in £2 shares.

North-street Lecture Hall—Capital £4,000, in £100 shares.

Northumberland Engine Works Capital £10,000, in £10 shares.

Park-street (Heywood) Cotton-Spinning—Capital £27,000, in £5 shares.

Revenue Mineral—Capital £75,000, in £10 shares.

Roach Mill Paper—Capital £20,000, in £5 shares.

Thames Steam Ferry—Capital £100,000, in £10 shares.

Trust Loan and Mercantile Agency of the Cape of Good Hope—Capital £500,000, in £5 shares.

Vickers and Co.—Capital £25,000, in £5 shares.

York City and County Banking (Unlimited)—Capital £650,000, in £100 shares.

"ACCOUNTANTS" AND LEGAL WORK.—The *Law Times* says:—"A solicitor furnishes us with the following portion of a circular, issued by an accountant at Hereford. He "Conducts among other things (1) Negotiations for the sale and conveyance of freehold, copyhold, leasehold, and other property, and for mortgages, assignments, transfers, leases, and loans. (2) The drawing of abstracts of title." In our opinion the preparation of abstracts of title lays an an unauthorized person so acting open to a penalty of £50 under the Stamp Act. We have received similar circulars which it will now serve no useful purpose to publish." [We can only add that all respectable members of the profession will support the *Law Times* in exposing so-called "Accountants" who profess to do legal work.—ED. *Accountant.*]

UNQUALIFIED LEGAL PRACTITIONERS.—The *Law Times* says:—"From three different sources we have received a report of a case which came before the Exeter County Court last week, which illustrates in a marked degree the necessity for further legislation to protect the Profession against depredations by unqualified and unauthorized persons, and, moreover, it points to the desirability of a ready assistance being lent, to the accomplishment of this object, by members of the other branch of the Profession; for, as our readers will see from the report, in more than one instance conveyancing business (otherwise likely to have found its way into a conveyancer's chamber) was transacted by the bailiff, whose appearance before the court as a bankrupt, for the purpose of passing his public examination, led to the startling disclosures to which we direct particular attention. This bankrupt, then, is a County Court bailiff, who has at the same time carried on the business of an accountant. Being asked if he did a considerable business in conveyancing, he is advised by his solicitor, Mr Floud, not to answer; but, happily or unhappily, the facts are got out by the solicitor of the trustee. He admits having "prepared the papers" for the sale of a house and other conveyances and leases, for all of which he charged and was paid; and in the case of one lease he was paid by both lessor and lessee. On being asked if he prepared a conveyance of real property to Sir Wm. Peek, the learned judge suggested that he should be asked if he had not done "a lot of this kind of work." Here is a County Court bailiff, of all other unauthorised persons, systematically breaking the law to his own pecuniary advantage, and thereby depriving professional men of emoluments which must otherwise have come to them. The mystery is that respectable people should, for the sake of saving some small sum in the shape of professional charges, commit their conveyancing business to such persons. But we look to the action of the judge of the Axminster County Court in this matter only to find that he retains this bailiff in his situation, and to that of the judge of the Exeter Court, only to find him commiserating the bankrupt on the smallness of his salary, and not only not ordering a prosecution, as we venture to think he might have done, but not so much as entering that strong and emphatic protest against the unlawful proceedings of the bankrupt officer of County Courts, which we feel sure would have had a salutary effect on a certain class of persons in the district quite apart from any prosecution which the Profession in the district may resort to, and should resort to, however disagreeable such a proceeding may be. The bankrupt's excuse amounts to this, that he thought anyone might prepare any legal document and charge for it. Such excuses can no more be tolerated than would a similar one be, if made by such a person appearing to conduct a case in a County Court, or say in the courts at Westminster, if that were possible. That he has violated the law is certain; that it is necessary to the due protection of the profession, in the interests of the public, that he should be prosecuted is, in our opinion, undoubted, the more so as the whole of the facts, constituting as they do a glaring case, have been made as public as they well can be. One solicitor in writing to us on it, expresses the hope that "some one in authority will take it up." Our answer is, "Don't expect or hope anything of the kind." Action must be taken by those in the locality, or the matter will go unnoticed."

REGISTRATION OF FOREIGN LOANS AND COMPANIES.—A Bill, bearing the names of Mr. H. B. Sheridan, Mr. C. Lewis, and Mr. M'Lagan, has been printed, which proposes to provide "for the compulsory registration of foreign loans and the statutes of foreign companies." The Bill is headed "Foreign Loans Registration (No. 2)." It enacts that all proposals of foreign States to borrow money in England, certified copies of all contracts, agreements, &c., relating to such loans, and statutes of foreign companies or associations who seek to raise capital in England, should be registered by the Registrar of Joint-Stock Companies, and that the register should be open to inspection.

THE ALBERT COMPANY ARBITRATION.—The formal closing of the arbitration may now be expected soon. So far as home matters were concerned the arbitration was completed some twelve months ago, and the principal part of the expenses were then stopped. The final award might then have been made but for the circumstance that there had been a large insurance business in India. This branch had been conducted by the company through local directors, with separate accounts at Calcutta, Madras, and Bombay. It therefore became necessary to give the Indian policy-holders an opportunity of proving their claims and receiving their dividends where they had been in the habit of paying their premiums. This was also considered the safest and the quickest course. The liquidators have been represented in India under a power of attorney given by them. All claims have now been paid, the accounts closed, and the books and vouchers sent to England, and the liquidators will therefore soon be in a position to submit the accounts to the Lord Chancellor as the basis of the final award.

WINDING-UP.—In the Rolls Court, on Saturday the usual winding-up order was made in the case of the Aldershott Brick and Tile Works Company. A petition for winding-up the Metropolitan Counties Co-operative Coal Company is to be heard on the 24th inst.—Petitions have been presented to the Court of Chancery for the winding-up of the Snowden Slate Quarries Company (Limited) and Metropolitan Counties Co-operative Coal Company (Limited).—At an extraordinary meet-

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ing of the North Shields Steam Shipping Company it was resolved to wind up the undertaking voluntarily.—A petition for the winding-up of the East Llangnog Lead Mining Company (Limited) is to be heard before the Master of the Rolls.—A petition has been presented to the Vice-Warden of the Stannaries for the winding-up of the Crenver and Wheal Abraham United Mines Company (Limited).—Vice-Chancellor Bacon has ordered the Caerphilly Colliery Company (Limited) to be wound up compulsorily, and has appointed Mr Edward Hart (Hart Brothers, Tibbotts, and Co.) official liquidator.—Vice-Chancellor Malins has sanctioned the payment of a further dividend of 1s in the pound to the creditors of the Joint-National Agency (Limited), which will be paid at the officesof Mr J. W. Sully, the liquidator. —An order has been made for the voluntary winding up under supervision of the New Merrybent Company.

The *Liverpool Daily Courier* says:—"In commercial circles there is a pretty general belief that the investigation now in progress before Sir Henry James's Committee on Foreign Loans will result in highly important revelations, likely to prove beneficial to many unfortunate investors. It is expected that in consequence of these disclosures, the agents responsible for introducing certain of the loans to the British market will be compelled to surrender a very considerable proportion of their clients' illgotten gains. According to the latest report current on 'Change, claims have been preferred to the extent of nearly £3,000,000 by a number of disappointed subscribers, and the bulk of the loss will fall upon one or two of the principal financial houses of the city."

A SPECULATIVE CASHIER.—Mr Edward T. Barry, cashier to Messrs Duncan, Ewing, and Co., timber merchants, Liverpool, absconded some days ago in consequence of large defalcations in his accounts. A warrant has been issued for his apprehension, and investigations are being made into the state of his books. The firm believe that the defalcations amount to £20,000, and the accounts show that Barry, though only a servant, succeeded with the co-operation of share brokers, in carrying on speculations on the Liverpool Stock Exchange to the extent of £1,000,000 sterling since 1872. One transaction extending over about 10 days involved the sum of £25,000. The firm naturally felt indignant that stock brokers should have dealt so largely with one who was not a principal in business, and they are making the strictest inquiries into the relations which subsisted between the cashier and certain stock brokers. Barry was an officer in a corps of Volunteers.

THE DURATION OF LIFE.—In ancient Rome, during the period between the years 200 and 300 A.D. the average duration of life among the upper classes was 30 years. In the present century, among the same classes of people it amounts to 50 years. In the 16th century the mean duration of life in Geneva was 21·21 years, between 1814 and 1833 it was 40·63 years, and at the present time as many people live to 70 years of age as 300 years ago lived to the age of 43. In the year 1693 the British Government borrowed money, the amounts borrowed to be paid in annuities, on the basis of the mean duration of life at that time. The State Treasury made thereby a good bargain, and all parties to the transaction were satisfied. Ninety-seven years later, Pitt established another tontine or annuity company, based on the presumption that the mortality would remain the same as 100 years before. But in this instance it transpired that the Government had made a bad bargain, since, while in the first tontine 10,000 persons of each sex died under the age of 28, 100 years later only 5,772 males and 6,416 females died under this age. From these facts it appears that life under certain favourable influences has gained in many and probably in all its forms and manifestations, both in vigour and duration. To still further promote this tendency, it is only necessary that those conditions under which the attainment of the desired end is possible be made to accord with the fundamental natural laws.—*Deutsche Versicherungs-Zeitung*.

PUBLIC INCOME AND EXPENDITURE.—A Parliamentary paper was issued on Thursday, containing an account of the gross public income and expenditure in the year ending the 30th September, 1874, and for the year ended the 31st of December, 1874. The total income for the year 1874 was £76,505,790 6s., and the total expenditure £75,178,323 2s 3d; being an excess of income over expenditure of £1,327,467 3s 9d. The balances at the Banks of England and Ireland on the 1st of January, 1874, amounted to £3,983,633 15s 10d. The money raised during the year by the creation of terminable annuities was £1,100,000, and repayments of advances added to the excess of revenue of expenditure over revenue brought up the balances to £8,405,023 7s 11d. On the other side of the account of the balances, it appears that £1,486,144 8s 7d. was applied to the reduction of the National; £463,043 0s 7d was applied in repayment of Bank advances for deficiency; £222,600 of Exchequer bills were paid off in money; advances for purchase of bullion and for local works, &c., amounted to £3,399,260 11s 8d; advances for Greenwich Hospital £135,157 3s 11d; and the balances at the Banks of England and Ireland on the 31st of December, 1874, amounted to £3,624,904 4s. 4d.

A DOGGY BANKRUPT.—At the examination of John Shackleton, of Halifax, who, it seems, combined the business of wool stapler with that of dog dealer, Mr Jubb, the bankrupt's attorney, said he understood there was a dispute between the trustee and the bankrupt as to whether some dogs belonging to the debtor were in the possession of somebody else. Mr Smith: There is one valuable dog that he parted with a few days before the bankruptcy. Mr Jubb: The trustee will easily find that out by bringing before the Court the person who has the dog. The bankrupt says the statement he has made is true, and that he was agent for these dogs, which he kept for a man named Wilson, of Huddersfield. In answer to Mr Smith, the bankrupt denied having in his possession eight days before the bankruptcy a bitch called "Belinda," and eight pups. He handed the bitch over to Wilson in October. The cur dog "Sampson" he parted with two years ago. Mr Smith: How is it then that you have shown the dogs for prizes in your own name? Bankrupt: It is a custom among the "fancy" to borrow dogs from anybody for that purpose. The examination was adjourned.

APPOINTMENT.—Mr. F. J. H. Ballringer, A.S.A.E., has just been appointed Auditor to the Corporation of the Borough of Stockton-on-Tees, this being the third time of his appointment during the past ten years.

RESTAURANT,
13, OXFORD-STREET,
Near the corner of Tottenham-court-road,
known as the BODEGA, now under the new management of
Mr. L. BOECKER, late of 13, Idol-lane, City.
Luncheons from the joints, hot or cold, including vegetables and bread, 1s. 3d.
Dinners from 12 till 4 o'clock, from the joint, with soup or fish vegetable, cheese and bread, 2s.
Dinners from 6 till 9 o'clock, from 2s. 6d. to 10s 6d.
Private Dining Rooms for large and small Parties on the Second Floor.

OLD FALCON HOTEL, GRAVESEND
Proprietor—W. SKILLETER.
Late Chef de Cuisine to His Grace the Duke of Argyll.
Visitors to Gravesend will find every accommodation at the Old Falcon Hotel, East Street. Public and Private Rooms facing the River, directly opposite Tilbury Fort, and with a capital view of the Thames Shipping.
FISH DINNERS AND WHITEBAIT.
BED AND BREAKFAST FOR GENTLEMAN £1 1s. PER WEEK
And an equally low Tariff for Dejeuners, Dinners, &c.
Five Minutes' walk from North Kent Railway, and Two Minutes from the Piers, and Tilbury and Southend Railway.

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The Accountant

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The Accountant.

MARCH 27, 1875.

A NAUGHTY SOLICITOR.

A legal contemporary—the results of whose lynx-eyed search for non-professional persons doing professional work, or professional persons doing work in an unprofessional way, we have had occasion to note with commendation in these columns—has just got scent of a very flagrant offender, and pillories him accordingly with merciless rigour. The *Law Times* has been so particularly "down upon" so called "accountants" who profess to do legal work, that we cannot refrain from acknowledging its sincerity as a reformer, as manifested by the way in which one, within the legal fold, is subjected to merited castigation for his wrong doings. To be brief, our contemporary has discovered the following advertisement in a country paper:—

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One almost gasps for breath upon learning the universality and variety of the accommodation offered. Here

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we have a loan office in which "inviolable confidence" is absolutely "ensured," and money lent upon next to no security at all, "no surety or bondsman" being required; a haven where one may get "*proper* accommodation bills discounted," with every facility afforded for their renewal. Here, O ye flyers of kites, is accommodation galore, if ye can but impart to your "paper" the charm of being "proper." And our advertiser is as condescending as benevolent. If bills are too high game, he is quite ready to elevate pawnbroking to the dignity of a profession by "negotiating" (mark the delicacy of the phrase) loans on watches, jewellery, &c.; old clothes being presumably beyond the pale, for the very sufficient reason that the line must be drawn somewhere, and vests, shirts, and old boots are "popped" in contradistinction to jewellery, which is "negotiated." After the recital of these facilities for discounting, negotiating, or borrowing, according to the relative degrees of refinement in the applicant, we, of course, expected to find that the beneficent donor was "an accountant;" but no, the righteous ire of the *Law Times* is not this time aroused by a "layman." "We are astonished to find," writes our contemporary, "that Mr ——— is a practising solicitor." Nay, more, it would seem, by the phrase "financial offices," that he has not only been sojourning in the tents of those Philistines the "accountants," but that he glories in it. No doubt, as our contemporary candidly adds:—"The statement, 'No law charges,' together with the general tenor of the advertisement, led us to the conclusion that this was one of those baits held out by the many unqualified and unauthorised persons who trade upon professional usage. In the midst of our distress at this (to us) painful exhibition, there is consolation to be found in the fact that the word 'solicitor' is not appended to the advertiser's name, who, it may be, is therefore looked upon by many as an ordinary money lender or financial agent, who has no sympathy with professional men and their 'law charges.' We may be permitted to add to this pathetic admission (with an apology for dragging the Scripture into such company), that the *Law Times* has been so very much occupied of late in looking for "motes" in the form of "unauthorized persons," that the discovery of such a transcendant "beam" as one of the faithful indulging in "unauthorized practices," must have been painful indeed.

A case of *Ex parte* Marston *re* Hill, reported in our number for January 30th, and as to the correctness of the decision in which we expressed some slight doubts, has come before the Lords Justices, and the judgment has now been reversed. It might be as well to make any such transactions absolutely void unless they are duly registered. It appeared that Hill's name was painted on the cabs, and that he used them in his business as if he was their owner. Under these circumstances creditors might easily be misled, and consider that these cabs were actually the property of the bankrupt. It is also very well to pay due respect to the customs of trade where business men are concerned, who may fairly be supposed to be aware of those customs, but this doctrine may be carried too far. With reference to the case of reputed ownership, we may refer to *Ex parte* Lovering *re* Jones, 432 p. 116, where the debtor sold his furniture, and then hired it back from the purchaser. On his filing a liquidation petition it was held that the furniture passed to his trustee. In our opinion a strict system of registration should be adopted. This would prevent a great many frauds, and check debtors from obtaining credit under a misconception.

We are decidedly of opinion that the name of Mr. Bolland deserves immortalizing as one of the very sharpest of sharp trustees, if we may judge from the case of J. L. Palethorpe's bankruptcy, which we report elsewhere. Mr. Palethorpe was not so successful as might have been wished in the business of a cotton broker, and his assets formed a very singular contrast to the amount of his liabilities. Among the few creditors who proved, was one who held security in the shape of a policy of assurance, which he valued at £200, leaving a very large margin still due to him. By the 100th rule any secured creditor so proving must pay over to the trustee any amount beyond the estimated value produced by the realization of his security, and the trustee may, at any time before the realization, require the creditor to hand over the security to him in payment of such assessed value. The death of Mr. Palethorpe made the policy valued at £200 worth £1,200, and thereupon Mr. Bolland immediately made a claim for the balance of £1,000, to which, under the rule, he was entitled; and as creditors for £4,000 only had come in and proved their debts, they will obtain a dividend of five shillings in the pound. We hardly know which is the more fortunate, the little knot of creditors who had chosen Mr. Bolland as their representative, or the fortunate possessor of such acumen. We may add for the information of lay readers, that the trustee in question is a well-known Liverpool accountant.

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The case *ex parte* Lawrence on the authority of which Mr. Registrar Roche refused to allow the public examination of Messrs. Lemon, Hart, and Son, was decided very soon after the coming into operation of the act, and may be considered as the leading case which defines the duties of trustees as regards the examination of debtors. In his judgment, the Chief Judge laid down in the strongest terms the imperative duty of the trustee to make the strictest examination into the bankrupt's affairs, so that when the final examination was held he might be enabled to state positively whether or not his doubts and scruples had been satisfied. It was his duty to summon the bankrupt before him over and over again, if necessary, and to point out the information he required to complete the accounts. If after this anything remained to be explained, it would be the subject of a special order by the Court. The whole judgment is intended directly to discourage trustees from seeking the aid of the Court, except in an extreme case of emergency, and may be profitably studied in vol. 22 of the *Law Times* Report, p. 246, by all who are likely to be called upon to act as trustees.

Correspondence.

"SOLICITORS AND ACCOUNTANTS."

TO THE EDITOR OF THE ACCOUNTANT.

Dear Sir,—By your last issue it appears that Mr. Charles Ford, as Honorary Secretary of the "Legal Practitioner's Society," has received a letter containing the following extract:—"I beg to suggest that as Government takes about £100,000 from solicitors yearly, for certified duty, we should be protected from invasion of our rights, as our profession has required years of study and great expense to fit ourselves for it; and moreover, the Government ought to benefit the public by making the accountants a profession qualified in some manner, as in the case of Auctioneers Appraisers, &c., so that the public may have a guarantee for their respectability, for I assure you around this neighbourhood we look on them in quite a different light." Now, Sir, I, as a public accountant of some years' standing, heartily approve of the principle of *accountantship* being recognized as a profession. No profession requires more general experience and careful study than ours, and it would probably be found that the business education of the majority of those accountants who have made some mark in their calling has cost quite as much time and money as is necessary to qualify for the sister profession of the law. It must be borne in mind that accountantship proper has arisen from the requirements of *modern* trade, so that we have the advantage of not being trammelled by old-fashioned and obsolete customs. Speaking for myself (and I am sure that all respectable members of our profession will bear me out), I can say that I have never met with the slightest hostility or jealousy on the part of respectable solicitors. It is true that a certain hostility *does* exist against us as a profession, but I assert emphatically that it is due to the *animus* of men of *small* reptutaion. Accountantship proper is as distinct from law as architecture is from engineering. It is most desirable both for the interest of the public and for the interest of two sister professions (which should never, if properly carried out, encroach upon each other), that respectable accountants should be legally recognized, and I am sure that none of those worthy of the name of accountants would object to a Government fee similar to that paid by solicitors. Let Government appoint a Commission for the purpose of settling the principles upon which we should be remunerated, and the fee we should pay, and grant us a charter enabling us to control the acts of our members, excluding or expelling therefrom all who tend to bring us into disrepute, and nobody will welcome the change more heartily than accountants. True it is that "black sheep may be found in every fold." The legal profession would not like to have their reputation for integrity and efficiency as a body estimated by the conduct of their most disreputable members. The majority of legal practitioners stand undoubtedly high in their reputation for respectability and efficiency, but it cannot be denied that both fools and knaves in a small proportion defile their ranks. Would it be fair to value solicitors at the worth of their most disreputable colleague; in fact, to regard the whole profession as a chain, the strength of which is only equal to the tenacity of its weakest link? That principle unfortunately appears to be adopted by some of our opponents as the *test* of merit for the *whole* body of our profession. I do not mind how stringent the law may be made, if once a recognized status and a proper principle of remuneration is accorded to us. There are plenty of men among our ranks who will succeed in making an honest living out of an honourable vocation, and who only ask for a fair field and no favour.—

Yours truly, Public Accountant.

London 25th March, 1875.

AUDITING.

TO THE EDITOR OF THE ACCOUNTANT.

Sir,—Referring to the able articles on "auditing" which have appeared in your columns from the pen of "X," I would venture to ask the favour of a continuance of the subject. The elevation of our profession is a matter which is of special consequence to all who are thoroughly earnest and desirous of being recognized, legally, as well as commercially, and it is on the ground that there appear so few accountants ready and willing to publish their views on the different branches of their profession, that I beg your correspondent to extend his contributions. For although in giving vent to an opinion there is no doubt that a certain amount of responsibility is incurred, I do not think there is much harm involved either in opening discussion or engendering even dispute, when in the end a beneficial result is obtained. "Auditing" is merely a branch of accountancy, and there is ample field for competent and experienced men to give us, their brother accountants, such assistance and advice through your columns as their pens are able, and their discretions directs. There are so few books of reference on the subject of accounts, and those which do exist are so obsolete and useless in consequence of their age, that it is most desirable to obtain by the means I suggest, and for which you will undoubtedly receive the thanks of your supporters—some further information of a reliable nature concerning the duties and obligations of accountants. In asking for this, I do not infer that the body to which I am proud to belong is either negligent or ignorant of its responsiblities, but there is no doubt that in complying with my suggestion you will not only be

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acting in accordance with the wishes of many of the profession, but will at the same time be instructing and directing the inexperienced. A trustworthy definition of the limits of the practice of the legitimate accountant would be of infinite benefit to the profession and the public. I hope, therefore, Mr. Editor, you will not deem it inexpedient to consider the request contained in this letter.—Yours truly,

ACCOUNTANT.

COURT OF CHANCERY, LINCOLN'S-INN, MARCH 24.

(Before the LORDS JUSTICES *of* APPEAL.*)*

EX PARTE PRESS—IN RE HILL.—This was an appeal from a decision of the Chief Judge in Bankruptcy, and it raised a question of some interest to traders and their creditors with regard to the operation of what is known as the "reputed-ownership" clauses of the Bankruptcy Act. By this clause (section 15, subsection 5, of the Bankruptcy Act, 1869) it is provided that the property of a bankrupt divisible among his creditors shall include "all goods and chattels being at the commencement of the bankruptcy in the possession, order, or disposition of the bankrupt, being a trader, by the consent or permission of the true owner, of which goods and chattels the bankrupt is reputed owner, or of which he has taken upon himself the sale or disposition as owner." Mr James Hill was a cab proprietor at Nottingham. On the 20th of June, 1874, he entered into a written agreement with Mr John Marston, who is a carriage builder at Birmingham, for the hire of two cabs, Nos. 1,406 and 1,407, the property of Marston, for 18 months, at the rent of £5 4s. per month. The hirer was to pay a deposit of £62 10s. on taking possession of the cabs, to be held by Marston as security for the fulfilment of the agreement, and in case of failure by Hill to fulfil his part, this sum was to be forfeited to Marston as liquidated damages. Then there was this clause:—"If the hirer should be desirous to purchase the said cabs he shall be at liberty to do so within the first 12 months from the date hereof, at the sum of £130, by giving one month's notice of his intention to do so, and all money paid for deposit or hire to go towards the purchase." Should the hirer allow the hire to fall into arrear for one month after it became due, or should become bankrupt, insolvent, or make any deed of composition or assignment, it was to be in the power of Marston to take possession of the cabs and terminate the agreement, and the advance in hand became forfeited. This species of arrangement is called the "deferred-payment system." Under this agreement the two cabs were delivered to Hill, and used by him in his trade, and his name was painted upon them. He failed to pay any part of the hire, and in October last he filed a liquidation petition, under which Mr J. Press was appointed trustee of his estate. Marston claimed to have the cabs given up to him, on the ground that it is a well-known custom in the trade that cabs should be let out for hire in this way, and that this was sufficient to exclude the application of the doctrine of reputed ownership. The trustee denied the existence of the custom. To prove the existence there were affidavits made by six persons engaged in the carriage building trade—four in Birmingham, one in Sheffield and one in Nottingham. On the other hand, the trustee, five cab proprietors, a coach builder, and two corn dealers in Nottingham deposed that they had never heard of the alleged custom. The two corn dealers were creditors of Hill. Two of those witnesses, however, said that they had heard that Marston had been endeavouring to introduce the deferred-payment system into Nottingham. In reply to this, there was evidence that Marston had during the last few years supplied 19 cab proprietors in Nottingham with cabs on the "deferred payment system," and that another carriage builder in Birmingham had let out cabs in the same way to two cab proprietors in Nottingham. The Judge of the Nottingham County Court decided in favour of the trustee, but on appeal to the Chief Judge this decision was reversed, and it was declared that Mr Marston was entitled to the two cabs, on the ground that the existence of the custom was proved. The trustee appealed. Mr De Gex, Q.C., and Mr Bagley were for the trustee; Mr Finlay Knight was for Marston. The appeal was argued on the 4th inst., and this morning the judgment of the Court was delivered by Lord Justice Mellish, who said that there was no doubt a complete case within the reputed-ownership clause, unless Marston had succeeded in proving the existence of a custom so well known as to take the case out of the clause. There was no doubt as to the law, which had been fully considered by the Court of Appeal in the recent case of "*Ex parte* Watkins" (*Law Reports*, 8 Chan., 520). The custom cannot be proved to such an extent as that it might be reasonably inferred that the trade creditors of the debtor had knowledge of it. In the present case the evidence was very conflicting, and it was almost impossible to come to any satisfactory conclusion. The witnesses had not been cross-examined on either side, but his Lordship thought it was pretty clearly established that Marston had for some years been endeavouring to conduct his trade on the deferred-payment system in Nottingham, and that cab proprietors in that town were aware of this. But this, his Lordship thought, was not enough. A man could not establish a custom for himself so as to get out of the reputed-ownership clause. Here the Judge of the County Court and the Chief Judge had come to opposite conclusions, and after giving the best consideration in their power to the case, their Lordships had come to the conclusion that Marston had not established the existence of the alleged custom. His Lordship said he was afraid Marston could not safely carry on this business unless, in addition to painting the name of the hirer on the cab, he also placed his own name on them with some intimation of his ownership. The appeal must be allowed, and the order of the County Court must be restored.

ROLLS' COURT, CHANCERY-LANE. March 24.

(Before the MASTER *of the* ROLLS.*)*

IN RE METROPOLITAN COUNTIES CO-OPERATIVE COAL ASSOCIATION (LIMITED).—The question in this matter was whether the company was to be wound-up compulsorily or under the supervision of the Court. The petition was presented by one of the directors in his capacity of an unpaid creditor of the company. Mr Chitty, Q.C., and Mr Hanson for the petitioner, Mr Graham Hastings for the company, and Mr Romer for a creditor, claimed a compulsory winding up. Mr Marten, Q.C., and Mr Kirby, for a number of creditors, including the promoter, advocated a winding up under supervision as cheaper and better for the interest of all concerned. The Master of the Rolls said winding up under supervision might be cheaper in the case of a solvent company, but in the case of an insolvent company the less expensive course was to have it wound up by the Court. It was admitted that this company was insolvent, and he should therefore make the usual order to wind up.

VICE-CHANCELLORS' COURTS. March 19.

(Before Vice-Chancellor Sir R. MALINS.*)*

IN RE VERNEYS' TRUSTS.—This was a petition by Mrs Shapcott, the tenant for life of a legacy under the will of one Peter Verneys, now represented by a sum of £2,000 Consols, which, since April, 1870, had been standing in the name of a single trustee, who, in December, 1874, was convicted of felony, praying that Mr John Batchelor, her solicitor, might be appointed a trustee of the fund in question, in the place of the felon trustee for the purpose of transferring the fund into court within a limited time, and that on such transfer being made the dividends might be paid to the petitioner for her life. It appeared that the trustee in question had been the manager of the Margate Branch of the Canterbury Bank, and that in December, 1874, he was convicted of embezzling certain money and valuable securities, the property of the proprietors of the bank, and sentenced to ten years' penal servitude. The petitioner had placed a *distringas* on the fund, and so preserved it for the benefit of herself and the persons entitled in remainder. Mr J. E. Horne appeared in support of the petition. The Vice-Chancellor made the order prayed for, remarking that it was sin-

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gular the Legislature had made no provision by which in such a case as this a fund might be paid into court without the necessity of a trustee being appointed merely for that purpose.

IN RE THE EMMA SILVER MINING COMPANY (LIMITED).—The hearing of the petition to wind up this company, which was presented in October last, after having been postponed in order to give an opportunity for the cross-examination of Mr. Tooke, the secretary of the company, was resumed this morning. It appeared from the statements contained in the petition that the company was registered on the 8th of November, 1871, with the object, as stated in the memorandum of association, of carrying out an agreement, dated the 4th of the same month, between the Hon. Trenor William Park and G. H. Dean, and of acquiring and working the Emma Mine, in the Territory of Utah, with a capital of £1,000,000, in 50,000 shares of £20 each. The prospectus stated that the extent of the mine was nearly half a mile in length, with a right to an extension of 600 feet, that the title was perfect, that the mine was discovered in the early part of 1870, but was not worked to any extent till the autumn of that year, from which date certain particulars were given as to the raising and the shipment of ores, and it was stated that the estimated net yearly yield was at the rate of £700,000 per acre, capable of being raised by economy in the system of working to nearly £800,000 per annum. That the purchase-money of the property was to be £500,000 in cash, and £500,000 in 25,000 fully paid-up shares, for which the company was to get the Emma Mine, the extension claim, £46,300 cash profit on consignment, ore forwarded to England of the value of £70,000, ore filed at the mine of the value of £64,000, ore developed of the value of £357,750, and the whole of the plant; and it was proposed to pay monthly dividends limited to £18 per cent. until the formation of a fund of £180,000 to equalize the dividends, after which the whole earnings were to be divided among the shareholders monthly. On the faith of this prospectus, Mr Askew, the petitioner, applied for and had allotted to him 100 shares, paying for them, it was said, upwards of £2,500. The purchase was completed and the company began to work the mine, but it appeared that these magnificent prospects were not realized, for after paying the monthly dividends at the rate of £18 per cent. per annum for ten months, the payment of dividends ceased, and no further dividend had since been paid, and it was stated by the counsel for the petitioner that the monthly dividends for November and December, 1872, were paid out of a sum of £33,000 which had been borrowed from Mr Trenor Park for the purpose. It appeared also from the statements in the petition that in the month of July, 1872, the company's title to the property was disputed by an American company, called the Illinois Tunnel Company, which was compromised by the Emma Company agreeing to pay the Illinois Company the sum of £18,000. The petitioner submitted that the company was a bubble company, brought out by fraudulent schemes, and that it could not pay its debts, and ought to be wound up. Among other evidence in support of the petition, an affidavit of one Wm. Eddy, who had been a working miner in the Emma Mine, was read, and he deposed as follows:—"In my judgment as a practical miner, nearly all the rich deposit of ore was cleared out of the Emma Mine previous to the same being sold to the company, and all that remained to be purchased by the company was the carcase of the old mine, with a very small quantity of rich ore to go on with that would be readily exhausted. During the time I was employed at the mine in breaking ore I have been instructed (as well as other miners) to allow loose ore to remain on and around the limestone rock, and in my presence the superintendent has pointed out the same to strangers as a mass of ore. I considered at the time that this loose ore was left there for the purpose of deceiving those not acquainted with the working of the mine. Shortly before my leaving the mine orders were given that no miners were to go below the track or tunnel floor of the mine, except four or five men who were specially employed upon that business, and from what I heard I was very curious to go below and see for myself. Accordingly, one night I took an opportunity of going down to the bottom of the mine, and then saw for myself that the ore was, as I have before stated, practically exhausted." Mr Cotton, Q.C., and Mr Graham Hastings, for the petitioner, contended that the company ought to be wound up, not because the purchasers of the mine had been imposed on by the vendors, but because the company was unable to pay its debts and carry on its business, and the object for which the company was formed could not be carried out, and was practically abandoned. The mine was, in fact, worked out before it was bought by the company. Moreover, the present directors of the company were taking proceedings in America to recover from the vendors the purchase money paid by the company; and, as they were thus repudiating the contract, they could not claim to continue to hold the property acquired under it; and, if money was recoverable, the dissensions that existed in the company rendered it most desirable that it should be recovered by a liquidator in a winding up. The assets of the company, as it appeared from the cross-examination of Mr Tooke, consisted of £9,994 18s. 4d. in the hands of trustees and some assets in America. The mine, some said, was worthless, others said it was a geological chance. Against these assets there were liabilities of about £15,000 in respect of the £18,000 compromise, and further liabilities on overdue bills in respect of the £33,000 borrowed. It had been suggested by the Court that a meeting of the shareholders should be called to consider whether the company should not be wound up, but seeing that bills had already been filed by Mr M'Dougall to set aside proceedings at past general meetings, this would be of little use; and, under all the circumstances, a winding-up order was the only course. Mr Nash, for seven shareholders holding 150 shares, supported the petition. Mr Higgins, Q.C., and Mr Kokewich, for some of the original directors, said that upon full consideration, after hearing the opening of the petition, they, on behalf of their clients, who had placed themselves unreservedly in their hands, had reluctantly come to the conclusion that a winding-up order was advisable. Mr J. Pearson, Q.C., and Mr F. H. Colt, for the company, and also for 700 shareholders holding shares to the amount of £416,880, opposed the petition. The present directors, against whom it was admitted not a word could be said, and who had had nothing to do with the transactions complained of in the petition, and were backed by an enormous majority of the shareholders, had made themselves thoroughly acquainted with the affairs of the company. The Vice-Chancellor, stopping them, suggested whether it might not be desirable that two of these gentlemen should be appointed liquidators. Mr Glasse, Q.C. (with whom was Mr W. F. Robinson), for Mr M'Dougall and other shareholders, protested against any winding-up order being made at all. No winding-up order could be made except upon allegations in a petition which would justify the order, and here there were none such. Mr Glasse had only commenced his argument at the rising of the Court, and the hearing was adjourned until the following Wednesday. Mr Grosvenor Woods appeared for shareholders holding shares to the value of £2,000 in opposition to the petition. The hearing of the petition was resumed on Wednesday before Vice-Chancellor Malins. Mr Glasse, resuming his argument in opposition to the petition, said that when the petition was opened on Friday he was instructed to oppose it on behalf of shareholders holding 1,000 shares, and that since then shareholders holding 20,000 more shares had signified their desire that the company should not be wound up; so that he now represented shareholders holding 21,000 shares. There were no allegations in the petition upon which a winding-up order could be founded. There was ore in the mine, and so long as the vein of silver was not absolutely lost it might improve and the mine again become a profitable concern. The mine, moreover, was perfectly solvent, it did not owe £50 in the world, and had £12,000 in hand, and the proceeds of the mine were sufficient to cover the working expenses. Up to the 31st of December, 1872, there had been 2,792 tons of ore sold in England, and 6,500 tons of ore sold at Salt Lake, and there were 430 tons of ore on hand, the net proceeds of these amounts being £167,000. In 1873, 5,587 tons were sold at Salt Lake, leaving 214 tons on hand, and the estimated value of these amounts was £74,365. £12,000 worth of ore was raised in 1874, and £5,000 worth this year. The evidence of Mr Eddy as to the mine having been worked out was valueless, for he left the

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mine in August, 1871, before the workings of the company had begun, and since that time over £200,000 of ore had been sent home. Then there was the remarkable circumstance that not one single creditor had come forward to support the winding-up of the company, which was strong presumptive evidence that there were no creditors at all. The only persons who desired a winding-up were the petitioner, who held 125 shares, and seven other shareholders, who held 150, making altogether 275. On the other hand, shareholders holding the overwhelming majority of 21,000 shares desired that the company should go on, believing that as ore was still being raised and the mine was paying its expenses, their only chance was to push on the exploration. The four present directors were until the hearing opposed to a winding-up, and, though in consequence of the suggestion made by the Court three of them had withdrawn their opposition, Mr Burnand, the remaining director, opposed a winding-up, seeing that the immense majority of the shareholders who had expressed any opinion were in favour of going on. Mr Grosvenor Woods, for Mr Burnand and other shareholders, also opposed the petition. Mr. J. Pearson, Q.C., and Mr F. H. Colt, on the part of the three present directors, said that the withdrawal of their opposition to the petition was solely owing to the suggestion made by the Court. The Vice-Chancellor: The suggestion came from me only. Mr Cotton, Q.C., in reply, while admitting that fraud in the inception of a company would not give the Court jurisdiction to wind it up without other circumstances, contended that the company was insolvent; that it was impracticable to carry on its business; and that the mine, its undertaking, was exhausted, and, in fact, abandoned. Litigation in America was in prospect, and, considering the dissensions in the company, the only proper course was a winding-up order. The Vice-Chancellor said that when the petition came on he had asked the various parties appearing by counsel whether they supported or approved it, and on that occasion Mr Pearson, who appeared for three out of the four present directors, was instructed to oppose it. In consequence, however, of a suggestion of his Honour, those three gentlemen withdrew their opposition, and were ready to consent to a winding-up order. The three original directors who appeared by Mr Higgins also considered that a winding-up by the Court was advisable. But, besides these gentlemen, there were, on the one side, in favour of a winding-up order only the petitioner, Mr Askew, who was a holder of 125 shares, and seven gentlemen who held between them 150 shares. Thus, the supporters of the winding-up order only held between them 275 shares, while, on the other hand, shareholders to the amount of £416,800 strongly opposed it, and the views of each side were urged so strongly and with so much zeal, that it was difficult to know what ought to be done. The facts common to both sides showed how unfortunate the shareholders in this company had been. It had been formed in 1871 upon statements of a most delusive character coming from persons on the other side of the Atlantic, that the property of the company was actually making £700,000 a year, and that the profit might be increased to £800,000 a year, the purchase-money asked being one million. These expectations of a profit of 70 or 80 per cent., which induced the petitioner to embark in the concern, were so strong that the company would not take the usual course of waiting till the close of the half-year to declare a dividend, but began at once to pay monthly dividends at the rate of £18 per cent. per annum. And, no doubt, seeing that this £18 per cent. (not in itself a very common dividend) was only part of a future £70 per cent., the shareholders thought themselves very fortunate persons. These hopes, however, soon came to an end, for though the company received £176,000 in the course of the first year, they only paid the monthly dividend of 18 per cent. for ten months, and the directors, among whom were three members of Parliament, a C.B., and an Ambassador, had to borrow the money to pay the last two monthly dividends. Then the bubble burst, and the directors found that they had been abominably cheated and imposed upon by the promoters of the company on the other side of the Atlantic. This, however, was not the first case of the kind, for similar cases, such as the Mineral-hill, in which Mr Albert Grant had been so imposed upon, had already been before his Honour. In his Honour's opinion this mine was not worth the working, and it appeared that a compulsory order for winding-up would be the best course. Still, he must look at the interests of all parties concerned, and his conclusion might be erroneous, and although the evidence was strong that the whole scheme had been concocted and that the mine had been exhausted, it might yet turn out to be worth working, for there was evidence that miners were now at work in the mine, that £12,000 had been received in 1874, and that £5,000 had been earned this year. While, therefore, there was a doubt whether something might not be made by going on, it was clear that if he now made an order to wind-up the company he should be acting in opposition to the wishes of an overwhelming majority of the shareholders, Of the three original directors represented by Mr Higgins, his Honour had no other disapproval to express except that they had received a present of the shares constituting their qualifications—a practice which he never heard of without disapprobation. The present directors had only come in at a late period to do their best to rescue the concern. Under these circumstances, though it was only suggested that the principal object of going on was to seek to get back something by litigation with the vendors, the fact that shareholders holding so large a portion of the capital desired to continue, afforded some evidence that the case was not a hopeless one. Had it been Mr M'Dougall alone who was desirous of going on with the company, his Honour would not have been much influenced, for that gentleman appeared to have bought his shares for litigious purposes when the company was in a hopeless state, but if his Honour acceded to the application of so small a number of shareholders, he would, to a certain extent, be cutting off all hope. Was it, then, worth while to wind-up the company in order that an official liquidator should conduct the proposed litigation instead of the directors? It was said that the confusion and disputes existing in this company rendered such a course desirable, but his Honour had the power to rectify the register of shareholders, and when that was done the shareholders could select their own directors, and those gentlemen when elected would be a proper body to conduct the litigation. Although a fully-paid-up shareholder was in a position to ask for a winding-up order where the company is not insolvent, the Court looked with doubt as to the propriety of making the order on his application, and inasmuch as such a shareholder already had the protection afforded by his limited liability, the Court ought to be satisfied that he would derive some benefit from the order; and his Honour did not see what benefit the petitioner, who had already lost over £2,000 in this company would obtain by winding it up, for it was a matter of pure speculation whether anything would be got back from America. Amid these difficulties, however, the Companies Act of 1862 afforded guidance to the Court. The 91st section of that Act empowered the Court in all matters relating to winding-up to have regard to the wishes of the contributories, and if expedient to direct meetings to be held for the purpose of ascertaining their wishes, and to appoint a person to act as chairman of such meeting. It was said, "Why hold a meeting in this case, when the wishes of the majority had been expressed already?" His Honour, however, thought that in this case the wishes of the shareholders, as far as they had been ascertained, had been ascertained in some haste, and without full consideration; and, upon the whole, he came to the conclusion that it was not right in this case to make an immediate order to wind-up the company, but that the shareholders should have an opportunity of expressing their wishes at a meeting which he should direct to be called for the purpose, and that such meeting should be presided over by some independent person competent to keep order thereat, who should be appointed by the Court for the purpose. The petition must, therefore, stand over in order that such a meeting should be held, and the time, place, and chairman of the meeting would be determined in his Honour's Chambers.

March 20.

IN RE THE GENERAL SOUTH AMERICAN COMPANY (LIMITED).—This company was established in 1868 as merchants and bankers, having transactions principally with South America. The capital of the Company was £392,000 in fully paid-up shares of £100 each. On the 18th inst. a petition to wind up the company was presented by Mr Venables, a creditor upon bills endorsed by the company, to the extent of about £12,960. Some of these bills had been accepted by the firm of Messrs J. C. im Thurn and Co., and upon being presented for payment were dishonoured. It was stated that the company's liabilities amounted to £400,000. On the 19th, upon an *ex parte* applica-

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tion made to his Honour in Chambers, Mr G. A. Cape was appointed provisional liquidator until Tuesday, the 23rd inst., and at the same time his Honour directed a notice of motion for the continuance of Mr Cape as provisional liquidator, to be forthwith served upon the company's solicitors, and that the motion should be brought on this morning at the sitting of the Court. Accordingly, Mr Glasse, Q.C. (Mr Montague Cookson with him), now moved that Mr Cape should be continued as provisional liquidator for the purpose of receiving the remittances coming in for the company from South America, and to take possession of the company's assets. Mr Higgin, Q.C., for the Crédit Rural, creditors of the company, supported the motion. Mr W. Pearson, Q.C. (Mr Everitt with him) for the company, asked that the motion might stand over until Tuesday, stating that if the application were now acceded to it might seriously affect the position of the company, it being a going concern, and there being a prospect of its being able to meet its engagements. The company had received no notice that the acceptances of Messrs im Thurn and Co. had been dishonoured until after the presentation of the petition. After some discussion, the Vice-Chancellor extended the order appointing Mr Cape until the following Thursday. At the sitting of the Court on the following Wednesday it was arranged that Mr Schwank, one of the directors of the company, should be associated with Mr Cape as provisional liquidators of the company until the hearing of the petition for winding up the company.

March 24.

(*Before Vice-Chancellor* Sir C. Hall.)

Croysdill v. Rickards.—The plaintiff in this suit was the trustee for the creditors of a Mr Carew, who was the tenant for life of the estates mentioned in the "Carew's Estate Act, 1857," and also entitled to the income of the "trust stock" comprised in the Act. The material facts of the case were briefly these:—Mr Carew was in 1866 indebted to Mr. Rickards. In July of that year he effected a policy on his own life, in his own name, for £5,000, with the English and Scottish Law Life Assurance Association, in Edinburgh, and handed the policy to Mr Rickards. On the 27th of December, 1866, Mr Carew gave Mr Rickards an equitable mortgage of his interest in the Carew estates for £6,876, and agreed to keep up the policy to the full amount of his debt. On the 10th of May, 1867, Mr Carew gave Mr Rickards another security for £8,800, which included the previous debt. On the 29th of June he gave Mr Rickards a further security, which was in effect a memorandum that Mr Rickards had that day sent him £200, and he had bought a grey cob of him at £225, which he was to keep for him a few weeks free of charge; and he had given him his acceptance for the £425, payable on the 1st of August then next, to be included in the mortgage, signed C. H. Carew. Mr Carew had on the 10th of May, 1867, given Mr Rickards a warrant of attorney to enter up judgment against him for £9,577 12s 8d, the aggregate amount then alleged to be due from him to Mr Rickards on the security of the memorandum, with interest at £20 per cent. per annum, but that judgment never was entered upon. On the 6th of August, 1867, Mr. Carew duly executed a conveyance to the plaintiff under the 192d section of the Bankruptcy Act, 1861, of all his real and personal property, and effects whatsoever, and whether legal or equitable, for the benefit of Mr Carew's creditors. Mr Rickards was not a consenting creditor to the deed, but he had notice of it. Mr Carew died on the 17th of September, 1872. The plaintiff alleged that there was now due to Mr Rickards, on the security of the memoranda and policy, £2,149 or thereabouts, all the interest on the memoranda and all the premiums on the policy having been paid; and the plaintiff, therefore, claimed for Mr Carew's creditors the balance of the policy moneys. The defendant, however, claimed the whole of the £5,000 in respect of further advances which he had made to Mr Carew after the deed of the 6th of August, 1867, and on account of the payments of premiums by him (Mr Rickards) to keep the policy on foot. He said the policy ought to have been effected in his name, and not that of Mr Carew; that soon after he had it handed to him he found one half-year's premium on it had not been paid; it was forfeited at the date of the deed; that he himself then paid the requisite premiums, and therefore considered the policy to be his. At all events the equitable mortgage of the 27th of December, 1866, operated as an assignment of it to him. He had in December, 1867, instituted a suit of "Rickards v. Carew," to which the plaintiff in the present one was a party. The suit was afterwards compromised. Mr Rickards further insisted that because Mr Croysdill had not given any notice to the insurance office of his claim to the policy prior to Mr Rickard's subsequent advances in respect of it, and he had made no demand on account of it in the suit of "Rickards v. Carew," he (Mr Rickards) was entitled to claim a priority over Mr Croysdill in the distribution of the policy moneys. The object of the bill in this suit was to obtain a declaration that Mr Rickards had no charge on the policy for advances made to Mr Carew, after the 6th of August, 1867, and for an account. The principal question in the suit was whether the policy passed to the plaintiff by the deed of the 6th of August, 1867. The Vice-Chancellor, without calling for a reply, held that the policy passed to the plaintiff by the deed of the 6th of August, 1867; that even if it could have ever been thought to have been forfeited, it had been revived; that Mr Rickards had, in a letter written by him to the office, himself taken a view inconsistent with the actual forfeiture of the policy; that when he made the further advances on which he relied he knew of the deed of the 6th of August, 1867; that the plaintiff had not been guilty of any laches; and, on the whole case, made a declaration that Mr Rickards was not entitled to a charge or lien on the moneys payable in respect of the policy for any advance to Mr Carew after the 6th of August, 1867, and, on the footing of that declaration, decreed an account of what was now due and owing to Mr Rickards on his securities reserving the further consideration of the cause, and the costs of it.

COURT OF BANKRUPTCY.

March 19.

(*Before Mr Registrar* Pepys, *sitting as Chief Judge.*)

In re Henry Brinsley Sheridan, Jun.—The bankrupt was a contractor, carrying on business in George-street, Westminster, under the style of Sheridan, Kemball, and Co. This was an adjourned sitting for public examination. Mr Baker appeared for the trustee; Mr E. Lee for the bankrupt. It was stated the failure was attributable to the fact that the bankrupt had engaged in a business of which he had no experience, and to his having incurred liabilities on bills of exchange, for which he did not receive any value. The case had been before the Court for a considerable time, and a proposal, though not of a very definite character, had been made to the creditors. The trustee now pressed an application for the filing of accounts. His Honour ordered the bankrupt to file his accounts within one month, and adjourned the further hearing for six weeks.

In re W. Barker.—The bankrupt, a goldsmith, jeweller, and silversmith, carrying on business at 164, New Bond-street, has filed a petition for liquidation, with liabilities stated at £29,000, and assets consisting of stock in trade, the lease of the premises, trade fixtures, and fittings on the premises, book debts and household furniture of the total value of £30,000, the stock in trade alone being of the estimated value of £15,000. Mr Bagley, for the debtor, and with the concurrence of creditors, asked that Mr H. H. Ashworth, accountant, 3, Salter's-hall-court, Cannon-street, should be appointed receiver and manager, and for an injunction to restrain actions by creditors, one of whom had recovered a judgment. The evidence showed that it was necessary the property should be protected until the first meeting of creditors, the debtor's intention being to offer a composition. His Honour granted the application.

March 20.

(*Before the Hon.* W. C. Spring-Rice *sitting as Chief Judge.*)

In re Charles S. Edwards.—The debtor is a warehouseman carrying on business at 15, Watling-street. He has filed a petition for liquidation, with debts estimated at £15,000, and assets, consisting of furniture, stock-in-trade, book debts, and other property, £5,477. Mr G. A. Rooks, for the debtor, and with the concurrence of creditors for £6,366, applied that Mr J. F. Lovering, accountant, Gresham-street, should be appointed receiver and manager. The affidavit used in support of the application showed that stock of the value of £547 had been forwarded to the debtor by a firm in the North, now in liquidation, in part security for the amount of accommodation acceptances given by the debtor in their favour; and there was also upon the premises stock of the value of £2,000 forwarded to the debtor for sale by various firms. It was of importance to the general body of creditors that a receiver and manager should be appointed to take possession of the property. His Honour granted the application.

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IN RE G. N. CALEY.—In this case, upon the application of Mr Brough, his Honour appointed a receiver and manager; the debtor, carrying on business at the Hope Iron Works, Vincent-street, Westminster, and at Lambeth, as an ironfounder, having filed a petition for liquidation, estimating his debts secured and unsecured at about £10,000, and assets £3,000.

IN RE WILLIAM AIRD.—Upon the application of Mr Munns, his Honour also appointed a receiver and manager, under a petition for liquidation presented by Wm. Aird, of the Ferry-lane Brick Works, Walthamstow, whose debts are returned at £3,000, with assets of about the same amount, subject to realization.

March 23.

(Before Mr Registrar ROCHE, *sitting as Chief Judge.)*

IN RE LEMON HART AND SON.—This was an adjourned sitting for public examination. The bankrupts, Messrs George White and David Hart, were wine and spirit merchants, carrying on business in George-street, Tower-hill, under the firm of Lemon Hart and Son. They had filed a petition for liquidation, under which an offer of a composition was made, but the creditors declined to accede, and an adjudication of bankruptcy followed. A statement of affairs showed the following items:—Unsecured creditors, £36,137; creditors partially secured, less the value of securities held, £37,563; creditors for rent, rates, &c., £4,632; and liabilities on bills discounted, which it was expected would rank against the estate, £4,736. Assets—stock in trade at Tower-hill, estimated at £3,400; at the cooperage, £596; and in bond, £8,527; book debts about £23,084, estimated to produce £12,384; bills of exchange and other similar securities, £41 and surplus from securities in the hands of creditors, £3,659. Mr Lanyon, for the trustee and committee of inspection, proposed to examine the bankrupts in regard to their dealings with their property. He stated that the transactions of the bankrupts had been very extensive, and that the trustee was dissatisfied with the information he had received. Mr Linklater, solicitor for the bankrupts, said that accounts prepared by gentlemen of great experience in such matters were duly filed, and an adjournment had been taken until to-day for investigation. His Honour held, in accordance with a case of "*Ex parte* Lawrence," decided by the Chief Judge, that it would be contrary to the practice of the Court to permit a long examination of the bankrupts now. If the trustee required further information, he could apply for a private sitting, and the facts then elicited might afterwards be brought under the notice of the Court. An adjournment was then ordered until the 4th of May, a private examination of the bankrupts to be held in the meantime.

March 24.

(Before Mr Registrar MURRAY.)

IN RE STIFF AND FLOWER.—This failure occurred in March, 1874, the bankrupts being then the proprietors of the *Weekly Dispatch*, subject to a mortgage thereon. It appeared that previous to the bankruptcy disputes had arisen between Messrs. Stiff and Flower, and a suit of "Flower v. Stiff" was instituted at the Court of Chancery, with the object of taking the accounts and obtaining a dissolution of the partnership. In December, 1873, Mr Saffery was appointed receiver in the Chancery proceedings, and Mr H. W. Oliphant manager, for the purpose of carrying on the newspaper. The trustee in the bankruptcy now applied that an account might be taken of what was due under the mortgage, with a view to the application of any balance that might so be found due to the benefit of the unsecured creditors It was stated that a sale had recently been effected of the *Weekly Dispatch* to Mr Wentworth Dilke for the sum of £11,000, and a question had arisen respecting the amount that the mortgagees were entitled to claim out of that fund. It was alleged that during the Chancery proceedings a deficit had occurred in the cash, money having been paid for advertisements which were not entered in the books, and the Court had to consider whether the mortgagees were liable to account for the deficiency. The evidence adduced was of a very conflicting character, and Mr Wood, the mortgagee in possession, altogether repudiated any liability in reference to the alleged abstraction of cash.—Mr Linklater was counsel for the trustee; Mr R. Griffiths for the mortgagees.—At the conclusion of the arguments his Honour reserved judgment.

SPRING ASSIZES.

MIDLAND CIRCUIT.

YORK, MARCH 23.

CROWN COURT.—*(Before Lord* COLERIDGE.)

James Hedley, George Harper, John Henry Bennison (described as an "accountant"), and Frederick Hodgson were indicted for a conspiracy to defraud the creditors of Hodgson, who had become bankrupt, and to defeat the provisions of the Bankruptcy Act. Our readers will remember that the case was reported at considerable length in the November number of the *Accountant*. Mr Maule, Q.C., and Mr Skidmore prosecuted; Hedley was defended by Mr Campbell Foster; Harper by Mr Whitaker; Bennison and Hodgson by Mr Tenant and Mr Etherington Smith. The defendants all lived at Middlesborough, and Hodgson had been tenant to Hedley of a public-house there, which he gave up in April last, and in June became a liquidating debtor. The substantial charge was that the four defendants had conspired to make a false agreement in June, which was antedated to April, purporting to assign the fixtures of the public-house to Hedley, in consideration of the release of Hodgson by Hedley from a debt of £80, for which the latter held Hodgson's acceptance. The depositions were very voluminous, and the principal witness against the defendants was a late clerk of Bennison's, who had been twice convicted of forgery, and whose examination occupied the Court till its rising at 6.30 last evening. This morning, after the case had proceeded about an hour, one of the jury was taken ill, and as his Lordship said he could not begin so long an inquiry afresh, it being the Commission day at Leeds, the jury were discharged, and the defendants bound over to appear for trial at the Summer Assizes.

HOME CIRCUIT.

BRIGHTON, MARCH 22.

(Before Mr Justice DENMAN *and a Special Jury.)*

WATSON V. THE IMPERIAL UNION LIFE ASSURANCE COMPANY.—Mr Day, Q.C., Mr. Willis, and Mr Marshall Griffiths appeared for the plaintiff; Mr Serjeant Parry, Mr Merrifield, and Mr Grantham for the defendants. This was an action upon a policy of life assurance for £1,000 which was resisted on the ground that the deceased had misrepresented to the defendants the state of his health and habits. The deceased, a farmer, residing at Hove, executed the policy sued on in September, 1871, and in answer to the usual questions put to him by the defendants stated that he was in good health and of temperate habits. He died suddenly in February, 1873, and it appeared from the *post mortem* examination made on his body that the death arose from fatty degeneration of the heart, liver, and kidneys. The case for the defendants (who, owing to the form of the pleadings began) was that this was the result of chronic drunkenness, and they called a number of medical and other witnesses, who deposed that the assured had for some years previous to the date of the policy been of excessively intemperate habits, and that his state of health was in consequence very weak. The medical witnesses called by the defendants were also of opinion that the state of the deceased's organs disclosed at the *post mortem* examination could only have been caused by drunkenness of long standing. It was also stated that the assured had concealed from the defendants the facts that he had constantly required medical attendance, and that he had met with an accident in a Hansom cab. For the plaintiff it was admitted that the deceased had become addicted to drink before his death, but it was said that this was in consequence of pecuniary and other troubles arising after the date of the policy. His widow, the plaintiff in the action, was called and gave evidence to this effect. Sir Cordy Burrows, who had examined the assured on behalf of the plaintiffs and passed him as a "first-class life," described him as being a perfectly healthy man, and stated that in his opinion the symptoms decribed by the doctors who had made the *post mortem* examination were quite consistent with the assured having taken to drinking only a short time before his death. The case for the plaintiff was not finished when the Court rose. The hearing was concluded on the following day. Several additional witnesses were called for the plaintiff, who stated that although the assured had undoubtedly contracted habits of intemperance shortly before his death, still at the date of the policy he was a perfectly sober and healthy man. The learned Judge left it to the jury to say whether the statements of the deceased, that he was of temperate habits and had no regular medical attendant (or either of them) were untrue, and if so whether they were fraudulent. The jury, after having been absent from court for more than an hour and a half

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were discharged without having been able to agree. The case had been tried before, at the last Spring Assizes, when a verdict was found for the plaintiff, which was afterwards set aside.

LIVERPOOL BANKRUPTCY COURT.

March 19.

(Before Mr. J. F. Collier, *Judge.)*

In re J. L. Palethorpe.—In this case the debtor, a cotton broker in Liverpool, presented a petition for the liquidation of his affairs, in September last, and at the first meeting of creditors liquidation was determined upon, and Mr Bolland chosen trustee. By the statement of accounts the liabilities were represented to be £21,189, and assets £163 17s. 6d. Debts amounting to £4,000 were proved at the first meeting, and other debts not then tendered were subsequently proved by lodging affidavits with the trustee, a provision in the recent Act enabling creditors to make proofs of debts in that manner. Amongst other proofs tendered was one by Mr H. W. Meade-King for £1,209 1s.4d., being for money lent to, and paid for, the use of the debtors, and for which, he stated, he held no security except a policy of insurance on the life of the debtor for £1,200, which he valued at £200. By the rules under the present Act a secured creditor is bound to state the particulars of his security in his proof, and the value at which he assesses the same, and he is to be deemed a creditor only for the balance, and if it happens at anytime afterwards that the security produces more than the value at which it has been assessed, the creditor is bound to hand over the difference to the trustee. This is an innovation in bankruptcy procedure which, although the Act has been in operation for five years past, appears to have escaped the consideration it deserves. In the present case the debtor, subsequently to the admission of the proof of debt, died, and in due course the creditor received from the insurance office the amount of the policy. Mr Bolland, the trustee, thereupon made application to Mr King for the odd £1,000 which the security had realized in excess of the value placed upon it in the proof, but the creditor's advisers having doubts as to the rights of the trustee, it was agreed to submit the case to the decision of the Court. Mr Kennedy, instructed by Messrs Anderson, Collins, and Robinson, appeared for the trustee; and Mr Potter, instructed by Messrs Thornley and Dismore, for the creditor. Mr Kennedy shortly stated the facts of the case, and referred to the rules and decisions under former statutes as to the effect of a secured creditor proving his debt, and Mr Potter was afterwards heard in reply. His Honour, without calling upon Mr Kennedy, said the only question in doubt was whether a policy of insurance was such a security as was contemplated by the 272d rule, and, in his opinion, it was, and, in fact, the creditor had so treated it. The order must be in the terms of the motion that the creditor pay to the trustee the difference between £200, the sum at which he had valued his security, and the amount of the policy, £1,200. The costs to be allowed out of the estate.

COURT OF BANKRUPTCY, DUBLIN, March 19.

(Before Judge Harrison.)

In re John M'Elwaine.—The bankrupt was a farmer in the County Donegal. This was the first public sitting; but no assignee was proposed. On a former day an application was made for the discharge from custody of the bankrupt, who had been arrested under a judgment obtained by Lord Leitrim for £100 for the rent of a farm, and on that occasion the detaining creditor opposed the discharge. The bankrupt held two farms, one by lease under Lord Leitrim and the other a grazing farm of 440 acres, for the rent of which the bankrupt had been arrested. It was stated on the former occasion that the bankrupt would be discharged on giving up possession, but there was a difficulty in doing this, as the bankrupt's son had been given possession of a house in which he carried on the business of a publican. Mr Scallan now renewed the application for the discharge of the bankrupt. Mr Holmes (instructed by Mr Lott) opposed the discharge on the part of Lord Leitrim, unless some security was given by the bankrupt for the rent which he owed. Judge Harrison, by consent of the parties, made an order for the discharge of the bankrupt on his giving up possession of the grazing farm.

FAILURES.

It is stated that the acceptances of Messrs im Thurn and Co. have already been taken up by other parties to the extent of £1,500,000, and that the dividend to be declared on the estate has been dealt in at 10s to 12s 6d in the pound.

England.—Messrs T Barnard and Co., Tib-street, Manchester, warehousemen, have suspended; liabilities, £3,500.—The suspension was announced in Bradford on Saturday of A. W. Ramsden, manufacturer, Bingley. Liabilities are estimated at £40,000. The creditors are few in number.—The failure of a firm of stuff manufacturers with £25,000 liabilities was announced in Bradford on Monday. Mr. Henry Crosland, of Netheroyd Hill, stone merchant, formerly carrying on business in copartnership with Mr. Thomas Dyson, Lindley, stone merchant, has filed a petition in the Huddersfield County Court for the liquidation of his affairs by arrangement. The debtor's liabilities are estimated at £3,400.

The *North British Daily Mail* says—It is announced that the banking house of Messrs Caralli, Efstathiadi, is being wound up by the shareholders. Its capital was 1,000,000 francs, but the shares have been for some time past at a considerable discount. The suspension of payment by the house of A. G. Mavrogordato, of Marseilles, is also announced, and it is attributed to the difficulties of the Société de Crédit et de Commission of Constantinople, with which it had large dealings.

The *National Zeitung* reports the failure of Herbers and Company, sugar manufacturers, of Uerdingen, on the Rhine. The liabilities are estimated at upwards of 1,000,000 thalers.

American advices report that a meeting of the creditors of Messrs Beal and Hooper, furniture dealers, Boston, had been held; the liabilities were estimated at £50,000, with assets about £34,000. Messrs C. Orff and Co., dry goods, Fort Wayne, Indiana, had stopped; liabilities £13,000, and it was thought they would pay 40 cents on the dollar. The creditors of Messrs May, Moyer, and Co., wholesale dry goods, Cincinnati, O., had brought a suit against them, with a view to bankruptcy; liabilities £15,000. A financial crisis had been experienced in the Dominion, Canada. Messrs Pickham and Haag, Toronto, Ont., extensive lumber dealers, had failed. The banks had held a meeting, and agreed to assist one another in the event of difficulties. A meeting of the creditors of Messrs Wheatley, Williams, and Co., extensive sugar refiners, New York, had been held. A statement of their affairs was submitted, and a committee appointed to investigate.

CREDITORS' MEETINGS.

Dunn (Newcastle).—At a meeting of the creditors of this debtor, held at Newcastle, the statement of affairs presented showed liabilities £1,058 6s. 1d.; assets, £415. It was resolved to liquidate by arrangement, and Mr Harvey (Gamble and Harvey) was appointed trustee.

At the statutory meeting of the creditors of Messrs Crompton, Cooke, and Co., of Chester-street Mills, Chorlton-upon-Medlock yarn polishers, dyers, and doublers, the statement of affairs showed total liabilities £3,485, and total assets £3,374. Liquidation by arrangement was resolved upon.

S. M'Cracken (Bradford).—On Monday afternoon a meeting of the creditors of Samuel M'Cracken, of Godwin-street, Bradford, wholesale jeweller and hardwareman, was held at the office of Mr Crowther Davis, Bennett's Hill, Birmingham. Mr John Brookes (of the firm of Messrs Ashford and Brookes) was appointed chairman. Mr Crowther Davis appeared for the principal creditors, and Mr Harvey represented certain London creditors. The statement of affairs showed total liabilities £3,311 11s. 5d., and assets £1,900 8s. 11d. After several offers had been made, liquidation by arrangement was agreed upon—authority, however, being given to the trustee to sell at a sum sufficient to pay 6s. 8d. in the pound. Mr Crowther Davis was entrusted with the registration of the resolution, and Mr L. Sharp was appointed trustee.

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APPOINTMENTS.

[The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.]

Mr F. W. Pixley, A.I.A., has been appointed by the Master of the Rolls, official liquidator of "Hart's Pure Whole Meal Bread and Biscuit Company (Limited)."

Mr Cape (Cape and Harris) has been appointed official liquidator of the Lion Assurance Company (Limited) by Vice Chancellor Hall, and official liquidator of the Co-operative Supply Association (Limited) by Vice Chancellor Malins.

Vice Chancellor Malins has appointed Mr James Wood Sully official liquidator of the Metropolitan Licensed Victuallers and Householders' Collieries Association (Limited).

Messrs Tilly and Co. have been reappointed Auditors of the Montevidean and Brazilian Telegraph Company, Limited.

The Master of the Rolls has appointed Mr T. S. Evans official liquidator of the Grovesend Steam Coal Colliery Company (Limited), and also of the Cwm Bychan Silver Lead Mining Company (Limited).

BANKRUPTCY LEGISLATION.

"T. A. W." writing in the *Law Journal* says:—"In your issue of March 13 you say: 'We think it would be far better to do away with the liquidation clauses.' Having seen the working of the Acts of 1849, 1861, and 1869, during twenty-seven years' experience in connection with the Court of Bankruptcy, I took the liberty of suggesting to the Lord Chancellor's committee on bankruptcy the following as a substitute for these most mischievous sections (125 and 126), which, in fact, were a return to the evils of the deed clauses in the Act of 1861, before they were so wholesomely corrected by the Amendment Act of 1868, known as 'Moffatt's'":—

"1. A debtor should be allowed to petition for adjudication of bankruptcy against himself, filing a list of creditors as under the Bankruptcy Act, 1861, provided he could show £ assets to be administered (17 & 18 Vict. c. 119, s. 20).

2. A debtor petitioning against himself should be allowed to have the advertisement of adjudication delayed and proceedings stayed until a meeting of creditors could be called to consider a composition offered for a scheme of settlement proposed by the bankrupt (as in No. 3), provided he deposited funds for the expense of such meeting, and also produced to the Court within a certain time the assents of one-fourth in value of his creditors to such course. The scheme of settlement might contain a proposal of the terms on which the bankrupt should obtain a discharge from his debts. At or before such meeting the bankrupt should produce a statement of affairs, and the majority in value of the creditors might pass the necessary resolution for composition or scheme of settlement, when the proceedings should be followed up as in No. 3; or they might resolve that the estate should be administered in open bankruptcy, and proceed to choose a creditors' trustee. This course would simplify the proceedings, and do away with the expense of receivers and restraining orders. Concurrent petitions by the debtor and the creditor ought not to be permitted to exhaust the assets.

"3. The bankrupt, after having filed his statement of affairs, should be at liberty to offer a composition or propose a scheme of setttlement, to be decided in the first instance by the resolution of a majority in value of the creditors present or represented at a meeting called for the purpose, and to be confirmed by the assents in writing of sufficient creditors to constitute a majority of three-fourths in number and value, or a majority in number and four-fifths in value, of all the creditors, within a prescribed time. All assenting creditors to be required to prove their debts, and the proceeding to be similar to that under the Bankruptcy Amendment Act, 1868, commonly known as 'Moffatt's,' and to be subject to the approval of the Court upon the report of its officer."

"I may add, by way of explanation, that No. 3 is the course proposed to be pursued, after the appointment of a trustee, in the case of a bankrupt adjudicated on a creditors' petition. No. 2 is a similar course, before the appointment of a trustee, in the case of a debtor adjudicated on his own petition, in place of the present liquidation procedure."

IRISH BANKRUPTCY BUSINESS.—Our Dublin correspondent informs us that there were nearly 90 entries in the Dublin Bankruptcy Court list for Tuesday last, an unusually heavy accumulation of business.

A COTTON FAILURE.

Under the above title the *Liverpool Courier* comments upon the case *in re* J. L. Palethorpe, in the following terms:—

"A curious and, if we are not mistaken, a unique incident in bankruptcy procedure has just occurred in the Liverpool court. A cotton broker, named Palethorpe, failed six months ago with debts to the amount of £21,189, and assets £163 17s. 9d., the latter sum, we suppose, being just about sufficient to pay the expenses of commercial whitewashing. The estate was so very unpromising that few of the creditors took the trouble of proving their debts, and the total amount proved was only about £4,000. Among the latter was a proof of Mr. Meade King for £1,209 1s. 4d., for money lent and paid on the bankrupt's account, and in respect of which he stated that he held no security except a policy of insurance on Palethorpe's life for £1,200, which he valued at £200. This insurance policy has turned out a lucky windfall to the creditors who proved their debts, but not quite so lucky to the holder as he probably anticipated. By the rules under the present act a secured creditor is bound to state the particulars of his security in his proof, and the value at which he assesses the same, and he is to be deemed a creditor only for the balance, and if it happens at any time afterwards that the security produces more than the value at which it has been assessed, the creditor is bound to hand over the difference to the trustee. Mr. Palethorpe died, and thereupon Mr. Bolland, the trustee, with a thorough knowledge of bankruptcy law, and a lynx eye for assets, made a claim for the proceeds of the insurance policy on behalf of the general creditors. The question was referred to the judge of the County Court, and his Honour has just affirmed Mr. Bolland's action. The proceeds of the insurance policy are required to be paid into the general estate, and of course the dividend will be increased by this substantial addition. The estate will thus yield a dividend of about 5 shillings in the pound to those of the creditors who thought it worth while to prove their debts, this result being entirely due to the shrewdness of the trustee in understanding the minutiæ of bankruptcy practice, and keeping a keen look-out for contingent assets. Nor is there any reason to complain of the decision. It is clearly more equitable that the whole body of creditors should *pro rata* receive the benefit of the insurance policy than that one creditor should be paid in full, and all the rest obtain nothing whatever."

EJECTING A BANKRUPT IN SCOTLAND.

We extract the following from the *Dundee Advertiser:*

William Robertson, iron merchant, Dundee, and Wm. Stiven, accountant, Dundee, trustee on the sequestrated estate of Chas. Denoon Young, have presented a petition to Sheriff Barclay to grant warrant for summarily removing and ejecting C. D. Young from Inveralmond House, where he resides. The petition set forth that part of the sequestrated estates of C. D. Young consists of the lease of Inveralmond House up to the term of Whitsunday next (old style), and also of the household furniture therein; and on the 1st of the present month Wm. Stiven sold to Wm. Robertson the whole of the household furniture at the sum of £555, which price had been paid, it being part of the bargain that Wm. Robertson should have right to the use of Inveralmond House from the 1st of March current to the term of Whitsunday, and also that a person on his behalf should be entitled to enter the house and remain in possession; that Mr Young, although desired and required by Mr Stiven to remove and flit on the 5th March, had declined to do so; that the petitioner, Wm. Robertson, in terms of the agreement between him and Mr Stiven, on the 2d March sent Robert Pullar, carter, residing in Dundee, to enter Inveralmond House and remain in possession of it; and that the respondent refused to allow him to enter, but that, having at last effected an entrance, he was now in possession of it and the household furniture; that the respondent illegally and wrongously threatened personal violence towards Joseph Pullar, and summarily threatened to eject him. The petitioners therefore prayed the Sheriff to grant

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warrant to eject Mr Young, to grant warrant against him ejecting Joseph Pullar, and also for interim interdict. The Sheriff has issued the following interdict:—

"Perth, 4th March, 1875.—The case being called on the roll of new actions, the agent for the defender stated that his client was at present from home, and, from the extreme shortness of the *induciæ*, he was unable at present to state a defence. But he called for production of a mandate from Mr Stiven, the trustee, authorizing this action, and for the other papers founded on, and which productions the Sheriff-Substitute orders, and adjourns the case till Friday, at 11 o'clock forenoon, for receiving these productions and proceeding with the record; and the pursuer's solicitor having moved for interim interdict, refuses the same.

(Signed) "Hugh Barclay."

"Note.—The interdict appears to be most anomalous. If the petitioners have right to the furniture they may get it removed: and if the defender interferes to prevent this they can apply for a warrant. If they are entitled instantly to remove the defender and take possession of the house they will in proper time be heard thereon under the prayer of the petition; but at their own hand to intrude a man into the house in which the defender and his family are admittedly dwelling, and to seek the aid of the law to prevent the possessor from extruding that stranger or any person who may succeed him as sentinel, is something most extraordinary. A man's house in this country is proverbially his castle, and no one, even Royalty, can enter without leave or warrant of the law. The householder may be bankrupt and in the depths of poverty, but this only renders him all the more entitled to the protection of the law against such invasion or inroad.

AMERICAN FAILURES.

The *Financial Chronicle* gives the following comparative statement of the failures since 1857:—

FAILURES IN THE CHIEF CITIES, 1857 TO 1873.

	New York.			Boston.	
	No.	Amount.		No.	Amount.
1857	915	$135,129,000	...	253	$41,010,000
1858	406	17,773,462	...	123	4,178,925
1859	299	13,218,000	...	123	4,759,000
1860	428	22,127,297	...	172	4,956,760
1861	980	69,067,114	...	480	18,317,161
1862	162	7,491,000	...	120	2,013,000
1863	34	1,670,000	...	50	1,096,100
1868	417	31,654,000	...	—	—
1869	418	21,370,000	...	—	—
1870	430	20,573,000	...	—	—
1871	324	20,740,000	...	—	—
1872	385	20,684,000	...	—	—
1873	644	92,635,000	...	—	—
1874	645	32,580,000	...	—	—
	Philadelphia.			United States.	
	No.	Amount.		No.	Amount.
1857	280	$32,954,000	...	4932	$291,750,000
1858	109	10,002 385	...	4225	95,749,000
1859	105	2,589,000	...	3913	64,394,000
1860	144	6,107,936	...	3676	79,807,000
1861	389	21,294,363	...	6993	207,210,000
1862	60	1,310,000	...	1652	28,049,300
1863	14	401,500	...	485	6,864,700
1868	—	—	...	2608	63,774,000
1869	—	—	...	2799	75,054,000
1870	—	—	...	3551	88,242,000
1871	—	—	...	2915	85,252,000
1872	—	—	...	4969	121,056,000
1873	—	—	...	5183	228,499,000
1874	—	—	...	5830	155,239,000

Long as was the record of the failures last year, we see from the foregoing statistics that the number in 1861 was much greater. As to their aggregate amount, the failures of last year were almost equalled by those of 1872, and greatly exceeded by those of 1857, 1861, and 1874. The suggestion may also be made that the total business of the country has doubled since 1857, so that the percentage of failures in that year must have been three or four times as great as in 1874. Moreover, if we compare the failures of last year with those of previous returns, the result is less disadvantageous than might have been supposed. The total in 1874 is reported at $155,239,000. This amount of liabilities was divided among 5,830 insolvent firms. An easy calculation shows that each insolvent firm averaged $26,627 of liabilities, and that assuming the same average for the 650,000 solvent firms referred to above, the aggregate liabilities of the commercial classes amount to $17,307,550,000. In round numbers, therefore, the average liabilities may be taken at $17,000,000, and assuming that liabilities run off every 90 days, the total liabilities created during the year are nearly $68,000,000.

THE WILLS OF GREAT LAW-MAKERS.

The fact that the wills of two Lord Chancellors, within as many years, should have occasioned grave difficulty, is not a little remarkable. Lord Westbury's will, carefully prepared by himself, was said to be exceedingly hard to construe by the Master of the Rolls. In the case of Lord St. Leonards the difficulty is still more grave. His will, written "in his own handwriting, on five or six sheets of old quarto white letter-paper," has been lost, and the advertisement declares that it has been "lost since August, 1873." Unless the document is forthcoming, the presumption of law may possibly be in such a case that the testator destroyed this will *animo revocandi*, and serious results to his family may be the consequence. It is curious how often the wills of eminent lawyers have occasioned litigation. Lord Chief Justice Saunders appears to have made a speculative devise, upon the validity of which his executors—Maynard, Holt, and Pollexfen, all great lawyers—were divided in opinion. The wills of Lord Chief Justice Holt and Mr Serjeant Maynard were the subject of Chancery proceedings. So was the will of Chief Baron Thomson. Mr Serjeant Hill's will was "so singularly confused that, but for the respect due to the very learned serjeant, it might, not unreasonably, have been held void for uncertainty." The will of Sir Samuel Romilly was inartificially drawn. The will of Mr Bradley, the celebrated conveyancer, was set aside by Lord Thurlow for uncertainty; "and a late learned Master in Chancery directed the proceeds of his estate to be invested in Consols in his own name."—*Pall Mall Gazette*

An Exalted Audit.—The *Spectator* says:—"There are hundreds of men of high character in England, and scores of men of high character and fixed position who are only anxious for something to do, and who would be specially attracted by a position involving responsibility and rewarded by emolument, but not accompanied by the necessity for daily work. It would be invidious to mention living names, but take a man like the late Sir Charles Jackson, who investigated the affairs of the former Bank of Bombay and of the London, Chatham, and Dover Railway with such success. What would it be worth the while of any company to pay for his distinct assurance after investigation that all was going on straight? We do not say that any minor company could afford to pay such a visitor, but a dozen companies might, and would in paying him secure services as valuable as those of a State auditor —and indeed more so, as the State auditor would be compelled, more or less, to trust the figures before him. We believe, if the innovation becomes general, a class of men would come forward who would be as much trusted as the judges, and very nearly as discreet, whose visits would be the terror of dishonest directors, and who would have the power to insist that any suspicious transaction or method of doing business should be at at once abandoned. A new and very high profession would spring up, with a professional honour, and with, in time, a certainty that the raspy honesty which might occasionally cost them work would in the end recommend them to the public choice. It is in the existence of an officer with power to investigate, yet unfettered by personal responsibility for the measures adopted, that the security of shareholders must lie, and he can be obtained only through the intervention of the State, or their own election.

Chief Clerks in Chancery.—Of these officers there

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are twelve. Three are attached to the Master of the Rolls, and nine are distributed amongst the Vice-Chancellors. They are paid a minimum salary of £1,200, and a maximum of £1,500. They are assisted by 46 clerks, viz.: - Twenty-five junior clerks, at a minimum salary of £400, advancing by yearly increments of £20 after five years' service to £500; nine additional clerks, of whom eight are at fixed salaries, ranging from £200 to £300, and one enters at £250 and advances by £10 a year to £300; twelve assistant clerks, who enter at £150, and advance by annual increments of £10 after five years' service to £250.

INFANT MORTALITY AND INSURANCE.—Mr T. B. Sprague, Vice-President of the Society of Actuaries, has just completed a report on the mortality among the infants whose lives are insured in the Royal Liver Friendly Society. The investigation, he explains, was undertaken in consequence of certain remarks contained in the fourth report of the Friendly Societies Commissioners. The Commissioners state that they cannot agree with the opinion expressed by the House of Commons Select Committee in 1854, that the instances of child murder with the motive of obtaining money from a burial society are very few; and they add that the records of the criminal courts unhappily prove that the danger to human life from insurance is real. In support of these views, various facts and arguments are brought forward in the report, including, Mr Sprague regrets to say, an erroneous deduction from his evidence before the Commissioners. Mr Sprague continues:—"Although I stated that the mortality among the general body of members in the London district of the Royal Liver Friendly Society was much higher than the mortality throughout the whole country, I did not say this was the case as regards the children insured in this society; and, as a matter of fact, I did not find the rate of mortality among those children unduly high. The committee of management of the Royal Liver Friendly Society, immediately on becoming aware of the opinions on the subject of infant mortality expressed by the Commissioners, at once resolved to make the completest possible investigation into the actual facts of their experience as regards infant mortality, feeling certain that the results would show that the opinions held by the Commissioners are entirely mistaken—at all events, as regards the lives insured with the Royal Liver Society. The registers kept at the head office of the society in Liverpool furnish all the materials that are necessary for any investigation of the kind. In those are recorded the name of every member, the date of joining the society, the particulars of the insurance, and the date of death, or (as nearly as can be ascertained) the date of the member leaving the Society voluntarily. These registers having been carefully kept since the 1st of January, 1869, a vast mass of statistical material has been accumulated, from which exact information can be readily extracted, as regards the rate of mortality among the members, and similar questions. The committee of management having previously resolved to have a complete investigation and valuation of the Society's affairs made up to the 31st of December, 1871, the number of members of the Society at that date had been carefully ascertained, and the particulars of their insurances extracted from the registers. The number of members dying at each age during the years 1871 and 1872 was also carefully ascertained; and by means of these facts I was enabled to arrive at the conclusions as to the rate of mortality among the children up to three years of age, contained in my report to the committee of management of the 19th of June last, from which the following is extracted." After giving various tables of mortality among the insured, and commenting on them, Mr. Sprague concludes:—"It is now clear beyond dispute that, regarding the Society as a whole, these facts conclusively prove that the cold-blooded calculations attributed by the Commissioners to the members of the Royal Liver (among other Societies) have no existence save in the imagination of the Commissioners. When the figures for the individual districts are examined, it is found that in consequence of the numbers of children under observation being smaller, the figures representing the rates of mortality in successive months do not proceed with the same regularity. The progression has, however, the same general character, and nowhere is there seen any such sudden increase in the mortality at the 7th or 13th month of insurance as to lend any countenance to the opinion hazarded by the Commissioners. Such irregularities as occur are clearly due to the smallness of the numbers under observation in the various districts; the larger the number of deaths in a district, the less are the irregularities; and they are not confined to any particular months as the 7th and 13th, but in one district occur in one month, and in others at quite different months. Although in the case of London an apparent sudden increase in the rate of mortality is seen in the 13th month, there is, in another instance—that of Leeds—a still more marked diminution of the mortality in that month; and the general conclusion is, as stated above, that such fluctuations in the rate of mortality as this table exhibits are to be considered as the accidental fluctuations that are unavoidable when limited numbers of observations are dealt with. Although, in making the investigation above described, my object has been not so much to clear the Royal Liver Society from the charges brought against it in common with other Societies as to ascertain the real facts of the case, yet it is no little satisfaction to me to find that the result so convincingly proves that the Commissioners are wrong, and that the House of Commons Select Committee in 1854 was more correct when it said that 'the instances of child-murder, where the sole object has been to obtain money from a burial society, are so few as by no means to impose upon Parliament an obligation for the sake of public morality to legislate specially with a view to the prevention of that crime.'"

WINDING UP.—In the Rolls Court, on the 20th instant, an order was made to wind up the Leicestershire and North of England Fire Insurance Company (Limited). A petition for the winding-up by the Court of Chancery of the General South American Company (Limited) is to be heard before Vice-Chancellor Malins on the 16th prox. A petition has been presented to the Court of Chancery for the winding-up of the Great National Fire Insurance Company (Limited). A petition has been presented to the Court of Chancery for the winding up of the Builders' and General Advance Association (Limited).

THE LONDON BANKRUPTCY COURT.—The court will be closed until the 15th of April. Applications may be made at the court in Basinghall-street, except on the 27th and Easter Monday and Tuesday, on which days the courts and offices will be entirely closed.

Berrow's Worcester Journal, of March 20th, says that in the case of Alexander Hunter, a bankrupt, formerly of this city, an application was made by the Comptroller for the committal of Mr Charles Russell, accountant, Dudley, trustee in this bankruptcy, for failing to comply with a requisition of the Comptroller as mentioned in an order of the Court, made on January 20. On the application of Mr Ernest Whitehouse, Dudley, who appeared for Mr Russell, his Honour allowed a further period of fourteen days for the trustee to comply with the order of the Court.- [We do not find the name of this trustee in the last published list of Accountants in England.—ED. *Accountant.*]

NEWSPAPER STATISTICS.—From the "Newspaper Press Directory" for 1875 we extract the following on the present position of the Newspaper Press:—"There are now published in the United Kingdom 1,609 newspapers, distributed as follows:—England—London, 308; Provinces, 939--1,247; Wales, 58; Scotland, 149; Ireland, 137; Isles, 18. Of these there are—daily papers, England, 98; Wales, 2; Scotland, 14; Ireland, 19; Isles, 2." On reference to the first edition of this directory (1846) we find the following interesting facts—viz., that in that year there were published in the United Kingdom 549 journals; of these 14 were issued daily—viz., England 12, Ireland 2; but in 1875 there are now established and circulated 1,609 papers, of which no less than 135 are issued daily, showing that the Press of this country has very greatly extended during the last 29 years, and especially so in daily papers, the daily issues standing 135 as against 14 in 1846. The magazines now in course of publication, including the quarterly reviews, number 643, of which 240 are of a decidedly religious character, representing the Church of England, Wesleyans, Methodists, Baptists, Independents, Roman Catholics, and other Christian communities.

INSURANCE OF INFANT LIVES.—A deputation recently waited upon the Chancellor of the Exchequer, with whom

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was the Home Secretary, with reference to the "Infants' Insurance" clause of this measure, to ask that the Government would not limit the insurance, as proposed, because of the "stigma" attaching to the working classes in consequence. Mr. Macdonald, M.P., introduced the deputation, among whom were Mr. George Potter, Mr. George Howell, Mr. Broadhurst, Mr. Campin, Mr. Thomas Conolly, Mr. Wheatstone, Mr. Thomas Ashton, and Mr. Dyer. Several members of the deputation addressed the Ministers, and put it that a decided stigma would be attached to the working classes if the £3 limit was maintained, and said that £6 would not more than cover funeral expenses. Mr. Broadhurst went further, and said that there should be no limitation, as the parents could not afford to pay many premiums. Sir Stafford said he had listened with great interest to the views which had been expressed, and he said he should like to know if they discussed the matter as a question of reason or of feeling. If they looked at it as a question of feeling, he should like to ask them if they could conceive any motive the Government could have in doing anything which would unnecessarily wound the feelings of the working classes. Nothing but the conviction that what the Government had proposed was necessary for the real interest of the working classes would have induced the Government to undertake this measure. He thought too much had been said of the stigma which would attach if this clause passed. No such idea was in the minds of the Commissioners or of the Government, and it was with great regret he had seen it stated that this stigma would attach. He proceeded to point out that the evidence of the Commission showed that the children had to be protected against others than their parents, and he stated that it was within his experience that this was so, as a father at Liverpool had told him that others had had to do with the death of his child. Sir Stafford pointed out, too, that no other class of the community could insure infant lives but members of Friendly Societies, and that, therefore, it was a privilege and not a right; and the necessity of its being guarded he showed from statements of the Macclesfield Societies, an officer of the Association of those Societies having stated that one child was found to be insured in several to about £30. Sir Stafford spoke also of the "drinking" rules of other societies, and said the Government did not desire to stop the progress of Friendly Societies, but to urge them on in a right way, and to give them all the support the law could. He concluded by putting some practical questions to the deputation, and by assuring them of the best desire of the Government towards the working classes. Mr Howell acknowledged that the bill was a good one and fair towards the working classes, and the Chancellor of the Exchequer reiterated that he should be glad of information on all points. The deputation then retired.

Bullion and Specie.—The Custom-house accounts of the imports and exports of gold and silver bullion and specie registered in the year 1874 show £30,380,968 as the value of the imports into the United Kingdom, and £22,853,593 the value of the exports, both amounts being less than in the preceding year, the imports by £3,222,256 and the exports by £6,045,692. The import of gold in 1874 amounted to only £16,743,352, a decrease of £3,867,163; and the export of gold was £10,641,636, a decrease of £8,429,584. The import of gold from Australia declined from £9,444,495 in 1873 to £6,720,878 in 1874; from South America from £3,122,803 to £2,863,412; from Egypt from £2,206,804 to £223,250; from France from £1,508,985 to £740,395; but our import of gold from the United States increased from £3,174,472 in 1873 to £4,508,740 in 1874. The decrease in our exports of gold was most marked in the instance of Germany, the export thither falling from upwards of eight millions in 1872, and upwards of seven millions in 1873, to £132,000 in 1857; the export to the United States and to Spain fell to a merely nominal amount in 1874; the export to Egypt from £1,178,069 in 1873 to £910,663 in 1874; but our export of gold to South America increased from £928,034 in 1873 to £1,876,727 in 1874; and to France from £632,316 to no less than £4,848,562. Our imports of silver in 1874 amounted to £13,637,616, being more by £644,907 than in 1873; and our export of silver in 1874 rose to £12,211,957, an increase of £2,383,892. The import of silver from South America rose to £3,996,316, and from Germany to £2,351,968; the import from France declined to £1,172,272, and a very great decrease brought the import from the United States down to £3,477,322. The export of silver to Egypt, destined chiefly for China and India, rose to £6,683,456, or much more than double the amount in 1873; the export to Spain rose from £376,700 to £1,882,312; but the export to France being but £1,321,658, was much less than half that of 1873. The result of these Custom-house returns is that they show in 1874 imports of gold exceeding the exports of gold by £6,101,716, and imports of silver exceeding the exports of silver by £1,425,659, making our total increase £7,527,375 in the year.

Purchase of Government Life Annuities.—In the year 1874 life annuities amounting to £56,499 were purchased by the public at the National Debt Office. The consideration for the grant of these annuities consisted of £172,307 stock, and £423,693 money, transferred and paid to the National Debt Commissioners.

Defaulting Trustees.—We are indebted to the *Law Times* for the following information:—"Five hundred trustees were summoned before the Bankruptcy Courts during 1873, at the instances of the official assignee, for neglect of duty, chiefly in regard to audit of accounts. About 200 of these, complying before the hearing of the summons, no orders were made against them. The majority of the remaining 300 were ordered to furnish the required accounts, and to pay the costs occasioned by their default, which came in the aggregate to a considerable amount.

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Annual Income (1874)	223,613	2	—
Bonuses Apportioned	581,774	6	2
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The Accountant.

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The Accountant.

APRIL 3, 1875.

Two letters which we publish on the subject of bankruptcy reform deal with the question from a different point of view. The solicitor, as usual, rails at the accountants, objects to local courts of bankruptcy, and has, evidently, but little faith in County Court Judges, who ought certainly to be prodigies of learning and intelligence to fulfil the various duties cast upon

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them. The letter of Mr. Bolland is a sound and practical contribution to the story of the working of the Act. He has undoubtedly shown that, with regard to the realisation of small estates, it is impossible to devise any satisfactory means of preventing the costs swallowing up a large portion of the assets, though he thinks that a very little alteration would render the machinery of the Act admirably fitted for realising and distributing large estates. Many of his suggestions for diminishing petty expenses are good, and we cordially echo his protest against the excessively high charges of the auctioneers, which need certainly not be higher than in ordinary cases of sale. We are glad to see that Mr. Bolland endorses the views we have so often expressed as to the difficult and laborious nature of the duties which devolve upon the trustees in small estates. The question of their remuneration is a difficult one. Of course a per centage arranged upon a sliding scale would answer very well in large matters, and we should be inclined to apply it to all cases. But then we advocate the establishment of a class from which official trustees might be chosen. This class might fairly be required to undertake duties which would be little more than barely remunerative, if they were employed also in heavier cases which would pay them well for their time and trouble. It might also be in the discretion of the court to award an extra fee, if satisfied that features of unusual difficulty or laboriousness had presented themselves. And a ratio might be established between the estimated and realised assets, which might also be taken into consideration in calculating the amount of extra remuneration. One thing is certain, that the amendment of the Act is only to be effected by the co-operation of the much abused accountants; and if they take the chief part in working it, they are surely the persons best qualified to offer suggestions as to its alteration or improvement. We hope to record many more letters, as fertile of suggestion and as practical in spirit as that of Mr. Bolland.

We have before spoken of the contract with Insurance Companies, and of the manner in which these bodies protect themselves by carefully drawn conditions, so framed as not only to render the enforcing of a fraudulent claim next to impossible, but to act in too many instances as a weapon with which to resist claims of undoubted justice. One of these conditions is as to misrepresentation, which it is provided shall make void the policy. In a case we reported last week, of *Watson v. The Imperial Union Assurance Company*, a question turning on this point was tried. Mr. Watson, in answer to the usual questions put when he effected his insurance, asserted that he was in good health, and of temperate habits, and also that he had no regular medical attendant. His death was, there seems to be no doubt, accelerated by drink, and the great question was whether he had indulged in this habit previous, or subsequent, to insuring his life, for though Mr. Watson had represented himself as being of temperate habits, there was no undertaking on his part to continue so. The evidence was of the usual conflicting description, some doctors saying that his intemperance must have been of long standing, others, among whom was the medical officer of the company, being equally positive that there was no appearance of this. Mr. Justice Denman left the matter to the jury; in our opinion, more equitably than is often done, expressly raising the question whether or not the statements were fraudulent, though it is usually held that the company escape payment if they have been, even unintentionally, misled. The jury were unable to decide between the various statements made to them, and were discharged without giving a verdict. The evidence of the physician to the company is perhaps the most curious feature in the case, and we should have thought the most conclusive. Medical evidence too often labours under the suspicion of not being free from partisanship, and the conflicting opinions exhibited in every trial have not tended much to raise the professional in general estimation. The present instance is a striking exception.

A letter from W. J. R., commenting upon the decision in Mr. Palethorpe's case, must be read in connection with our remarks of last week. From the report by which we were guided, we gathered that the debts provable amounted only to £4,000, including in this total the unsecured portion of Mr. Meade King's claim, after deducting the £200. This, we understand from W. J. R., who speaks with apparent knowledge, is incorrect. Of course, if other creditors can prove their claims in time, the dividend will be proportionately diminished. But we must call the attention of our correspondent to the 43rd section of the Act, which provides that though "a creditor who has not proved his debt before the declaration of any dividend shall be entitled to be paid out of any monies for the time being

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in the hands of the trustee any dividend or dividends he may have failed to receive before such monies are made applicable to the payment of any future dividend or dividends, he shall not be entitled to disturb the distribution of any dividend declared before his debt was proved, by reason that he has not participated therein." Nor is it obligatory on the trustee to provide for any debts appearing in the bankrupt's schedule, except those of persons who, by reason of residence at a distance, have not had time to prove their claims, or of claims not yet determined. It is, therefore, quite possible that a large dividend may yet be paid; and as the committee of inspection, if there is one, determine the declaration of a dividend, and as such committee is chosen by the creditors who have proved at the first meeting, the sooner W. J. R., if he is a creditor, sends in his proof the better. Reasonable notice (Rule 181) is a term of varied meaning. We must add that our remarks applied to the case of bankruptcy only, and not to that of liquidation, as the report we had before us when we wrote treated the case as one of bankruptcy *pnr et simple*. If, however, the proceedings were by liquidation, then of course the 312th Rule applies. We may refer as to this to the letters of G. W. and H. B. in our numbers for March 13th and March 20th.

It will be seen from our report that a new first meeting of creditors under Sir W. Russell's liquidation is to be held. The grounds on which the Registrar refused to register the resolution were, that a second petition could not be presented till the first liquidation was closed. This reason the Court apparently disapproved. But it was held most clearly that unless it appeared that the creditors were to obtain some advantage by these proceedings, the Registrar's decision must be upheld. The leave now given is based entirely on the fact that a fair proposition will probably be made to the creditors; unless this is done, the proceedings must again prove abortive.

ERRATUM.

A reference in our second leader at p. 3, line 15, of March 27, has been made unintelligible by the printers. It should run thus:—*Ex parte* Lovering, *re* Jones, 43 *Law Journal* (Bankruptcy) p 116.

Mr. John Fraser, Accountant, notifies that the business heretofore carried on by him at Founder's Court, Lothbury and Martin's Lane, Cannon Street, will hereafter be conducted at No. 10 Clement's Lane, Lombard Street.

THE RESPONSIBILITIES OF A TRUSTEE.

(From a Correspondent.)

There has just been brought to our notice a little incident at the present Liverpool Spring Assizes, the circumstances of which, considered in conjunction with the responsibilities attaching to the office of Trustee in Bankruptcy, are deserving of some comment. A short narrative of the facts, though no very momentous issue is involved, will help to dispel the too common and very erroneous belief, that a trustee's office is at all times an office of profit without trouble or risk.

About January 1870 one John Brown and one E. T. Pemberton were carrying on business together in Lancashire as common brewers, the arrangement between them being of a very indefinite character; and as too often happens under similar circumstances, contending disputes arose between them upon their respective rights, ending in this particular case in an adjudication in bankruptcy against Brown, under which a trustee was duly appointed. The trustee's appointment was at once the signal for a series of expensive and wearisome litigations between Brown's creditors, through the trustee, on the one hand, and Pemberton on the other. Brown's trustee claimed all the effects, of whatever character, at the brewery where the business had been carried on. Pemberton set up a counter and similar claim. Amongst the effects in dispute was some ladies' wearing apparel. The litigation commenced with an issue tried before the Local Court, under which a Jury found all to be the property of Brown, and as such divisible amongst Brown's creditors. Some ineffectual attempts were made to induce the Local Judge to vary the order, and Pemberton next made an unsuccessful appeal to the Chief Judge, and not discomfited with that result, he appealed to the Lords Justices, where he was again unsuccessful, and the end was, everything was sold and divided amongst Brown's creditors. The law expenses incurred up to this stage had been very large, and in the meantime there had always been the fact, that if Brown could not be established the owner of the brewery effects, he had little or no other estate; and in that state of things the trustee's position, so long as there was any uncertainty, was one that meant possible and very considerable personal loss. Pemberton, unable to meet the expense his defeat had entailed upon him, himself resorted to bankruptcy under the liquidation clauses of the present Bankruptcy Act, and amongst his largest creditors at the meeting was his opponent, the trustee. This meeting was in October 1870, previous to which there had been some correspondence with, and threats against, the trustee to recover the said ladies' wearing apparel; but ultimately, and in order to finally compromise all matters between Brown's Estate and Pemberton, the latter signed a document (carefully prepared to cover the said wearing apparel), giving the trustee a

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general release; the trustee simultaneously, and in consideration thereof, withdrawing his opposition at the meeting of Pemberton's creditors.

Brown's bankruptcy was closed in September 1871, and the trustee released in due form in the following November, when most people would suppose he had seen the last of this very harassing case.

The disputes, however, were made to be the subject of further litigation. A dilatory correspondence ensued, and was maintained at intervals down to the end of last year on a claim raised by Pemberton's wife for the said wearing apparel. Pemberton had married two sisters in succession, and the contention therefore was *propter hoc* that the second wife was not legally Pemberton's wife, and might consequently maintain an independent action for the wearing apparel: and by force of the same reasoning it was said Pemberton did not, and could not, have intended by the document he signed to release that claim. The trustee did not take Pemberton's view of the arrangement; and he was in consequence sued for the value at the Liverpool Winter Assizes, 1874.

The plaintiff claimed £150 damages. The trustee incurred great expense in anticipation of the trial, and retained two counsel for the defence, but was apprised at the last moment that the Plaintiff had not entered his cause. The case was, however, entered for the following and present Liverpool Spring Assizes, and the trustee had a further preparation to make, at a further expense. The case occupied the Assize Judge a considerable part of one whole day, when it was adjourned to occupy a portion of a second day. In the end the action was very abruptly terminated by an intimation from the Jury to the Judge that they had already agreed upon a verdict for the defendant, and counsel were not asked to address the Jury for the defence. Pemberton, therefore, was unsuccessful once more, and if the great expense the trustee has been put to be paid by the plaintiff, there will be no great harm done beyond the worry the trustee has had inflicted upon him; but if this be not done, then it will be readily seen that the trustee will have to endure very considerable personal loss.

We have been tempted to recite the details of this case because they aptly illustrate some of the difficulties of a trustee's position. The trustee in the case named is a man of good parts, and, luckily for himself, a man of substantial means. We shall most of us rejoice always to see cases of a similar character in the hands of men possessed of the same advantages: smaller men would have quailed under such a case, and met the claim by a compromise. The estate of Brown having been closed, the trustee is, of course, without a shilling of assets to cover his loss.

Just now it is the right thing to do, in some circles, to clamour against Accountant's charges, and only a short while ago we saw attributed to one of the Registrars of a London Court some harsh observations having the same tendency. We do not, however, ourselves believe that the dissatisfaction towards Accountants in this sense is so general as some people would have us believe. But we would commend to those who abet or participate in that clamour the consideration of the details of the case to which we have here called attention. We do not wish it to be thought that it is an exceptional or isolated case; but it is one where the particulars are well authenticated to us, and on that account we name it particularly.

Trustees in bankruptcy, who are able men, and honourable in the discharge of their duties, do, doubtless, in framing their charges, take cognizance of the fact that their position is one involving risk, and that such risk may, and often does, arise in a manner that neither foresight nor prudence can obviate. At one time there was a desire among creditors, more or less common, that the position of trustee should be taken by one of themselves. Such a desire is little heard of now, owing, doubtless, to a keener appreciation of the responsibilities of the office. There are, no doubt, many instances in a professional accountant's experience which present none of the difficulties peculiar to the case we have been referring to, but we suspect we are within the fact if we say that there must be a very large number in the profession who could relate experiences equal to, if not like it, and to whom the sum total of losses so incurred for the last five years would be no inconsiderable item of deduction from the aggregate charges made in individual estates for the same period. Tradesmen who credit extensively run proportionately greater risk of bad debts, and inasmuch as it is not given to them to divine in anticipation which will be a good debt, and which will be a bad one, a superaddition is made to their charges, whereby a fund is created to rectify the inevitable catalogue of bad debts. As the tradesman or merchant sells his wares or merchandize, so does the trustee sell his services. He furnishes ability and knowledge of his business, but he also requires a compensation for his risks and responsibilities, and charges, or ought to charge accordingly.

The partners in a firm recently adjudicated bankrupt possess the following motley assortment of names:—William Pickles, Thomas Hanson, John Jagger, James Heliwell, Levi Bottomley, and Samuel Woodhead.

The Society of Accountants in England.—The monthly meeting of the Council of the Society of Accountants in England was held on Wednesday, at the Society's Offices, Cowper's Court, Cornhill. Present—Messrs. J. C. Bolton (in the chair), Harry Brett, F. Nicholls, J. H. Tilly, G. E. Ladbury, and the Secretary (Alfred C. Harper). The following were admitted Associates of the Society, viz. Marshall Preston, 3 Clarence Street, Manchester; and Joe Sharp, 27 Estate Buildings, Huddersfield.

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Correspondence.

"DEFAULTING TRUSTEES."

TO THE EDITOR OF THE ACCOUNTANT.

Sir,—A paragraph under this heading appears in your last issue, and you state you are indebted for it to the *Law Times*. The original source of the information will be found in the annual report of the Comptroller in Bankruptcy to the Lord Chancellor for the year 1873, published about twelve months since. I call attention to the paragraph, as it conveys a somewhat erroneous impression. Your readers may reasonably inquire what the "official assignee" has to do with summoning defaulting trustees before the Court of Bankruptcy. Instead of "official assignee," the paragraph should have stated, "Comptroller in Bankruptcy." I have not seen the *Law Times*, so am unaware whether the blunder originates with that Journal or with you. But a consideration of the serious number of defaulting trustees is of much greater moment than the technical error to which I have alluded. It appears from the Comptroller's report that on the 31st December, 1873, there were 2819 pending bankruptcies. That the trustees in no less than 500 of these bankruptcies, or an average of nearly 18 per cent., were placed on the Comptroller's "black list," and suffered their neglect of duty to be reported by that officer to the various courts, seems somewhat alarming, and affords a subject for inquiry among professional trustees. I should, as a professional trustee, have been glad to have gathered from the Comptroller's report some statistics as to the proportion of professional to non-professional trustees who thus incurred the unpleasantness of being brought before the Court; and as to the nature of the neglect of duty which formed the subjects of complaint. No information is, however, afforded by the appendix on these points, and for the honor of the Accountants' profession, I must assume that the bulk of the defaulters were non-professional trustees, whose neglect of duty arose rather from ignorance of the rigid requirements of the rules than from a desire to conceal their dealings with the estates from the scrutiny of the Comptroller. This leads me to make a few remarks as to these requirements. I think I shall speak for my professional brethren generally in saying, that some of these requirements are absurdly vexatious, and although we manage to steer clear of the annoyance of being "reported to the Court," still I consider we are, under the present system of procedure, put to a great deal of unnecessary trouble, and the estates, as well as ourselves, to a good deal of unnecessary expense. To summon a meeting of the Committee of Inspection every three months is oftentimes useless and vexatious both to the trustee and committee. The latter naturally protest against being called together to countersign a certificate signed by the trustee to the effect that no money has been received or paid by him since last audit. And having attended one or two such meetings, they positively refuse to attend more. The trustee is in a dilemma. He calls meetings and no one attends. If he happens to be a non-professional he is at a loss what to do, and the chances are he allows the matter to sleep till he is disagreeably aroused by the formal complaint to the Court from the Comptroller which he has served on him with notice to appear before the Court. On the hearing, he finds himself ordered to comply with the requirements of the Rules, and to pay the costs, generally out of his own pocket, the "compliance" consisting in his getting, by hook or by crook, the signatures of the committee to the certificate above referred to. Surely if the signature of the trustee to a certificate is not sufficient guarantee of its truthfulness, the trustee has no business to be filling that office. He cannot possibly be a "fit" person for a position of trust, if his word cannot be accepted unless vouched for by some other persons who, in the majority of cases, cannot answer for its correctness. But if a certificate is not sufficiently binding on the conscience, let an affidavit be substituted. At any rate it is high time to get rid of the present absurd system. Men of business must naturally think that trustees have very little to do, when they find them running after them, begging them as a favour to attach their signatures to such documents as these certificates. And it is just as unbusinesslike to ask committees to audit accounts where the payments during three months consist of a few pence expended in postage stamps. I am myself in favour of getting rid altogether of the necessity of audit by committees, (which has been suggested in your columns,) and of substituting an audit by the Court, or comptroller, at intervals of not less than six months. If such an alteration were made, I am convinced that the comptroller's record of defaulting trustees would soon assume a much healthier aspect. There would remain no excuse for failing to furnish the Court periodically with a Dr. and Cr. account of the trustee's transactions, and the record of defaulters would dwindle down to *real* defaulters—that is—trustees who have something to conceal, who have mis-appropriated the monies entrusted to them, &c. No doubt there are some such as these, but I am satisfied from my own experience that the blame of the "default" in the majority of the 500 cases reported by the Comptroller may fairly be laid to the present system of audit and to the inattention of committees. I must apologise for trespassing at such length on your valuable space, but I feel that this question must have a personal interest for every accountant who gives his attention to the winding up of bankrupt's estates. I shall therefore be glad to see the matter well ventilated and these suggestions well criticised.

Yours truly,

Trustee in Bankruptcy.

[The paragraph was correctly quoted from our contemporary.—Ed. *Accountant*.]

TO THE EDITOR OF THE ACCOUNTANT.

Dear Sir,—Your issue of the 27th instant contains a paragraph extracted from the *Law Times* stating that "500 trustees were summoned before the Bankruptcy Courts during 1873, for neglect of duty *chiefly in regard to the audit of accounts*."

It would have been only fair to state how many of the above number were so summoned in consequence of the Committees of Inspection refusing to act.

I have been summoned for this latter cause, and proved to the Court on affidavits, and by exhibits, that I had both personally, by my clerks, and by letter, requested as *a favour* that the Inspectors would do their duty, and I was made to pay costs, not because I had neglected my duty, but because I was loth to summon the persons in default.

It is a common thing for Inspectors, when they find an estate is unlikely to pay a dividend, to persistently neglect their duty, and it is not a pleasant position for a trustee to be in. Since I obtained the above experience, I have caused a printed form of notice to be used, which notice clearly warns Inspectors of the consequence of refusal to

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carry out their share of the duties imposed by the Act and Rules. I enclose a form, and shall feel obliged by your publishing it along with a letter for the guidance of those members of the profession who take upon themselves the part of TRUSTEE.

London, 30th March, 1875.

The form referred to by our Correspondent is as follows :—

Dear Sir,

RE BANKRUPT.

Be good enough to meet your Co-Inspectors here on day, the day of at o'clock noon, for the purposes of auditing the accounts and Estate Book, and . I take this opportunity of reminding you, that, under the Act and Rules (which are very stringent), Inspectors are bound to audit the accounts every three months. Inasmuch as any default is reported by the Comptroller to the Court, the Trustee (in order to protect himself from personal responsibility) is compelled to apply to the Court for an order against any Inspector who shall fail in his duty; and it has been laid down that where an order is made, the offending Inspector shall bear all the costs of such application and order. Your due attention to this notice will, therefore, be deemed a personal favour by

————TRUSTEE.

RE J. L. PALETHORPE.

TO THE EDITOR OF THE ACCOUNTANT.

DEAR SIR,—Your article last week with reference to the above matter, I think is likely to mislead some of the creditors interested. You say that the proofs put in amount to about £4,000, and consequently a dividend of 5/ in the £ will be paid thereon; but Mr. Bolland, the Trustee, will surely know that on declaring a dividend he must make provision for payment of the said dividend on all the debts (*unsecured*) as scheduled by the debtor, and which I understand amount to about £21,000, and also in addition Mr. H. W. Meade King will be entitled to the same dividend upon £1,009 1s. 4d., the amount of his proof, after deducting the assessed value of the security held by him.—Yours faithfully, W. J. R.

Newport, March 31st.

POLITICS IN BANKRUPTCY.—The *Hampshire Advertiser* thus skilfully mixes up politics and bankruptcy jurisdiction in a paragraph headed "Conservative Reaction.". — During the Liberal Administration we believe more than one attempt was made to recover for the Winchester County Court its bankruptcy jurisdiction, which had been removed to Southampton, to the inconvenience of local and financial 'unfortunates' and of their creditors. These Lord Hatherley did not comply with, but we now rejoice to hear that Lord Cairns, the Lord Chancellor of the Conservative Government, which our Liberal friends in the Council recently 'gently scorned,' has complied with the desire of the city authorities, and restored to Winchester Court its own jurisdiction in bankruptcy, and added to it that of Basingstoke.

Messrs. Broad, Broad and Paterson, Public Accountants, announce that they have taken into partnership, Mr. William Holmes May, and that in future their business will be carried on under the style or firm of Broads, Paterson and May.

COURT OF BANKRUPTCY.

March 25.

(Before Mr. Registrar PEPYS.)

IN RE REED, OTHERWISE SINTZENICH.—Upon the application of Mr. Harston, his Honour appointed a receiver under a petition for adjudication presented against Edward Reed, otherwise Edward Reed Sintzenich, described as of 36 Finsbury-Circus, and of Holland-road villas, Kensington, banking and emigration agent. The debtor made an affidavit in support of the application, from which it appeared that his liabilities amounted to £8,000, the assets, consisting chiefly of furniture, to the estimated value of £1,700.—An interim injunction, restraining further proceedings at the suit of several execution creditors, was also granted.

IN RE HAY, INGRAM, AND CO.—A petition for liquidation by arrangement or composition has been filed by John Ogilvy Hay and Matthew Lisle Ingram, trading as merchants, at 70 Great Tower-street, as Hay, Ingram, & Co., and at Akyab, Rangoon, and Bassein, in British Burmah, under the firm of John Ogilvy Hay and Co. The liabilities are estimated at £155,000, of which about £97,000 will probably be covered; the assets consist chiefly of margins on consignments, the value of which cannot yet be ascertained.—Upon the application of Mr. Baker (Lawrance, Plews, and Co.), his Honour appointed a receiver and manager, and granted the usual interim restraining order.

March 31.

(Before Mr. Registrar HAZLITT, *sitting as Chief Judge.)*

IN RE SIR WILLIAM RUSSELL.—The debtor, a shipowner and merchant of Salter's-hall-court, Cannon-street, and formerly M.P. for Norwich, presented several months since a petition for liquidation. The creditors passed a resolution, but upon the papers being brought before Mr. Registrar Keene for registration he declined to receive them, on the ground that a former liquidation of the debtor's affairs was still pending, and there were, therefore, no assets in existence available for distribution. The Lords Justices upon appeal affirmed that decision, and the proceedings fell to the ground. Subsequently, with a view to the debtor making a substantial offer to the creditors, a new first meeting was applied for, and the Court gave the desired leave. Mr. Jeune, for Colonel Frazer, a creditor, now asked that the order appointing a new first meeting should be rescinded. He contended that the matter had been disposed of by the Court of Appeal, and that the proceedings under the second petition for liquidation were at an end. Mr. Registrar Hazlitt said that he had hesitated to make the order, but he understood that an offer to the creditors would be forthcoming. He thought if some reasonable proposal were made, unpleasant and troublesome proceedings in bankruptcy might possibly be avoided. Mr. Jeune pointed out that the affidavit used in support of the application was defective, and he urged that it would be competent to the creditors to adopt any arrangement they might think fit, under the 28th section, after adjudication. Mr. Linklater, solicitor for Mr. Lawrie, another creditor, also opposed the application, stating that the debtor had not yet paid the costs of the appeal to the Lords Justices. He submitted that the debtor must first purge himself of the obligations which rested upon him before he was entitled to ask for any indulgence. Mr. Munns, solicitor for the debtor, opposed the application to rescind the order. His Honour thought he could not interfere with the order. The Lords Justices had, no doubt, expressed their disapproval of the practice of allowing new first meetings of creditors to be held, but exceptional cases might arise. In the present case the creditors might get £3,000 or £4,000 if the meeting were allowed to be held; if not, £300 or £400 would be probably all they would receive. Of course, if the debtor was not prepared with a substantial offer the proceedings would be futile. Application refused.

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April 1.

(*Before* Mr. Registrar Pepys.)

In re Reed, otherwise Sintzenich.—This was an application for the continuance of an interim injunction, granted last week, restraining further proceedings at the suit of various creditors. The debtor, Edward Reed, otherwise Edward Reed Sintzenich, was described as of 36 Finsbury-circus, and of Holland-road villas, Kensington, banking and emigration agent. His liabilities are estimated at about £8,000, the assets, consisting principally of household furniture, valued at £1,700. A petition for adjudication has been filed, and a receiver appointed. The question now arose whether the furniture, which had been seized by the sheriff of Middlesex and advertised for sale, should be sold, or whether the injunction should be continued with a view to the sale of the property by the trustee when appointed. Mr. Harston, on behalf of the receiver and petitioning creditor, submitted that it would be advantageous for the sale to be postponed, as a good offer would probably be obtained for the house and furniture if sold together; whereas a sale of the furniture by the sheriff was likely to be detrimental to the creditors. Mr. Sorrell and Mr. Flower, on behalf of the execution creditors, asked that the sale might go on (the cost of advertising it having already been incurred), and the proceeds would then be held by the sheriff subject to the order of the Court. His Honour thought this would be the better course, and, therefore, made no order for the continuance of the injunction.

In re W. T. Henley.—The debtor, whose liabilities are reported to be very heavy, is described as of Plaistow and North Woolwich; also of the Pontnewyndd Iron Works, in the county of Monmouth, and of 110 Fenchurch-street, telegraph engineer aad contractor. Upon the application of Mr. Sydney Gedge, on behalf of a creditor for £20,000, his Honour appointed a receiver and manager, it appearing that several valuable contracts were outstanding, which it was important to complete.

FAILURES.

England.—The suspension has been announced of Messrs. Hay, Ingram, and Co., merchants of London and Rangoon, and a petition has been filed for the liquidation of their estate. The liabilities are stated to be £150,000, with assets of unascertained value, consisting mainly of margins on consignments. On the application of Messrs. Lawrance, Plews, and Co. for creditors, Mr. J. Waddell has been appointed receiver and manager. The suspension has been announced on the Bradford Exchange, of Mr. John Rawnsley, jun., manufacturer, Dudley Hill, Bradford. The liabilities are said to be between £10,000 and £15,000. This is the second Bradford manufacturer who has gone to the wall within the last fortnight. Barlow Brothers, cotton spinners, Crawshawbooth, have failed. Liabilities £8,600; assets from £1,600 to £3,000.

America.—American advices report the following failures. The liabilities of Messrs. Wheatley, Williams, and Co., sugar refiners, New York, are put down at about £135,000; assets £134,000; £40,000 or more, however, being doubtful. The firm proposed paying 50 per cent. in instalments. The creditors had taken no action. The suspension of Mr. J. Winslow Jones, Portland, Maine, has been announced. Messrs. U. H. Dudley and Co., New York City, had sued and attached the property of the firm for the sum of £25,000 to secure an indebtedness of 83,000 dollars. Mr. Dan C. Fisk, stockbroker, 15 Wall-street, New York, had failed. The Western Savings Bank, St. Louis, Mo., had closed its doors. The National Fire Insurance Company, of Philadelphia, had suspended. Those interested were making efforts to make a compromise with the creditors. Mr. Cahoon, shipping merchant, Queen's County, N.S., had failed; liabilities about £10,000. Messrs. Park and Borrowman, of Amherstburg, Canada, in the hardware trade, had also suspended. Messrs. Timothy Rajotte, of Ottawa; Messrs. C. King and Co., Ottawa; Messrs. Desmarteau and Bond, Montreal; Messrs. W. Fairweather and Co., Peterboro; and Mr. Mark T. Rogers, of Napanee; all well known in dry goods circles, were unable to pay in full. Morris Run Coal Company, Syracuse, N.J., had temporarily suspended, with liabilities of abont £170,000. It was also reported that Messrs. Beck Brothers, stockbrokers, Boston had failed. Messrs. Simpson, Whitehead, & Co., in the hardware trade, Montreal, had suspended; Messrs. Armstrong Brothers, and Messrs. Guen Brothers, both of the same city, had made an assignment. Messrs. Champlain and Merritt Noyes, of Bennington, Vt., with liabilities £8,000. The Bridgeport (Conn.) Paper Company were in financial difficulties.

The *National Zeitung* quotes an account of a group of recent Austrian failures. The General Bohemian Insurance Bank (established in 1872) had, beside numerous branches in the provinces, agents in Hamburg, Amsterdam, and St. Petersburg. It began with an ostensible capital of 6,000,000 florins in 30,000 shares of 200 florins each. Only 10,000 shares, with 40 per cent. paid up, were placed, however, so that the paid up capital did not exceed 800,000 florins. Its operations were, nevertheless, very large, and it concluded insurances amounting to 66,000,000 florins, its existence mainly depending upon the prompt payment of the premiums. The year of the crisis, 1873, tested the institution severely as regards the payments due to it, and a succession of heavy claims made havoc with its capital. The failure has some political significance, as the bank was a national Bohemian institute. A second failure also affects the insurance business. The Pesth Cattle Insurance Company has succumbed after an existence of six years. Liquidation was resolved upon last year, but the association found itself in very straightened circumstances. A third stoppage is that of the Inland Gas Company, which had a paid-up capital of 2,000,000 florins. The third dozen of Austrian joint-stock failures is thus completed.

The failure of Mr. William Thomas Henley, telegraph engineer and contractor, was announced on Wednesday. The liabilities are variously estimated from £250,000 to £500,000. Mr. Henley's books have been placed in the hands of Messrs. Robert Fletcher and Co., of 2 Moorgate-street, E.C., accountants.

J. C. im Thurn and Co.—In the matter of J. C. im Thurn and Co.'s failure, the Court of Bankruptcy made a special order fixing the first general meeting of the creditors to be held at the Cannon-street Hotel, on Wednesday, June 16 next, and also appointing Mr. John Young, of the firm of Turquand, Youngs, and Co., receiver and manager of the estate.

CREDITORS' MEETINGS.

John Gray (Mile End-Road).—In this case the debtor, John Gray, late of 75, Mile End-road, in the county of Middlesex, tobacconist, filed his petition for liquidation in July last, and Mr. W. L. C. Browne, of the firm of C. Browne, Stanley, and Co., Public Accountants, Old Jewry, was appointed trustee. The secured creditors amounted to £2,715, unsecured creditors £486 15s; the total assets being £6,300. In the face of these assets, it was rather extraordinary that the debtor should have filed his position, but the property being in the hands of Mortgagees, it was impossible for him to realize, and as creditors were pressing him, he was compelled to petition the court. The trustee with the assistance afforded him by the debtor, was enabled to effect an arrangement by which all the creditors have lately been paid 20s. in the pound, and the residue of the estate, after providing for the mortgages and expenses revested in the debtor by an order of the Court, made on the 5th March instant, dismissing the petition, Messrs. Smith, Fowdon, and Low, of Bread-street, Cheapside, are the Solicitors to the proceedings.

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GEORGE HUNTLEY STEBBING (Witham).—A first meeting of the creditors of George Huntley Stebbing, cattle dealer, of Whitehall, Wickham Bishops, near Witham a bankrupt, was held at the Shire Hall, Chelmsford, on Wednesday, Mr. T. M. Gepp, Registrar of the County Court, presiding. Messrs. Evans and Eagles, of 10 John-street, Bedford-row, London, appeared as solicitors for the petitioning creditor (Mr. William Fenner, farmer and cattle dealer, of Lexden, near Colchester) and as proxies for several other creditors. Mr. H. W. Jones, of Colchester, and Mr. Middleton, of the firm of Philbrick and Middleton, Colchester, were also present. The petition was filed on March 8, and adjudication of bankruptcy made the same day on the debtor's consent to adjudication forthwith, the act of bankruptcy being that the debtor had filed, in the prescribed manner, a declaration of his inability to pay his debts. The bankrupt now filed his statement of accounts, from which it appeared that his liabilities amounted to about £6,000, and his assets to about £1,100. Debts were proved to the amount of £2,312. Mr. Middleton, who admitted that he had no status in the court, said he merely attended to protest against the proceedings as being utterly illegal, they having been, as he contended, improperly transferred from the County Court at Colchester to this court. The present adjudication, he said, was obtained when another jurisdiction was on the file and had not been properly removed, and the bankrupt, by fraud, had improperly removed from one place to another, his proper residence being still in the district of Colchester, where the large body of his creditors lived.—The Registrar: All this was founded and grounded on the affidavit of the solicitor conducting.—Mr. Evans said the answer was that the first bankruptcy was annulled by an order of the Chief Judge, and, secondly, that between the liquidation and the bankruptcy the bankrupt had removed to his present residence within the jurisdiction of this court.—Mr. F. C. Fitch, of Halstead, was appointed trustee, with a committee of inspection.

J. W. GIRLING (GREAT YARMOUTH).—A meeting of the creditors of John Warner Girling, of Great Yarmouth, butcher, was held on Wednesday, 31st March, 1875, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, being appointed trustee. Mr. F. W. Ferrier is solicitor in the proceeedings.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

Mr. J. Waddell has been appointed receiver and manager of the firm of Hay, Ingram, and Co., merchants, of London and Rangoon whose affairs are now in liquidation.

BANKRUPT APPEALS will be taken on the following days:—At Lincoln's Inn, Friday, April 16; Thursday, April 22; Thursday, April 29; Thursday, May 6th.

The *London Gazette* of last Tuesday did not announce a single adjudication of bankruptcy, either in town or country.

A SEEDY individual was arraigned for theft. Question by the judge: "Did you steal the complainant's coat?" Seedy individual: "I decline to gratify the morbid curiosity of the public by answering that question."

The *Law Times* says:—It may not be generally known that certificated special pleaders and conveyancers are liable to be sued in an action for the negligent discharge of professional duties, and can recover their fees by action at law from a solicitor or other client employing them. It is usually supposed that all associates of the Superior Courts of Common Law in England and Ireland are necessarily members of the Bar, the fact being that some have no connection with the Profession.

BANKRUPTCY REFORM.

As intimated in our issue of the 13th March, Mr. Henry Bolland, Accountant, Liverpool, has addressed a second letter to the Committee appointed by the Lord Chancellor to inquire into the working of the Bankruptcy Act, 1869. Mr. Bolland's second letter is as follows:—

Gentlemen,—I took the liberty in a former letter to offer some suggestions with respect to the arrangement sections of the Act and rules, and intended in this communication to have referred generally to other portions of the Act and rules which, in my experience, have not worked harmoniously, but the question of the remuneration of trustees, and of the costs of solicitors, auctioneers, and receivers seems to be of greater importance, and therefore deserving of prior consideration. With respect to trustees' remuneration, no more difficult question could come before your committee than properly to estimate the value of his services, so as to frame a fixed scale of remuneration. At present, as you are aware, the matter is left to the creditors, and, practically, that means in small estates to the trustee himself, for with the proxies by which he votes himself trustee he can pass his remuneration, or fix it by resolution, at the first meeting.

But assuming the evil of the proxy system to be abolished, which I trust your committee may see their way to effect, the question remains what is a trustee's reasonable remuneration? Now one of the objects of the present Act was to reduce the expenses of administering an insolvent's estate, and with that view to assimilate it to the Scottish system, under which the average expenses do not exceed, if I remember correctly, 15 per cent.

But how have the rules harmonised with this object? Why, according to the scale of costs, a trustee has to pay an auctioneer 10 per cent. on the first hundred pounds' worth of assets realised. The evil of the present system, like that of all its predecessors, is that the same machinery is required for the administration of a small estate as for a large one, where the assets are £1,000 or more. Assume an insolvent debtor, with liabilities £600 and assets £150, presents his petition for liquidation, or becomes bankrupt, what is the result? He has to employ a solicitor, whose costs, according to the scale, up to and including registration, reach at least £20, especially if legal proceedings are pending against the debtor, and restraining orders have to be obtained and a receiver appointed. The receiver, in possession for three weeks, up to the first meeting, requires, at a moderate estimate, £10. A trustee is chosen, who employs an auctioneer, whose charge is £12 10s. The trustee's remuneration depends upon circumstances. If there is a hostile creditor he may insist upon a deficiency account being prepared, also stock and cash accounts for the six months preceding the liquidation. These accounts have to be prepared under the eyes of the trustee, who has the custody of the books, and are afterwards investigated by him at considerable time and trouble. The debtor has to be examined on the accounts at meetings in the trustee's office, called for the purpose, and often this hostile creditor, being a person of small means, and, feeling his loss acutely, is far more exacting in his requirements than a creditor in a large case who has lost thousands of pounds. A suggestion which here arises is whether such a strict investigation, if demanded, should not be at the cost of the particular creditors seeking it, as it seldom is productive of any advantage to the general body of creditors. The estate we will assume to be realised, and what are the further deductions? First, rent, say £20; taxes, £5; wages, perhaps £10; the debtor and his *employés* always agreeing that such are due. These payments make a total of £77 10s. What in such case ought the trustee to charge? His duties in a small matter are as comprehensive as those where the estate is a large one, and may be thus enumerated under three heads.

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First, investigating the statement of affairs, or, as often happens, preparing or remodelling it himself; holding usual meeting for examination at office, investigating debtor's books and affairs; and, as already stated, preparing or ordering the preparation, and then examining, extra accounts not demanded by the Act, such as deficiency, and cash, and stock accounts. Though the requirement of these latter in all cases would be a wholesome terror to debtors, and trustees sometimes fall into disgrace with creditors for not insisting upon them, it is a question how far they are justified in doing so, unless specially requested by the committee of inspection.

Secondly, realising the estate and other general routine duties of a trustee, not including the declaration of dividend. Taking possession of books and papers, and preparing list. Taking instruction of inspectors and keeping record book. Disposing of property through auctioneer (in which case attending sale, examining auctioneer's accounts, &c.), by tender or by private treaty, which may involve taking possession, taking stock, inventories, &c., obtaining possession of documents, examination into the nature and value of properties, real or personal, &c., and the properties themselves, and in case of legal difficulties preparing statement of case for opinion of solicitor, and consulting with him, and where necessary appearing as plaintiff or defendant, and taking the risk. Collecting debts, involving sending the usual sets of notices, interviews and correspondence with debtors, examination, adjustment, and compromise of accounts. Preparing and furnishing debtors with particulars, personal application at their residences or places of business, placing small amounts in County Court, and instructing solicitor in more complicated cases, and appearing when necessary as plaintiff and taking risk. Sending notices of appointment and general meetings to creditors, and attending at latter, taking minutes, &c., keeping accounts, and estate book, and preparing quarterly accounts for comptroller, and having same audited, annual statements, &c., keeping papers, &c., duly filed; general correspondence and interviews with creditors and others, often involving a very large expenditure of time and trouble; examining and paying, compromising, or objecting to, preferential or other claims arising in proceedings; receiving and examining proofs of debt, and admitting, reducing, or rejecting same; taking advice of solicitor when necessary, filing proof and monthly lists at court; considering as to propriety of closing estate, preparing accounts and papers for close, going through same with registrar, and obtaining appointment to hear application for close, giving creditors notice of same, order being obtained, giving instructions for same to be gazetted, &c., obtaining release from trusteeship.

Thirdly, declaring dividends, gazetting and sending creditors not proved notice of intended dividend, preparing lists of proofs admitted, held over, and debts not proved, calculating dividend, and giving creditors notice of same, and gazetting dividend declared, paying dividend, preparing receipts, &c., preparing and sending lists to comptroller of dividends declared, and afterwards of dividends paid and unclaimed, with vouchers, &c., declaring final dividend.

Of course, in liquidation cases these duties are somewhat curtailed, but by what fixed scale in the case instanced could a trustee be remunerated? A percentage would be clearly out of the question. If paid by time he might absorb the whole estate. There can be no scale devised for such a case, and therefore it must be left to the conscience of the trustee. Hence the necessity of having, as suggested in my former letter, men of respectability to fill that office. In the present case we will assume the trustee, for all his multifarious duties, charges £15 to £20, and his solicitor, when necessary, about £10, with perhaps an allowance for maintenance to the debtor by the receiver of £6 or £7, the net disbursements out of an estate of £150, at the most moderate calculation £120. Now, this is not an exceptional case, but on the contrary, although I have not made a calculation, I believe I am within the mark when I say that more than one-third of the estates wound up in bankruptcy and liquidation do not realise £150. What more palpable example does your committee require of the utter inapplicability of the present Act to meet such a case? All the alterations in the rules which ingenuity might suggest could not cure this defect.

Nothing, I apprehend, but an Act of Parliament can authorise an insolvent debtor with insignificant assets being dealt with differently from his brother in misfortune who may have large assets; nor yet without such authority ought the rights of creditors in either case to be dealt with differently. The Act ought to have made provision for two classes of insolvents; they cannot be dealt with under one category as now. The present Act, with some few amendments, would work admirably in large matters. But to return to the subject of my letter. I think that in all cases where the assets exceed £1,000 a percentage is the proper mode of remunerating a trustee. This should be on a sliding scale; of course the larger the assets the smaller the percentage. To charge by time would only be a premium for incapacity, for a competent person will do his work much quicker, as well as better, than an incompetent one; and, further, remuneration by time is a temptation to "nurse" an estate and delay its realisation and close. The scale of charges for solicitors might in large cases with advantage be increased; but although there be what is termed a lower scale in small matters, it is out of proportion to the work performed or required to be performed. One item applicable alike to both classes of cases may be instanced as an example of the necessity for revising the scale—viz., "searching if prior petition filed, 7s. 8d." Now this charge might well be discretionary with the taxing officer, for it very rarely happens that the solicitor presenting the petition is ignorant whether there has been a petition filed or not; but, if he were, the fact of there being a prior petition does not prevent a second petition being filed, as was the case in former times when the item was introduced into the old scale of costs. Solicitors' charges, however, on the whole are anything but excessive, and they have much reason to complain that they are disallowed for advice and assistance afforded to inexperienced trustees, on the theory that the trustee ought not to have consulted them, but have acted on his own judgment. Auctioneers' charges, too, are open to exemption, as for instance, a produce broker who sells £3,000 worth of produce for an estate can charge, according to the scale, 10 per cent. on the first £100, 5 per cent. up to £1,000, and so on; whilst for selling in the ordinary course of his business he would only charge 2 per cent. High bailiff's fees, too, are an anomaly. For example, "attending sitting of the court, 2s." "preparing advertisements (which is in reality a fiction), 3s. 6d." and other items too numerous to mention. In summarising these observations, I may remark that the difficulties in devising scale of remuneration for small cases are insuperable, and it must, as heretofore, be left to the creditors: but with respect to large estates a percentage might be fixed which would be satisfactory to creditors and trustees, as well as consistent with the economic administration of estates. As to the other professional charges mentioned, they are open to revision, as the scales are framed too much after the models of those under the old Bankruptcy Act, which were condemned for their costliness.—H.B.

P.S. I have overlooked court fees, such as stamps, office copies, &c., but more particularly the first named. They are imposed on the most trivial pretext; in fact, if a debtor sneezes he is mulcted in a 1s. stamp. The other day at Preston the ordinary notices to creditors of first meeting were objected to because they only bore the ½ stamp, sufficient for their carriage through the post, a general order having been received from Mr. Nicoll to insist upon a penny stamp. Who is Mr. Nicoll?

Mr. J. P. Murrough, solicitor, writes as follows on the same subject:—

"As a member of the legal profession of thirty years' standing who has enjoyed a very considerable practice in the Court of Bankruptcy, I need scarcely apologise for responding to your

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invitation for suggestions, and I would remark, *in limine*, that it is impossible for any one familiar with the practice and proceedings of the court to entertain any opinion other than that every Bankruptcy Act passed since that of 1849 has been the product of uninformed intellects, working under the pressure of crochet-mongers—if possible—still more uninstructed.

"One of the first and most deplorable effects of these inept revolutionists resulted in the suppression of the official assignees, messengers, and other officers of the court, upon the pretence that creditors should be permitted to take bankrupts' estates into their own hands; and this notable piece of legislation has warmed into existence a swarm of ill-educated, rapacious, and unscrupulous accountants, who, not being officers of the court, are subjected to no supervision, and consequently plunder and enrich themselves without control.

"Another and scarcely less calamitous piece of mischief was the extinguishment, in 1861, of the (BA) certificate of the Act of 1849, the abolition of which granted the most perfect immunity from consequences to all fraudulent bankrupts who could manage to evade the meshes of a criminal prosecution.

"But, as if the curiosities of legislation had not become sufficiently monstrous, the Parliament proceeded to restrict the limit of the London Court of Bankruptcy to the metropolis, to destroy the local bankruptcy courts, and give bankruptcy jurisdiction to the judges of the different County Courts, under the plausible sophism of bringing justice to every man's door. Now I assert, without fear of contradiction, from any person out of Earlswood, that you can effect no salutary change in the law of bankruptcy until the different Courts of Bankruptcy are restored to the condition in which they existed previous to 1861, and for the following reasons:

"First. As the principal creditors of a bankrupt generally reside or carry on business in the metropolis or some of the other large cities of the empire, the Act of 1869 has an effect diametrically opposite to that proposed by its author, and bears justice most effectually away from the creditors' door. Can absurdity reach further than requiring London creditors to follow their bankrupt debtors to such places as Croydon, Greenwich, Guildford, and Wandsworth? Yet to this extent our busy ex-chancellors have carried their adulteration of the bankrupt law.

"Secondly. The machinery of a County Court is utterly unfit for the administration either of equity or bankruptcy matters. Without speaking in disparagement of Lincoln's Inn or Westminster Hall, I think it may be doubted whether those institutions can spare more members, uniting in themselves the possession of commanding intellect and unsuspected integrity, than can be well absorbed in the administration of justice in our Superior Courts.

"Moreover, I entertain a strong opinion that the efforts which are now being made towards the decentralisation of our judicial tribunals will eventuate in a decline of talent and integrity, both in the judges and also in the practitioners who appear before them; for, after due regard to the existence of such able County Court judges as those of Circuits Nos. 11, 23, 33, 42, 57, and 58, I cannot blind myself to the fact that the appointments of very many of these officials are the result not of experience or ability, but of far less assuring causes, and, in some instances, an elevation to the County Court bench has been the reward of implication in corrupt practices at a parliamentary election.

"Furthermore, the County Court judges are peripatetic, and absent for weeks together from the court at which the bankruptcy law should be administered, and this objection of absence applies equally to the second officer in rank, namely, the registrar, who for the efficient administration of the law, should be a well-paid official, continuously in the office of the court, but who, under the present arrangement, is always a practising attorney in the town, whose income is merely supplemented by his salary as registrar, and who when wanted is oftimes absent on his private business.

"Leaving, however, the courts, and, in conclusion, turning to the law to be administered, I would observe that when the Act of 1869 became law, creditors waxed jubilant at the conditions imposed by sect. 68, but as cunning debtors soon learnt the value of parts 6 and 7 of the Act, "Liquidation by arrangement" speedily usurped the place of formal bankruptcy, and a debtors' friends easily procure the necessary 'resolution' which enables him to laugh at his creditors, and the whole doctrine of conditional discharges."

THE STOCK EXCHANGE.

(From the *Economist.*)

The revelations before the Foreign Loans Committee and others like them, with which the reports of our Courts of Justice have lately been full, have made many people ask as to the Stock Exchange, is this market worse than other markets, or not worse? Are the frauds there which have been exposed only samples of what exists elsewhere, but which has not been exposed? And if it is said in reply that the Stock-Exchange is worse than other markets, people ask why is it worse. What are the circumstances which generate fraud in this kind of buying and selling, and which do not as much generate it in other kinds?

We believe that three causes conduce to this effect, First, dealers on the Stock-Exchange are in certain cases—and those influential ones—trusted with untold gold in a sense which others are not. The most peculiar characteristic of the Stock Exchange, as compared with other markets, is that it deals in commodities of which the price is not ruled, as in other markets it is, by the cost of production. The momentary value, indeed, of all articles is regulated by the "demand and supply" of the moment, and not by the cost of production; but in ordinary cases "demand and supply" are temporary causes, for if an article sells for more than it can be made for its supply will be increased till its price falls to the usual level. The cost of production is thus a steady cause limiting the fluctuations of the market; buyers will not long give what is above it, and sellers know that. They must not hold too long, or they may be obliged to take less. But to the shares of the Stock Exchange there is no such guiding average. The value of articles there dealt in does not depend on the cost of production in this direct way; often does not depend on it at all. These articles are, first, the "debts" or promises to pay of different Governments, which cost nothing and which can be multiplied at the will of those Governments; and, secondly, shares in monopolies, such as railways or telegraphs, which also are given at the discretion of Governments, which can be made many or not, as they choose, and which profess to give advantages to those to whom they are granted, which others do not share; or mines, to which a similar monopoly is given by nature; or banks, which are somewhat of the same nature, for the acquired credit is a privileged advantage given by history, which others may rival in time, but which is so much against them, and in favour of its possessor, till they have rivalled it. There are certain miscellaneous companies which might be multiplied in any number, but as many as possible even of these try to show that there is something peculiarly good about them, either from their having taken over an old business or some other cause. And, what is more to the present purpose, the dealings in the shares of small companies are but an insignificant part of the dealings of the present Stock Exchange. Ninety-nine hundredths of such dealings are concerned with "debts," the value of which has no relation to the cost of production at all, and monopolies which claim to have, and may have, a value far exceeding it. The ultimate regulator of price in other markets in this case does not act.

Unquestionably the value of stocks and shares which have long been before the public is often very fixed. The value of Consols has been, probably, more steady for years than that of any article of produce. But that has happened because the supply has been little altered, the position of England the same, and the number of persons who are ready to share an income with so perfect security varies little. The opinion of

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the public on this stock in these circumstances is made up. The value of English railways, though variable, is reducible to calculation, because we have had much experience of the rate at which traffics increase, of the cost of obtaining such increase, and of the effect of any given augmentation of net income on the price of the stock. We know here the supply, and we can tell, to a fair approximation, the amount of the demand. And, therefore, we have a good guide as to the price,

But in the case of a first loan to a new State, or a fresh mine in a distant country, there is no such guide from experience. The price is for the moment a "fancy" price. The article is worth just what the public can be made to believe that it is worth. No doubt arguments from general probability may be used to show that most likely this new State will become insolvent, as other similar ones have, and that this new mine will prove worthless as so many others. But in all markets the value of all articles but slowly conforms to the course of arguments; buyers and sellers read little, and are not much guided by what they read. They are more influenced by the present quoted prices than by anything else. Accordingly the value of an article on the Stock Exchange is for a time that which you can get quoted as the price. And this is what we mean by saying that in some circumstances the dealers there are trusted with untold gold. They preside over what may be called the "inception" of the value. If by manipulation they can raise the price of a worthless stock to an extravagant sum, they and those for whom they act, will receive and benefit by that price. Those who are skilful in such manipulations will obtain that price, and those who are unskilful will not. From the first projector who finds the mine, or acts for the State, far down among the dealers who sell the stock, there is a lore of artifices varied in form, but united in object, all meant to sell the stock. And they do sell it. In an ordinary produce market there is nothing like this. No dealer, however skilled, can there introduce an unknown and untried commodity for which he himself paid nothing, and sell it at a high price. The possibility of frauds like this poisons, and cannot but poison, the whole atmosphere. Many dealers on the Stock Exchange, no doubt, are as honest and trustworthy as any kind of dealers, but a taint is thrown over the market as a whole, because, from the nature of the commodities there dealt in, monstrous frauds can be practised, are so, and are known to be so, which are not practised elsewhere, and which generate a sort of tone, tolerant of successful fraud, if not admiring it—which is detestable to hear.

Secondly. This set of peculiarly crafty sellers finds ready to its hand a race of peculiarly foolish buyers such as is not to be found in other markets. In common markets the buyers are mostly skilled people. The importer of tea sells to the tea merchant, a very skilled man in the trade; the tea merchant to the large grocer, who is also skilled, if somewhat less: the large grocer to the small grocer, who is also skilled, though again less. No large amounts, as a rule, are invested by some one who has not been trained to the business. But on the Stock Exchange this is not so at all. The *bonâ fide* investor there is not a skilled trader buying to sell, but mostly an unskilled non-trader buying to keep. Many people who have sense for nothing else have sense enough to save, and in the old times, when savings were hidden in the thatch of houses, and all manner of curious places of concealment, their savings were safe. But now they are safe no longer. A quiet, simple, parsimonious person in the country is exactly what the active, greedy, and mendacious dealer in shares wishes to meet with. And there is a practically unlimited supply of such persons.

Thirdly. There is on the Stock Exchange a class of unskilled "outsiders" far exceeding those in any other market. There are some, no doubt, everywhere. Many a person in Liverpool begins speculating in "cotton to arrive" merely from hearing the talk of the place, and without the slightest real knowledge of the business. But in most markets this class is limited, because "outsiders" do not in general even hear the talk, or read anything equivalent. A clerk in Dorsetshire cannot practically speculate in cotton or in tea; but he can speculate in stocks and shares, for the necessary acquaintance with them is brought home to his door by unnumbered City articles and financial newspapers. Very likely prospectuses of the worst things come to him by the post. And to a person wishing to speculate there is undeniably something very attractive to them. On the face of the matter there is a new property just come out of nothing, and daily rising in value, which is tempting; and it is plain, too, from the nature of the case, and from what happens, that large sums can be made by dealing in such things if only you can get out in time. What such outsiders ought to know, but what they will never learn, is that the wires are pulled by far abler and more skilled persons than themselves—by the concoctors and managers of these speculations—and that everything is arranged so that they shall win, and every one else lose, as much as possible. An "outside" speculator pitted against such persons is like an indifferent chessplayer who cannot see the board, playing with a masterly one who can; he is in the long run certain to lose. And as far as he is concerned so much the better. A man who tries to gamble and cannot, has no claim to respect, either for good intentions or mental power. But unhappily the loss of these unskilled imitators helps and keeps alive the group of skilled machinators at headquarters. The entire evil is largely maintained at the cost, and by the destruction, of very many scattered and less evils. These reasons do not exhaust the subject, but they are sufficient for our purpose, because they specify the principal particulars in which the Stock-Exchange differs from other markets, and show that the effect of them is to make large and numerous frauds more to be expected in that market than in any other.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Aberfoyle Slate and Slab—Capital £20,000, in £5 shares.

Anstey Paper Mill—Capital £15,000, in £5 shares.

Atlas Engineering and Millwrighting—Capital £7,000, in £5 shares.

Baily Brothers Wholesale and Family Supply Association—Capital £15,000, in £5 shares.

British Workman Public House—Capital £20,000, in £1 shares.

Burford Waterworks—Capital £1,000, in £10 shares.

City of Manchester Land, Building, and Investment—Capital £100,000, in £5 shares.

Colne Valley Gas—Capital £20,000, in £5 shares.

Crompton Working Men's Club—Capital £1,000, in 10s. shares.

East Surrey General Co-operative Association — Capital £5,000, in £1 shares.

Elton Conservative Club—Capital £5,000, in £1 shares.

India Mill (Darwen) Cotton-spinning—Capital £200,000, in £5 shares.

Joseph Twentyman and Co.—Capital £9,700, in £10 shares.

Llanelly Bottle Beer—Capital £2,000, in £5 shares.

London and Kansas Land and Colonization—Capital £50,000, in £10 shares.

London Masonic Club—Capital 50,000*l.*, in 5*l.* shares.

"Maidstone and Kent County Standard"—Capital 1,000*l.* in 1*l.* shares.

Manchester Literary and Philosophical Society—Limited by guarantee to 10*l.*

Mutual Help Club and Institute—Capital 2,000*l.* in 1*l* shares.

Safety Oil—Capital 50,000*l.* in 5*l.* shares.

Samlesbury Paper Mill—Capital 25,000*l.*, in 5*l.* shares.

Senior and Brooks—Capital 2,000*l.* in 5*l.* shares.

Stanhill Manufacturing—Capital 5,000*l.*, in 100*l.* shares.

Star Paper Mill—Capital 60,000*l.*, in 5*l.* shares.

Vigo Salvage—Capital 5,000*l.* in 5*l.* shares

Weston Iron—Capital 75,000*l.* in 5*l.* shares.

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THE INCOME TAX.—The Inland Revenue Board give, in their annual Report recently issued, an account such as only they can give of the produce of the Income-tax in the year ending the 5th of April, 1873, the latest year for which these details can be stated. The total annual value of property and profits charged to Income-tax in the United Kingdom for that year was £453,585,000, which was £18,782,000 more than in the preceding year. Of this increase England contributed £15,658,000 being 4·20 per cent. more than the value charged for the preceding year; Scotland, £2,524,000, an increase of 6·94 per cent.; and Ireland £600,000, an increase of 2·32 per cent. The gross assessments under Schedule A for 1872-73 exhibit an increase over the preceding year of £1,805,000, thus distributed:—In England, £1,376,000, an increase of 1·08 per cent.; Scotland, £388,000, an increase of 2·51 per cent.; Ireland, £41,000, an increase of 0·31 per cent. In England the greatest improvement was in the four following counties:—Surrey, £98,000; York, £232,000; Lancashire, £248,000; Middlesex, £311,000. The gross annual value of "lands" assessed for 1872-3—namely, £65,513,000, shows a slight increase of £83,000 over the preceding year, as follows:—In England the assessment was on £49,009,000, being an increase of £45,000; Scotland, £7,363,000, an increase of £37,000; Ireland, £9,141,000, an increase of £1,000. The gross annual value of "houses" assessed exhibits an increase of £1,734,000 over the preceding year, thus distributed:—In England the assessment was on £77,832,000, showing an increase of £1,356,000, or 1·7 per cent.; in Scotland, on £7,876,000, an increase of £346,000, or 4·59 per cent.; in Ireland, on £3,748,000, an increase of £32,000. or 0·86 per cent, In England the increase of the assessments on houses was largest in the four counties already specified; it was £91,000 in Surrey, £225,000 in Yorkshire, £253,000 in Lancashire, and £309,000 in Middlesex. In the gross amount of the assessments under Schedule B for the year 1872-3 there is a slight increase—£33,000 in England, £38,000 in Scotland, but a decrease of £21,000 in Ireland. The gross amount of profits of trades, &c., assessed under Schedule D for 1872-73 exhibits an increase of £25,964,000 over the preceding year—£21,725,000 in England, £3,248,000 in Scotland, £991,000 in Ireland. The increase in England mainly arises from the assessments under the following heads:—On trades and professions, an increase of £14,091,000, or 11·52 per cent; public companies, £2,377,000, or 14·27 per cent.; railways, £1,926,000, or 9·73 per cent.; mines, £771,000, or 13·51 per cent.; ironworks, £1,182,000 or 44·67 per cent.; gasworks, £102,000, or 4·26 per cent.; dividends on foreign securities, £879,000, or 25·16 per cent. The increase in Scotland amounted to £2,102,000 on trades and professions, or 16·24 per cent.; public companies, £135,000, or 11·73 per cent. increase; railways, £296,000, or £12·46 per cent.; mines, 166,000, or 27·80 per cent.; ironworks, £440,000, or 88·88 per cent. The increase in Ireland is £722,000 on trades and professions, or 11·85 per cent.; public companies, £64,000, or 10·66 per cent.; railways, £88,000, or 9·12 per cent.; mines, £12,000 or 37·50 per cent. The number of persons who claimed abatement in the year 1872-73 exceeds the number in the preceding year by 77,967; this is in consequence of the allowance having been increased from £60 on incomes under £200 a year to £80 on incomes under £300 a year; and the amount of income relieved from tax by such allowance exceeds the amount relieved in the preceding year by £12,024,208. In England 315,462 persons claimed to have £25,196,995 abated; in Scotland, 38,008 abated £3,017,654; in Ireland, 16,078 persons £1,283,970 persons under Schedules D and E only; so that 369,548 persons claimed abatement amounting to £29,498,619. The result of the allowance of £80 on incomes under £300 was to afford relief to the extent of 6·68 per cent. on the total amount charged to tax. The Commissioners observe that in the year 1867-68 the actual net produce of Income-tax for each penny in the pound, after deducting sums discharged on various grounds or irrecoverable, was £1,451,342; in 1872-3 it had gradually increased to £1,757,537.

A CURE FOR SLEEPLESSNESS.—Mr. Frank Buckland during his researches into the natural history of everything, from baby hippopotami to American giantesses, has come across a sovereign specific for *insomnia*. Like many great discoveries the cure given to the world by Mr. Buckland in *Land and Water* is simple in the extreme. When unable to slumber he eats two or three raw onions, with the result that the drowsy god, probably attracted by the fragance of the sleep-compelling root, forthwith hovers in the air. For such weaklings as might object to a meal of raw onions at bedtime, the Spanish variety, stewed, is recommended, but it seems doubtful whether after all, this would not be one of those compromises with conscience which generally fail of full effect. Among other remedies that may be tried by the sleepless is a hard boiled egg or a bit of bread and cheese eaten immediately before going to bed, and followed up by a glass of wine or milk "or even water," adds Mr. Buckland with a palpable shudder. Should these fail of effect, another cure may be attempted. This was confided to Dean Buckland by the late Dr. Wilberforce when Bishop of Oxford, and consists in repeating very slowly the vowels A, E, I, O, which are to be faintly pronounced with each inspiration and expiration. Although said to be extremely efficacious, this remedy evidently should not be attempted by those who, in addition to *insomnia*, are afflicted by impecuniosity. As the vowel U must not be pronounced on any account, that letter being a great enemy to sleep, it is plain that people familiar with I, O, U's had better persist in a course of raw or stewed onions. Otherwise, just at the moment when tired nature's sweet restorer was falling on their eyelids the ruthless vowel in question might, from long custom, find its way into the soothing quartette of letters. While freely acknowledging a debt of public gratitude for these important discoveries, perhaps it may be allowable to hint that some of the remedies appear rather more objectionable than the disorder they are said to cure. To people of ordinary constitutions the consumption of hard-boiled eggs, cheese, and milk late at night would be followed by nightmares of the most terrific sort, and severe dyspepsia next day. But a grave objection exists to the raw onion specific. What mortal, except Mr. Buckland, would have sufficient courage to face such a horrible meal? Chronic sleeplessness for a week would to most people be far preferable to this abominable opiate.—*The Globe.*

SHERIFF, EXECUTION CREDITOR, AND TRUSTEE.—The legan relations of the sheriff, his execution creditor, and the trustee in bankruptcy were well illustrated by *Ex parte Harper, Re Bremner*, which was decided by the Lord Justices at a recent sitting. More than fourteen days after the sheriff had taken possession, a petition for liquidation was presented, a receiver appointed, and an injunction to the sheriff not to sell granted. This was followed by an adjudication, upon which the sheriff gave up possession to the trustee, who sold the goods. Harper then brought an action against the sheriff, who successfully defended himself by pleading the proceedings in bankruptcy. Thereupon he applied for an inquiry under the receiver's undertaking as to damage. Lord Justice Mellish held that the injunction under sect. 13 was merely to keep things *in statu quo*, and that the appointment of the receiver did not change the rights of the parties; that goods taken in execution do not become the property of the creditor; nor is the sheriff a trustee to hold them for the creditor. Consequently, if they are wrongfully given up by the sheriff, they cannot be followed as impressed with a trust, though the sheriff may be liable to an action. Lord Justice James said that if both parties had submitted to the jurisdiction of the Court to save expense, the Court of Bankruptcy ought to have decided the question. Lord Justice Mellish thought that Harper alone might have appealed for the equitable interference of the Court. But both the Lords Justices held that Harper, having pursued his remedy by action, had made his election, and must abide thereby.—*Law Times.*

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ACCOUNTANCY.

An Escape.—A New York correspondent, writing on the 8th inst., says:—The country has been saved from the addition of 360 millions to its public debt by a mere accident. The Bounty Bill was amended in the Senate in such a way as to make it very probable that the amount of money expended under it would not fall much short of 360 millions of dollars, or £72,000,000, and the Secretary of the Treasury was authorised to borrow the money by issuing bonds from time to time as it might be needed. In this shape the bill went back to the House where it had originated. Even its friends there were somewhat dismayed at the magnitude to which the scheme had now grown, and they asked for a committee of conference. No time was to be lost, however, for the next day would be the last of the session. The committee of conference met, the Senate members adhered to their amendments, and the pressure of the Ring, who were lobbying the bill, was so great that the House gave way, and agreed to the amendments. On Thursday morning, the last day of the session, the bill came back to the Senate with the approval of the House, and an hour before noon the President of the Senate signed it. It now needed only the signature of President Grant; and Senator Logan, who had it in charge, hurried with it to the President's room, where he was busy signing other bills. He had intimated his favour of this measure, Senator Logan thought he would sign it at once; but the President was in a very bad humour that morning, on account of the failure of his Force Bill, on which he had set his heart. When Mr. Logan laid the bill before him he pushed it away impatiently. "I must think about it," he said. "But, Mr. President," said Logan, "there is scarcely time to think; it is now past eleven, and unless you sign the bill by noon it falls to the ground." "Well, then," answered the President, with much heat, "I won't sign it," and sign it he did not. The escape for the country was a very narrow one; the increase of £72,000,000 to its debt at this time would be almost absolute ruin to it. Chagrin of the lobbyists for the bill is immense. They were certain of success; they had spent large sums of money in securing its passage; and had it become law they would have pocketed vast sums of money. Only a very small portion of the sums which would have been paid under the law would ever have reached the sailors or soldiers; the great bulk of it would have been retained by the claim agents and speculators. It is astonishing that a measure so uncalled for, so unwise, and so almost fatal in its consequences could have thus been on the eve of success, and have been defeated at last merely by a whim of humour on the part of President Grant.—*Scotsman.*

Death of Mr. Samuel Brown.—The *Post Magazine* says, by the almost sudden death of Mr. Samuel Brown—for his illness lasted but little more than a day—Actuarial Science has suffered a heavy loss, and the Institute one of its most valued and respected members. For more than forty-five years Mr. Brown had been actively connected with the Assurance World, and for the past quarter of a century was a diligent contributor to its literature. A complete record of his contributions, commencing with his letters to this Journal in 1849, under the signature of "Crito," will be found in the pages of the *Insurance Cyclopœdia*, to which many of our readers will doubtless refer. Few men have left behind them more affectionate recollections than the deceased, whose memory will be long cherished, not less on account of his mental attainments than for the innate goodness of his heart. Mr. Brown died on the 20th instant, in the 65th year of his age.

A Millionaire.—The will of the late Joseph Love, J.P., of Mount Beulah, near Durham, has been proved in the Durham Court of Probate by Sarah Love, his widow, sole executrix. The testator devises all his real and personal property absolutely to his wife. The will is dated November, 1854. The personal effects have been sworn under one million of money. By this will the National Exchequer receives £18,500 for probate stamp.—*Manchester Guardian.*

The Money Market.—The money market seems again to be falling into one of those peculiar states of which we have lately had so many, in which one abnormal cause runs contrary to, and counteracts, the more natural tendencies. The continental exchanges are now favourable to this country; the American exchange will not take from us any money, though neither may it send us anything. Bating the usual efflux at the close of the quarter; and the ordinary transmission of coin or bullion in small amounts to various places, which is part of our regular trade, there is no trade demand on us for gold. Subject to them we might expect to retain what we receive from Australia and elsewhere, and in consequence the value of money would tend to fall. But it seems uncertain whether the natural course of events may not be interrupted, as many similar ones have been, by the operations of the German Government. Twice of late that Government has bought gold unexpectedly in the market. And possibly, though this is mere supposition, for we have no information on which to predict its movements, it may mean to buy gold here when it seems exceedingly plentiful and when it can get it without disturbing the general money market, and so have less to buy hereafter, when gold may be dearer, and the tension of credit greater. This would be a natural policy for the German Government to pursue, and it would counteract, as we have observed, the natural tendency of the money market, but whether that Government will adopt that policy is as yet a matter only of inference and conjecture.—*Economist.*

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The Accountant.

APRIL 10, 1875.

The fate of the Emma Mine Company is still undecided, and the shareholders have now to come to their final conclusion whether they will make any further attempt to obtain any profit from their property, or whether they will put up with their loss without running any additional risk. At present, as far as can be judged, the balance of opinion is in favour of continuing the undertaking, and the evidence of the experts, who depose either to the rottenness or to the soundness of the mine, is just as positive as that of experts usually is.

It is, we suppose, utterly hopeless to attempt to convince investors that mining property is hazardous in the extreme, even when the fullest opportunities of investi-

gation are allowed. The most experienced engineers are frequently deceived; a vein of ore may end abruptly in simple rubbish, or may become of extraordinary value, and the shareholders' dividends fall or rise accordingly at a very short notice. And in the event of success, such large amounts are frequently realised that it can scarcely be a matter of surprise if speculators are tempted to venture a small stake, on much the same principle as that which actuates the gambler who backs his choice at long odds. Of course, no legitimate objection can be raised to this, except by that moral section who class the Stock Exchange with Tattersall's, and see little to choose between the integrity of a stock-broker and a horse-coper; and if it was fully recognised that mining was really a speculation only to be undertaken by "adventurers," little harm would be done. But the real evil lies in the fact that the system of joint-stock enterprise was intended to catch, and, in fact, does catch just that very class of persons whom it is most desirable to discourage from any kind of hazardous undertaking whatever,—the people who are utterly inexperienced in financial matters, who believe implicitly the statements put forth in highly-coloured prospectuses, and who are just as depressed by the first symptoms of adversity as they are elated by a favourable report or an interim dividend. This is the class of persons who sell their shares in alarm on the first hostile rumour, who are the *bêtes noirs* of official liquidators, whose panic-driven conduct depreciates the value of their property, and whose inability to pay up their calls presses so heavily on their more solvent and, we must say, more honest fellow-contributories. If they would buy a fully paid up share and hold it, accepting thankfully their dividends, and content to bear their share of any loss, they might not benefit themselves, but they would not hurt others. As it is, the larger the promised dividends, and consequently the greater the risk, the more numerous are those small shareholders, and disaster consequently follows in the case of the slightest check.

The cases of some of the foreign mines bear so strong a family resemblance, that we should hope that by this time even the most credulous of investors must have become acquainted with some at least of their prominent features. The eminent mining engineers whose vast experience enables them to speak with such confidence as to the success of the operations, the long list of titled or sensational directors leavened with a few representatives of other companies, the vendor who shares his confidence by taking half his purchase money in paid-up shares, and will guarantee a minimum dividend of ten per cent., and the additional security conferred by the gracious presence of certain notorious city magnates,—are the decoys which ought now to be spread in vain in the sight of every bird. We can only hope that this may be so in the future, though the history of such cases as the Emma Mine scarcely leads to sanguine expectation as to this. The Court of Chancery has lately shown a disposition to relax the rigidity of the rules as to winding-up. In many early instances it seems to have been thought that an order followed, almost as a matter of course, upon a petition, and that very strong grounds must be shown for the Court to exercise any of the discretionary powers conferred upon it by the Companies' Act. But the practice of petitioning has been somewhat abused. A successful petitioner is, as a rule, in a very pleasant position. He can exercise influence or the choice of a liquidator, and his solicitors have plenty of pickings, for which they may be expected to evince their gratitude in an extremely practical manner. The curiously lively interest which holders of a very small number of shares take in the welfare of a company has attracted the serious attention of Vice-Chancellor Malins, and he invariably makes inquiry as to the wishes of the majority in value of the shareholders. In the case of the Emma Mine the figures are very significant. Of the directors, three out of four who originally opposed a winding-up, subsequently changed their minds; a proceeding which will not cause much bewilderment to those who have ever attended at the hearing of a company's case before the senior Vice-Chancellor. Apart from this, the petition is supported by holders of 275 shares, eight in number; while its opponents are represented by the holders of over 21,000 shares. Upon the strength of these facts, the Vice-Chancellor held that the shareholders were the best judges of their own interests, and ordered a public meeting to be called at which they might formally decide upon the course to be adopted.

There can be no question that in many instances the result of a liquidation has been to sacrifice the property of the shareholders, and to enable the original vendors to re-purchase their property at an undervalue. There can be no doubt that in many instances also, companies have been launched with the double view of making money, both in the shape of promotion-money at their

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birth, and of the costs of liquidation at their extinction. It is, we suppose, out of the question to institute any system of supervision which shall prevent a man from selling a property worth £10,000 for ten times that amount in cash, and as much more in paid-up shares. This would be undue interference with the rights of property, freedom of trade, and other blessings of our high and noble civilisation. But it might be possible to enact that directors shall be liable for the statements they put forth, if they have not taken every means to test their absolute correctness, and to punish rigorously carelessness, and wilful blindness, as well as fraud. That is for the Government to take in hand. For the rest we must trust to the growth of public intelligence. Let the general investor, whether country clergyman, retired officer, or widow lady, distrust all mines, all properties which are to pay such fabulous dividends, and let them above all see who vouches for the correctness of the accounts. Unless these are examined and approved by a professional auditor of standing, there is sure to be something that will not bear investigation. Let all who have money to invest see to this, and let those whose profession it is to undertake this duty consider the high interests involved in it, both to their own professional honour, and the safety of those their investigation will protect.

The practice of the judge of the Liverpool County Court in requiring two distinct and separate applications to be made when the creditors desire that a composition should be accepted and the bankruptcy annulled, may lead to expense in some cases, and it seems that it is not sanctioned by the words of the Act or the Rules. The 28th section allows the creditors to accept a composition "with or without a condition that the order of adjudication is to be annulled, subject to the approval of the Court, to be testified by the Judge of the Court signing the instrument containing the terms of such composition or scheme." These words, and the corresponding form No. 58, seem to imply that the transaction is single, and that the only application needful to be made is to ask the Judge's sanction to the arrangement. If he agrees, he shows this by signing the instrument; if he objects, he simply does nothing. The section goes on to say that the order for annulment may be made on the application of any person interested. Rule 266, and sub-section 10 of sec. 80 of the Act, apply to the change of composition or liquidation proceedings into bankruptcy, and there, various applications are necessary. On looking to Form 58, it appears that that form actually contains words annulling the adjudication, so that it seems clear that the meaning of the Act is, that the instrument embodying the terms of the composition ought, when presented for the judge's approval, to contain words to a similar effect. If these are omitted, the omission may be rectified on the application of any creditor.

We print in another column a short report of an application made a few days ago to the Judge of the Exeter County Court for an order directing a bankrupt to set aside a portion of his earnings for the benefit of his creditors. We have always considered the power given to the Court, to order portions of the salaries and incomes of non-trader bankrupts to be applied in payment of their debts, to be very just and reasonable, and one which the Courts would not be backward in exercising for the benefit of creditors. Especially is this the case with respect to any bankrupt employed in the service of the Crown, either civil or otherwise, and still more so in regard to a bankrupt officer of a County Court, these courts having now jurisdiction in bankruptcy. In the case we report the bankrupt is the High Bailiff of a County Court. His liabilities amount to £400, and his assets to £12, which means, of course, practically "nil." The bankrupt appears to have passed his public examination, at which, if we mistake not, it transpired that he had sought to increase his income by systematically performing legal business for clients. Then the creditors, finding that the bankrupt retains his official position, as High Bailiff, with its emoluments, very naturally ask the Court to exercise the power given to it by the Act of Parliament, by ordering the bankrupt to set aside something out of his official income towards the liquidation of his debts. A most reasonable application this seems, and one that can scarcely be refused in *principle*;—the *amount* being in the discretion of the Court, and governed by the circumstances of the particular case. But not so thinks the learned Judge. In the words of the report, his Honour "did not think it would be right or just, "in the present case, to make an order, because it "would inflict a penalty on the man which he could "not set right again, and if he were put to great ex-"pense, it would utterly ruin him." This certainly seems a most astonishing principle to lay down, and

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quite at variance with what we conceive to be the principles of the present Bankruptcy Act. The decision can only be accounted for on the assumption that the Judge has the idea that the Bankruptcy Court is intended solely for the relief of debtors from their liabilities, and that creditors must expect no help from it in recovering their bad debts. In other words, that debtors must be "white-washed" at the public expense with the least possible inconvenience to themselves. It also seems as if the Judge had lost sight of the fact that the Court might at any time rescind or vary its order, if on a future occasion the bankrupt could show that his income had diminished, or that the order was bearing too hardly on him. Besides, the wording of Sections 89 and 90, in our judgment, almost renders it obligatory on the Court to make an order upon the trustee's application. "The trustee *shall* receive, &c.," "the Court *shall*, from time to time, make such order, &c." are the words of the Sections.

We should like to know if the Exeter County Court Judge has fairly interpreted the spirit of the Act, or whether the higher Court would put a different construction upon the matter. It would, indeed, be well to take the opinion of a higher Court on this case for the guidance of creditors in future. It is true that, under the present Act, the bankrupt cannot get his discharge unless it is voted by the creditors, or unless he pays 10s. in the £. But what does this *practically* amount to? The creditors, we assume, would oppose the discharge, and there being no assets, the bankruptcy would probably be "closed" without delay. Then the bankrupt is protected for three years, at the expiration of which period the creditors' rights *theoretically* revive. These rights are, however, subject to the rights of any *new* creditor, and subject to each creditor obtaining from the Court an order directing the bankrupt to pay the debt; the Court would be the same Court as that which has just refused to make an order setting aside a part of the bankrupt's salary for the benefit of his creditors; and is it all likely that the creditors would, three years hence, get any more consideration at its hands, than now? They would, probably, find they had simply added to their loss the expenses of the application for an order.

Some idea may be formed from this as to the practical value to creditors of the present system of proceeding against after-acquired property. We must confess to a preference for the old system, which vested all after-acquired property of an uncertificated bankrupt, or an undischarged insolvent, in his assignees for the benefit of his creditors. Why not let the three years' "ticket of leave" be abolished, at any rate in the case of non-traders, and let all the after-acquired property of an undischarged bankrupt vest in his trustee, whether before or after the close of his bankruptcy?

BANKRUPTCY ADMINISTRATION.

There has been great outcry against the costliness of proceedings in liquidation and bankruptcy, and to some extent it has not been ill-founded. The accountants have been the scape-goats, and our columns have been open to the exposure of their sins of omission and commission; but their sacrifice, in this practical age, cannot blind us to the shortcomings of others. The appointment of the Chief Judge in Bankruptcy was thought to be the panacea of all the evils previously suffered from the erratic decisions of the old Commissioners in Bankruptcy, but what has been the result? Sir James Bacon, lauded to the skies by the late Lord Chancellor, at the period of life when a man's faculties are considered on the wane, is appointed Chief Judge. He was referred to in the House of Lords as the most eminent authority in bankruptcy the country could produce, and by universal consent took the appointment. Singularly, however, although the Chief Judge was to be a sort of warranty for the consistent administration of the law, he was empowered to delegate his authority to the Registrars. He so exercises the authority and deputes the Registrars to sit as Chief Judges five days out of the week. What is thus created? The anomaly of Mr. Registrar Roche sitting in judgment upon Mr. Registrar Pepys, and *vice versa*. And what is the status of these learned Registrars amongst lawyers?

These appointments of Registrars saw the light of day, as did those of the Messengers of the Court, to afford the Chancellor in power the opportunity of placing a hanger-on in place. In fact, it is but a few years since it was recorded in print, that one of the Registrars, after his appointment to a country district,—and then not a barrister—allowed his generous patron, a part of his salary. This, however, has little in common with our point. What is matter for observation is the fact that men of the legal status of the London Registrars should be placed above the County Court Judges. It may be asked, how are they so placed? The answer is simple. A suitor in a case in the London Court, in any motion before it, can go direct to the Lords Justices, whereas an appeal from the County Court Judge must be filtered through the Chief Judge. There would be no great harm

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if the decision of the Chief Judge was final; but in six cases out of ten it is appealed from, and turns out to be a delusion and a snare. We believe the Chief Judge knows more as to the principles of bankruptcy than the two eminent Judges who sit in the Appeal Court; but this is of no avail. A case which the Chief Judge in solemn tones announces as the clearest that ever came before him, and where, with apparently peculiar pleasure, he reverses the decision of the County Court Judge, is, without hearing a reply on the part of counsel, held by the Lords Justices to be erroneously decided. The County Court Judge is pronounced right; but what becomes of the costs? Those only of the erroneous decision of the Chief Judge are allowed. (See *re Hill* in the *Accountant* of March 27th.) What in such a state of things is a trustee to do? If the assets are small, and he has a righteous decision in the Court below, is he to appear on appeal, or allow judgment to go by default? With all their faults it will be seen that the accountants are not entirely answerable for the unsatisfactory working of the Act, and their wisest course, under the circumstances would be to raise a fund sufficient to allow the Chief Judge to retire with the honour and respect to which he is entitled.

ACCOUNTANTS' CHARGES.

A matter which is just now attracting a great deal of general attention, and has been, moreover, the subject of no little discussion, and some considerable dispute, is that of the various scales of charges adopted by individual accountants and auditors for their professional services. So different and exceptional, it may be urged, are the demands made on the manifold branches of the profession for assistance in cases of complication and difficulty that it would be scarcely feasible, or fair, to draw any distinct or arbitrary rules by which the remuneration of accountants should be definitely settled. For instance, in times of a great commercial crisis or panic, when sober and judicious advice is eagerly solicited, there is no possibility of gauging the value of the experienced suggestions of the numerous able and eminent members of the profession. To many, it is now a matter of history how disasters, by which commercial enterprize would have become paralyzed, have been avoided, or their extent at all events considerably limited, entirely through the skilful negociations and timely interventions of accountants. In such emergencies it would be palpably fallacious and absurd to attempt to define, by any possible rule, the precise worth of the services rendered.

There would be also, doubtless, no inconsiderable difficulty in stating the remuneration which would be adequate to the trouble and anxiety incurred in unravelling the intricacies of extensive accounts, rendered more than ordinarily complicated in consequence of gross mismanagement or wilful neglect; more particularly when the investigation has to be conducted and concluded within a given time, and when, perhaps, the continued supervision of a principal is absolutely necessary.

It is evident, however, that the charges made by different firms of accountants for auditing, investigating, or keeping books and accounts, are so undefined and varied, that it is absolutely in the interest of themselves and the public that some assimilation, if not thorough revision, should take place; and to accomplish this end, as well as to arm the profession against attacks for so-called overcharging, it appears to us indispensable that the leading accountants of the day should come to some mutual arrangement and understanding on the subject. The results of their deliberations could then be published, after having received the approval of, and having been adopted and recognised by, the different metropolitan and provincial Institutes and Societies.

In making a general rule by which accountants' costs should be regulated, one of the greatest difficulties which will be found to arise will be that of classification. The position of the client, the nature of his requirements, and his class of business, will all have to be carefully considered. And besides these considerations, there arises the question why a bill should not be liable to taxation, either by some government official appointed specially for that purpose, or by the Council of the Institute, or Society, of which the accountant is a member, and whose decision he would have to abide by. Fair remuneration for fair work, is all that the profession desires, and in opening the subject we hope it will be understood that we do so purely in the interest, and to the advantage, of Accountancy.

X.

BANKRUPTCY LAWS, No. 8.

LIQUIDATION BY ARRANGEMENT OR COMPOSITION.

Our last article dealt with the duties of a *Receiver.* This present one will deal with the duties of a *Receiver and Manager.* There is a marked distinction between a simple receivership, and a receivership carrying with it the post of manager, for whereas a receiver has no discretionary power whatever, the discretion of a manager is, in our opinion, practically unlimited, except upon certain definite points where a trustee alone is competent to act. The appointment of manager is now comparatively rarely made, and only in instances where strong evidence is produced to the Court as to the necessity for keeping together a business of some importance, by closing or suspending which, the interest of the creditors

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would be likely to suffer. The position of manager is, to all intents and purposes, equivalent to that of an agent holding full power of attorney from his principal; he may be guilty of errors of judgment, but we do not see how, except in the case of *mala fides*, he can be held responsible for his acts. It is in connection with the appointment of manager that, to our mind, one of the marked defects of the Act exists. Mr. Wreford, in his review, mentions that the intention of the Act evidently was to treat composition as distinct from liquidation, whereas by the rules the two sections are practically merged into one. Under a proposed liquidation, unless there be a really valuable goodwill, it would undoubtedly be far more economical in the majority of instances to at once close the business and put up with the first loss; whereas, under composition the debtor generally relies upon being able to continue his business for the means of paying his composition. It is also only fair and reasonable that the creditors, immediately upon the filing of the petition, should have some idea of the position and intentions of the debtor, in order that they may shape their course accordingly. Many men in filing their petition have, from the first, no intention of compounding; there should therefore be some short and ready means, when this is the case, of getting the estate promptly under control.

It is clearly the duty of a receiver and manager (not *qua* receiver but *qua* manager) to take an inventory of the stock of which he possesses himself, inasmuch as he has eventually to become an accounting party, either to the debtor under a composition, or to the creditors under a liquidation. It is also his duty to apply for book debts, and to realise stock at about the usual rate of profit if customers are forthcoming, or even to sell a portion at a discount if no other course be open, to cover the sum necessary to keep the business together: but on this point he should obtain in writing from the liquidating debtor a concurrence in the step, so as to avoid possible after disputes. It frequently becomes necessary for the manager to purchase further stock in order to meet the requirements of the trade; for such stock he, of course, becomes personally liable to the parties who supply the same, but we do not remember any instance in which a manager charged an extra commission or remuneration for the risk so taken.

A manager is also clearly justified in causing the debtor's books to be written up at the expense of the estate, for otherwise it would be impossible for him to deal with the accounts of customers. For his own reputation's sake it behoves him to be very cautious in dealing with the question of credit. We *have* known of attempts being made (by the liquidating debtor) to induce the manager to grant credits to friends from whom it would afterwards have been difficult to recover; but on the other hand, under a composition, the debtor may have reasonable cause for complaint if by refusal to grant credit to regular customers, his connection and thereby his means for carrying out his composition have been prejudicially affected; so that while the discretion left to the manager is great, the moral responsibility is far from small.

We quote from our last article the following paragraph:—

"In another case the debtor was agent to various firms "whose stocks were kept entirely distinct from his own, and "the receiver having satisfied himself by an examination of the "books and correspondence that such goods were not the "property of the estate, and moreover, procured very strong "affidavits from the respective principals, attended before the "Court in support of an application that he might be directed "to hand over the articles specified; but the Court ruled that "a receiver had no discretionary power, and adjourned the "motion till after the appointment of a trustee, on the ground "that the trustee might take a very different view of the "matter."

A point similar to this arose in a matter wherein a *manager* had been appointed, and the goods sought to be recovered were "season goods," the season having only about six weeks more to run. The manager, having fully satisfied himself as to the facts, and knowing from experience that a heavy loss would be entailed upon the principal in the event of the season being missed, suggested that the difficulty could be surmounted by his bringing forward his own nominee as purchaser (and by accepting him, releasing the estate from any responsibility), upon condition that he paid the usual commission on such sale as in the ordinary course of business. The stock in question represented a considerable sum, and the transaction would have produced a considerable benefit to the estate, but the principal unwisely refused to adopt the proposal, and so, in order to save a commission averaging about 1½ per cent., he, by losing the control of his goods for above two months (the time taken to complete registration), eventually had to sacrifice them for about 25 per cent. less.

All questions in connection with the carrying on of a business, such as the employment or discharge of workmen, clerks, and others, are in the full discretion of a manager, and his regard for his reputation as a man of business, and for integrity, are practically the only guarantee that the creditors have.

H. B. *London.*

Mr. John Francis retired on Thursday from his long and honourable service in the Bank of England, where for the last five years he held the position of chief accountant. Mr. Francis is well known as the author of the "History of the Bank of England," and other works. The Court of Directors have appointed Mr Henry Gerald Aylmer to be chief accountant, and Mr. Thomas William Innes to be deputy-accountant in succession to Mr. Aylmer.

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COURT OF BANKRUPTCY.

April 2.

(*Before Mr. Registrar* HAZLITT.)

IN RE EMANUEL WEIGNER.—The debtor, described as of 46 Gower-street, commission agent, also carrying on business as a dressmaker in the names of Madame A. Alexina and A. A. Harris, has presented a petition for liquidation; and, upon the application of Mr. Michael Abrahams, his Honour appointed a receiver and manager of the estate.—The debts are estimated at about £7000, with assets consisting of stock £100, furniture of considerable value subject to mortgages, and book debts £350.

April 3.

(*Before Mr. Registrar* PEPYS, *sitting as Chief Judge.*)

IN RE IM THURN AND CO.—The debtors, who are merchants of the East India-avenue, have filed a petition under the arrangement clauses. Mr. Nicol, solicitor for the petitioners, now applied for leave to issue the notice conveuing the first general meeting on the 16th of June next to certain of the creditors, notwithstanding the estimated amount of the debts due to them was not stated. It appeared from the evidence that a very large proportion of the debts owing by the firm arose in respect of bills of exchange drawn upon and accepted by the debtors, and of bills drawn and accepted by third persons and endorsed and accepted by im Thurn and Co. In many instances the liabilities had run off, and it was impossible to state with accuracy the amount for which some of the creditors would be entitled to rank against the estate. The point being novel, Mr. Registrar Pepys referred the matter to Mr. Penn, the chief clerk in the liquidation department, and the application was afterwards granted.

IN RE ALFRED BOWLS.—In this case the debtor, who was a general merchant, of Bermondsey and New Kent-road, had presented a petition for the liquidation of his affairs on a statement of accounts showing debts £22,745, and assets £6,692; but the proceedings at the first meeting proving abortive, he has since been adjudicated bankrupt upon the petition of Messrs. Baldwin and Hough, of Ratcliff, creditors for £271. Mr. Baker now applied to the court for the appointment of a receiver and manager to the estate under the bankruptcy petition. His Honour granted the application, and appointed Mr. G. Reid, public accountant, of Crooked-lane, to the office.

April 5.

(*Before Mr. Registrar* HAZLITT, *sitting as Chief Judge.*)

IN RE HAY AND INGRAM.—The debtors, who have petitioned under the liquidation clauses, were merchants of Great Tower-street, also trading at Akyab, Rangoon, and Bassein, in British Burmah. Their aggregate liabilities are about £155,000, but the amount will be considerably reduced by homeward freights; the assets consist principally of margins on consignments, the value being at present unascertained. The Court recently appointed a receiver and manager, and granted an interim restraining order against several suing creditors; and, upon the application of Mr. Baker, his Honour now continued the injunction until further order.

April 6.

(*Before Mr. Registrar* KEENE.)

IN RE RICHARD CUSKER.—The debtor, described as of Warwick-square, Southwark, formerly trading as a general merchant, and now out of business, had presented a petition for liquidation; and application was now made for registration of the resolutions purporting to be passed at the meeting of creditors, and providing for liquidation of the estate by arrangement, not in bankruptcy. The unsecured debts were returned at £3470, and assets £190.—Mr. Crump, on behalf of the Adelphi Bank, Liverpool, opposed registration.—His Honour, upon the ground that there were virtually no assets capable of being administered for the benefit of the creditors, declined to register the resolutions.

April 7.

(*Before Mr. Registrar* HAZLITT.)

IN RE JONES AND JONES.—This was an unusual instance of a bankruptcy of husband and wife. The bankrupts, Arthur Stephen John Warren Jones and Julia Mary Jones, were described as school proprietors, formerly of Fairseat-house, Wrotham, then of Pond-street, Hampstead, and now of 85 Abingdon-villas, Kensington, of no business or employment. They had been adjudicated upon the petition of Mr. F. S. de C. Bisson, scholastic agent, of Berners-street, Oxford-street, a creditor for £145, the act of bankruptcy being a declaration of insolvency. It appeared that the petitioning creditor had made a cash advance to the female bankrupt, then Miss Strutt, and after the marriage, which was celebrated in January, 1874, he lent a further sum of money to the husband. The goods of the bankrupts were sold, and realised £38 19s. 6d., and the petitioning creditor claimed a balance of £145. A first meeting for the proof of debts and the appointment of a trustee was now held, when a statement of affairs was produced, which disclosed debts of £1,328, and assets £1 17s. Several proofs having been admitted, Mr. W. Brown, accountant, St. Thomas-street, was appointed trustee.

IN RE SIR W. RUSSELL, BART.—This case was again in the paper, but only in reference to an application for the payment of certain costs incurred by creditors in opposing the registration of resolutions which had been passed under a petition for liquidation filed by the debtor. The costs were reserved, and the Registrar's refusal to register the resolutions was confirmed by the Lords Justices on appeal, but on somewhat different grounds.—His Honour now decided that the creditors were entitled to payment of the costs reserved by the Court.

April 8.

(*Before* MR. REGISTRAR PEPYS, *as Chief Judge.*)

IN RE A. H. MOBSBY.—The debtor, described as of 10 Callum-street, and formerly of 9 Fenchurch-street, merchant, has presented a petition for liquidation; and Mr. A. H. Miller now applied on behalf of a creditor for the appointment of a receiver. The liabilities were estimated at about £5,000, and the assets consisted of property standing in the debtor's name at various wharves, and which it was desirable to protect, proceedings having been instituted at the suit of creditors.—His Honour, however, thought that the evidence in support of the application was insufficient, and declined to make an order.

COURT OF BANKRUPTCY, DUBLIN.

April 2.

(*Before Judge* HARRISON.)

IN RE RICHARD ROSE O'GRADY.—The bankrupt was formerly a captain in the 44th Regiment. He offered a composition of 5s. in the pound after bankruptcy, which was to be paid within three months after the offer had been approved of by the Court. Mr. Monroe, instructed by Mr. Clay (Messrs. Casey and Clay), appeared for the assignees. Mr. Houston, L.L.D., Mr. W. M'Laughlin, and Messrs. Tench and Reynolds appeared for creditors. Mr. Carton (instructed by Mr. Mathews) appeared for the bankrupt. Mr. Houston complained that the first sitting had been carried by means of proofs, handed in by members of the bankrupt's family, and suggested that a sitting should be held for proof of debts. Mr. Matthews acquiesced in this, and the case was adjourned.

IN RE TIMOTHY CARMODY.—The bankrupt was a draper at

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Kilmallock. He had been in trade for about a year, during which he had incurred liabilities to the amount of £1,700. His books were irregularly kept. Witnesses were examined in reference to a statement made by a brother of the bankrupt, to the effect that the bankrupt had marked the word "paid" opposite the names of several debtors in his books, although the amounts were still due, the intention being to collect the amounts after the bankruptcy proceedings had terminated. The bankrupt denied that he had ever done so, except in the case of his brother, who had paid bills for him to an amount more than the debt he owed him. The examination of witnesses having closed, Judge Harrison said the trading of the bankrupt had been most reckless. Still, after the explanations that had been given, he did not see what advantage would accrue from further postponing the case. He would, therefore, accept the bankrupt's undertaking to assist in collecting the debts due to him, and would pass his final examination. Mr. P. Martin, M.P., instructed by Mr. Blood (Findlater and Blood), was for the assignees; and Mr. Scallan for the bankrupt.

LIVERPOOL COUNTY COURT.

APRIL 3.

(*Before Mr.* PERRONET THOMPSON.)

IN RE HENRY THORNTON.—This was an application which involved a point of practice. The debtor, a grocer in Liverpool, became bankrupt some months ago, and Mr. Price was chosen trustee. By the terms of the 28th section the trustee may, with the sanction of a majority in number and three-fourths in value of the creditors, accept any composition offered by a bankrupt, with or without the condition that the bankruptcy be annulled, subject, however, to the approval of the court, to be testified by the judge signing the resolution. In the present case the creditors had agreed to accept 2s. in the pound guaranteed to the satisfaction of the trustee, and Mr. Bellringer now asked for the court's approval, and that the adjudication might be annulled. His Honour, on proof that the requisites of the statute had been complied with, signified his approval of the composition, but intimated that there must be a distinct and separate application to annul. Mr. Bellringer said he was aware that such a practice had been established in the court, but he respectfully submitted that it was not warranted either by the act or rules. The case of *re* Harrison decided by the Chief Judge had been cited by the registrars as an authority, but the circumstances of that case were exceptional, and it was no precedent for the course to be adopted in other cases. He further urged that there could be no object in incurring the expense of a separate application, as it was not one of which creditors should have any notice, and therefore would necessarily be unopposed. His Honour said he had no desire to increase the expense of proceedings in bankruptcy, but where he found a practice in existence which impliedly was authorised by the rules, he did not see why it should be disturbed. The approval by the court of the resolution, and the annulling of the adjudication, were clearly two acts and required two applications, and the latter could not be made until the former was granted. Mr. Bellringer admitted there must be two applications, but here, one having been granted, there was no reason why he should not then proceed with the other; of course, upon the usual application stamp. He further added that the terms of the arrangement had been carried out by the bankrupt, and there were special reasons why the annulment of the bankruptcy should not be delayed. His Honour said the matter might be mentioned at the close of the other business, and Mr. Bellringer then appearing, the court made the desired order.

EXETER COUNTY COURT.

(*Before Mr.* M. FORTESCUE, *Judge.*)

RE JOHN SAMUEL HELLIER, Accountant, &c., Axminster.—The bankrupt in this case passed his examination at the last Court. The liabilities amount to about £400, and the assets to £12, and an application was now made by Mr. Hirtzel that a portion of the bankrupt's salary and emoluments, as High Bailiff of the Axminster County Court, might be set aside for the benefit of the creditors. Mr. Hirtzel said he made his application under the 89th and 90th sections of the Bankruptcy Act of 1869. The former section provided "that where the bankrupt is or has been an officer of the army or navy, or an officer, clerk or otherwise employed or engaged in the civil service of the Crown," &c. His Honour, having heard the arguments of Mr. Hirtzel, declined to make an order. Under the circumstances, he did not think it would be right or just in the present case, because it would inflict a penalty on the man which he could not set right again, and, if he were put to great expense, it would utterly ruin him.

SPRING ASSIZES.

KINGSTON, MARCH 30.

(*Before the* LORD CHIEF JUSTICE *and a Special Jury.*)

MOWATT V. THE CREDIT FONCIER OF ENGLAND.—This was an action by the late Chairman of the Credit Foncier to recover a sum of £3,000, as the alleged amount of remuneration for extra services rendered to the association. Mr. Hawkins, Q.C., Mr. Thesiger, Q.C., and Mr. J. C. Matthews were for the plaintiff; Mr. Serjeant Parry, Mr. Day, Q.C., and Mr. Lumley Smith were for the defendants. The Credit Foncier, it appeared, was formed some years ago, and in 1871 Mr. Mowatt was chairman. In the course of its transactions it became connected with a company called "The Belgian Public Works Company," which in 1871 was ordered to be wound up. On the 15th of March, 1871, the Credit Foncier Board entered into a resolution "That, considering the interest the Credit Foncier have in the affairs of the Belgian Public Works Company, the Chairman (Mr. Mowatt) be requested to undertake the office of liquidator. It appearing, however, that the Belgian Company has little or no funds to appropriate to the expenses of the liquidation, such expenses be borne and paid by this Company so far as the Chairman is one of the liquidators." It appeared that Mr. Mowatt accordingly acted as liquidator, and received a salary as liquidator (apart from his salary as chairman) of £500 a year. In December, 1873, Mr. Mowatt, in consequence of illness, resigned his office as chairman, and was succeeded by Sir Cecil Beadon, but he continued to act as liquidator of the Belgian company. The Belgian Public Works Company, which had been formed for the construction of public works in Brussels, was involved in litigation with the municipal authorities of Brussels and the contractors, and a judgment was obtained against it in the Court there to recover a sum of £115,000 which had been paid to the Credit Foncier. After long negotiations an arrangement was entered into by which the Credit Foncier was to retain the £115,000 and was to receive also the sum of £240,000, amounting to the sum of £355,000; and the case for Mr. Mowatt was that his assent as liquidator was required to this arrangement, and that he only consented to act on a distinct agreement with the then chairman of the Credit Foncier that he was to have £3,000 for his extra labours as liquidator (independent of the £500 a year), which amount he accordingly claimed in this action. The claim, however, was denied, on the ground that there had been no such agreement, but that the amount of remuneration was for some time under consideration and ultimately settled at £1,500, which he declined to accept. This was the question between the parties, depending upon the arrangement entered into in 1871. The case was not concluded until the following day, when, after some suggestions from the Lord Chief Justice, the parties and their counsel engaged in an amicable conference, which resulted in an arrangement.

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FAILURES.

A Copenhagen telegram announces the suspension of Baron Gedalia and Co., bankers. The cause is said to be over speculation in railway construction. The liabilities are estimated at 600,000 crowns.

According to despatches from Berlin, the statements respecting the failures on the Bourse in that city had been considerably exaggerated. Seventeen small operators for the fall, whose total liabilities did not exceed 70,000 thalers, have been declared insolvent, but no firms have failed. One bear speculator, with liabilities of 40,000 thalers, committed suicide on Saturday last.

The *National Zeitung* mentions that the failure of Messrs. im Thurn and Co. has caused that of Messrs. Siemssen and Larsen of Stockholm.

England.—Messrs C. and J. May, large coal and iron masters and brick and tile makers, of Burslem, have placed their estate in the Bankruptcy Court. A meeting of creditors is convened for the end of this month. The immediate cause of failure is said to be inability to meet a claim of £16,000 made by the Earl of Macclesfield for mine rent.—The suspension is reported of Messrs. Burghardt, Kreuels, and Co., merchants in the German trade. The *Manchester Courier* says that the amount owing in Manchester for yarns will be small, the stoppage being understood to be consequent on share transactions. On Wednesday a petition for liquidation was presented to the Local Court by Messrs. John Longton & Co., Shipowners, Liverpool. Their liabilities are stated to be £3,488, and assets doubtful. The first meeting of creditors is to be held at the offices of Messrs. Gibson and Bolland, on the 23rd April.—On the 2nd instant a petition for adjudication of bankruptcy was presented against William Phillipson, Jeweller, Liverpool. The debts are about £750, and assets £250. Mr. Bolland was appointed receiver.—On the 3rd instant a petition for liquidation was presented by Charles Whittle, of Thalto Heath, near Liverpool, Hotel Keeper, with liabilities about £600. The meeting of creditors is to be held on the 22nd, at the office of Messrs. Gibson and Bolland.—The failure is announced of J. Soulsby Anderson, of Threadneedle Street, London, and Llanelly. The liabilities are £33,000, and the estimated assets £3,000.—A petition was filed in the Dewsbury County Court on Wednesday, on behalf of Mr. J. Wm. Akeroyd, machinist and woollen manufacturer, of Phœnix Mills, Batley. The liabilities are estimated at £10,000.—A petition has been filed in the Manchester County Court, on behalf of Messrs. Burghardt, Kreuels, & Co. German merchants. The liabilities are estimated at £30,000.—A petition has also been filed on behalf of Messrs. Jacob Guedalla & Co., merchants, Manchester, with liabilities amounting to £15,000.

America.—Advices from America announce the suspension of Messrs. Gross, March, & Co., tea and coffee merchants, 99 Wall-street, New York, with liabilities estimated at from £100,000 to £120,000. The firm has been in business for 35 years, and was held in good repute. Shrinkage of value is said to be the cause of their difficulties; they are said to have offered a settlement at 60 per cent.—The failure of Messrs. Hooper, Reese, & Co., bankers and brokers, 122 Baltimore-street, Baltimore, had also transpired.—The creditors of Messrs. Thomas Brownlow & Co., wholesale dealers in dry goods, Toronto, had accepted a compromise of 65 cents, secured.—The liabilities of Messrs. C. King & Co., dry goods dealers, Ottawa, are put down at £15,000.—The Pittston and Elmira Coal Company, in the Western section of New York State, had failed.—Messrs. Barclay, Voorhies, & Co., bankers, Chicago, were reported to have suspended with liabilities of £15,000; as also the Canadian houses of John Watson and George Craig.—Messsrs. George B. James and Co., lumber dealers, Boston, Massachussetts, had failed with liabilities of £160,000.—The suspension is also announced of Messrs. William Pryor and Sons, Halifax, N.S., and of the Equitable Life Insurance Company, Elizabeth, N.J. The announcement is made of the suspension of two old banking firms in Forsyth, Georgia, viz., Messrs. B. Pye and Son, and Messrs. W. L. Lampkin and Co., with liabilities estimated at £50,000.—Messrs. Preston and Stetson, wholesale boot and shoe merchants, Mobile, Alabama, had also failed, with liabilities of £50,000.—Oldham and Co., sugar refiners, New York, are said to be in difficulties.—Messrs. Watson, Craig, and Co., Canada dealers, Chicago, had suspended, with liabilities close on £15,000. The creditors of Messrs. Hooper, Reese, and Co., bankers, Baltimore, whose stoppage was recently reported, had held a meeting, when it was announced their affairs would be wound up. Their liabilities fall chiefly on New York.

Scotland.—Glasgow advices report the stoppage of Messrs. Wilson, M'Lay & Co., metal merchants, of Glasgow and London. The liabilities are set down at £200,000. It is well known that the difficulties of this and some other firms arise from railway contracts with American Companies.

CREDITORS' MEETINGS.

R. Baynes (Blackburn).—At a meeting of the creditors of Mr. Richard Baynes, cotton manufacturer, Blackburn, the statement of affairs showed liabilities to the amount of £3,250, and assets £1,113. Liquidation by arrangement was resolved upon.

J. Wyatt (Manchester).—A meeting of the creditors of J. Wyatt, jun., builder, Salford, was held at Manchester on Tuesday. The liabilities secured amount to £4,800, and unsecured £3,000. Liquidation by arrangement was resolved upon.

Henry Barnard (Birmingham).—A meeting of the creditors of Henry Barnard, 48 Newhall-hill, wholesale jeweller and factor, was held on Wednesday at the offices of Mr. Jacob Rowlands, Ann-street. The statement showed liabilities amounting to £2,042 15s. 11d., and assets £301 10s. 4d. A composition of half-a-crown in the pound, payable in two and four months, was accepted. Mr. Spencer Dominy, accountant, was appointed trustee.

Lewis and Tetley (Bradford).—A meeting of the creditors of Messrs. Lewis and Tetley, Bradford and Bingley, stuff manufacturers, was held at Bradford on Monday. The joint liabilities were stated at £5,283, and the assets at £396. In Lewis' private estate the liabilities were £2,100, and the assets £1,216. It was resolved to liquidate by arrangement, and Mr. Kemp was appointed trustee.

Alfred Potts (Stockport).—The first general meeting of creditors of Mr. Alfred Potts, yeast importer, Stockport, was held at the County Court, Stockport, on Monday, the 5th inst., before Mr. Registrar Hyde, Mr. Markinson and Mr. Best, solicitors, Manchester, representing the principal creditors. Debts for £1,861 were proved, and resolutions were passed appointing Mr. Bates, accountant, Stockport, trustee, with a Committee of Inspection, and Mr. Best solicitor to the proceedings, which were transferred to the Manchester County Court.

Henry Lewis (London).—A meeting of the creditors of Henry Lewis, of 193 Oxford-street, cigar importer and tobacconist, was held at the Inns of Court Hotel, Holborn, on the 31st ult., when the debtor's statement of affairs showed liabilities £1,918 11s. 8d., assets £385 5s. 11d. It was resolved to liquidate by arrangement, and Mr Edmund Charles Chatterley (C. Browne, Stanley & Co., Old Jewry, E.C.) public accountant, was appointed trustee, with a committee of inspection consisting of three of the principal creditors. Messrs Lumley & Lumley, of 15 Old Jewry Chambers, are the solicitors to the proceedings.

J. H. Withers (Liverpool).—On the 6th instant a meeting of creditors was held under a petition for liquidation presented by James H. Withers, of Exchange buildings, Liverpool, cotton broker. The liabilities are £6,382, and assets £6,086. Mr. Bolland was chosen trustee with a committee of inspection.

John Wilson (Liverpool).—On the 6th instant, a meeting of creditors was held under the liquidation petition of John

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Wilson, of Great Howard-street, boot manufacturer. The liabilities are £1,256, and assets £165. An offer of a composition of 2s. 6d. in the £ was refused, and in lieu thereof a resolution to liquidate the estate by arrangement and appoint Mr. Bolland trustee, was carried.

R. Hopkins (Liverpool).—At the County Court on the 5th instant, before Mr. Registrar Watson, a first meeting of creditors was held under the bankruptcy of Mr. Robert Hopkins, of St. George's-crescent, Liverpool, brush manufacturer. Debts amounting to £2,000 were proved, the creditors being represented by Mr. Phipps and Mr. Martin. The statement of accounts produced by the receivers, Messrs Gibson and Bolland, disclosed liabilities £5,000 and assets £1,300. It was resolved to appoint Mr. Bolland trustee, with a committee of inspection.

John Davis (Birmingham).—A meeting of the creditors of John Davis, a factor's jeweller, carrying on business in Ann-street, as John Davis and Co., was held on Friday at the Queen's Hotel. The total liabilities amounted to £16,273 7s. 10d., and assets to £5,394 9s. 1d. The chairman (Mr. Councillor Payton) stated that the failure was the largest within his memory that had ever taken place in connection with the jewellery trade. After a long discussion Mr. Crowther Davies, the debtor's solicitor, offered a composition of 6s. in the pound. Ultimately the creditors expressed their willingness to accept 6s. 8d. in the pound secured, and payable in four, eight, and twelve months.

The Jersey Mercantile Union Bank.—A public meeting of the creditors of the Mercantile Union Bank was held on Monday evening, with a view to adopting means to hasten the settlement of claims. It is upwards of two years since the bank suspended payment, and nothing virtually has been effected in the shape of satisfying the demands of the creditors. An agreement was made between the shareholders and the creditors for the payment of about 6s. 8d. in the pound, but remains so far a dead letter. The Credit Foncier of England and another English creditor having appealed to the Judicial Committee of the Privy Council against the agreement made with the shareholders by the Jersey creditors, a complete stop has thus been put to any speedy payment. The appeal to the Privy Council is based on two points relating to the want of formality in the proceedings before the Jersey Insolvency Commissioner. The meeting decided to appoint a committee to draw up a petition to the Privy Council, to be signed by all the creditors, requesting that the appeal should be heard on as early a day as possible, in order to put an end to the state of suspense and anxiety in which the creditors have been so long compelled to remain.

EUROPEAN ASSURANCE ARBITRATION.

The lovers of cheap justice who hailed with enthusiasm the withdrawal of the great European Society liquidation from the cognisance of the Court of Chancery, and its reference to a new tribunal of arbitration, peculiarly exalted in character, may be somewhat disappointed by the particulars just published of the actual expenses as yet incurred. English justice, to quote the inimitable Yankee sketched in Charles Reade's novel "Hard Cash," is "a prime article, but devilish expensive." The contributories and claimants of the European Society have had decisions of the highest importance by the greatest legal luminaries of the day, not always, perhaps, quite consistent with one another, but nevertheless commanding general assent, but the litigation has unquestionably been costly. A return issued yesterday on an order of the House of Commons shows the payments to the "arbitrators, assessors, liquidators, solicitors, secretary, and clerks," since the pssing of the Act in 1872, down to the present date, with the number of sittings and of judgments delivered. The total of these payments has been £49,216 5s. 10d., the number of sittings 49, and of judgments 116. This, in fact, is as nearly as possible £1,000 per sitting all round, and considering that some of them only lasted an hour or two, the figure may fairly be called high, while we must remember that it does not represent the total cost, but only the actual payments to date. Of the receivers of all this money the chief personage in the entire Court, the Arbitrator himself, appears to have only drawn £1,837 10s., which may perhaps be accounted for by the fact, that through the death of Lord Westbury and the elevation of Lord Cairns to the Woolsack, three different persons have filled the post. On the other hand, the liquidators and their clerks have absorbed £21,537, and surely the contributory and the creditor may alike be excused a certain pang on reading that "solicitors" have swallowed £21,141 in England and £185 in Canada. Nevertheless, although the legal bill of costs for this gigantic arbitration will, ere all is over, be doubtless enormous, it may prove to be moderate compared with what "might have been." It would be interesting to calculate how many suits would have been running on all at once in every Equity Court, and possibly in the Common Law Courts, with of course, in addition, several permanently blocking up all the avenues to the House of Lords, had not this sweeping, absolute, and most simple tribunal gathered every interest and claim into its own hands, and there kept them to finish off each in succession by a judgment from which there was no appeal. Fault has been found with the circumstance that, by the accident of a frequent change in the arbitrators both of the European and the Albert Society, apparently conflicting decisions have been given on various points, as for instance, what constitutes novation, or acceptance by an insurer of the new and amalgamated company for the original association. But it will be found that each case which came before Lord Westbury, Lord Cairns, or Lord Romilly had certain points of difference, not, perhaps, very palpable to ordinary apprehension yet strongly obvious to intellects which so delight in nice distinctions as those trained to the noble profession of the law; and, therefore, it is pretty certain that the opportunities for litigation, unless representative cases could have been selected to cover groups of others, would have proved almost infinite when the policies were numbered by many thousands, and the number of companies absorbed by dozens. On the whole, we do not think all concerned will have much cause for complaint. The end sought by the arbitration was not primarily cheapness, although relatively the Court has, of course, been inexpensive; but clearness and promptness in the decisions, with, above everything, finality. This, at least, has been gained, lawyers themselves being witnesses. We certainly shall not have the scandal of half-a-dozen "Jarndyce v. Jarndyce" suits dragging their slow length along to future generations, of which at one time there seemed a painful likelihood—*Telegraph.*

LAWYERS AND ACCOUNTANTS.

At a preliminary meeting held for the purpose of reviving the Portsmouth and Gosport Law Society, the Chairman (Mr. Cousins, clerk to the Justices of Portsmouth) is reported to have spoken as follows:—"The object was not for the purpose of meeting together and debating, but for the purpose of protecting themselves, and advancing their interests. The law was on their side, and they intended carrying it out, and enforcing its provisions. It seemed a discreditable thing that, having the law on their side, they should quietly stand by and allow other persons who had very often but little education, and who had been to no expense, to encroach upon them and usurp their business. (Hear, hear.) The accountant should carry out legitimately the business of an accountant, and he knew one in the town who never encroached upon anything in their profession, but confined himself to the particular business of his own occupation. But at the same time there were a few who did not scruple to give professional advice, who started proceedings in various courts of justice, men of unscrupulous character who shared the profits; and it was for the purpose of preventing those persons from so doing, and usurping the legitimate rights of solicitors,

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and to protect the public against them, that such a society should be established. How was it that gentlemen objected to take the initiative in such matters? Why, it was because they did not like to take proceedings against what they called near relatives of the profession. If he had a case of that kind brought to him, he should say he agreed that it was most objectionable, but at the same time he would rather not take it up. It was most invidious to take proceedings against an accountant, auctioneer, or agent, who was not carrying out his legitimate practice. But in a society they were in unison and strengthened, and if they were all united in endeavouring to support their common profession, there could be no invidious distinction with reference to any member."

LIFE ASSURANCE COMPANIES.

The following statements and abstracts of reports have been forwarded by the Board of Trade, in pursuance of the Life Assurance Companies' Act, 1870, to the Registrar of Joint Stock Companies, during the month ending 31st March, 1875, for inspection by the public at his office:—

Name of Company.	Revenue Account and Balance Sheet financial year ending
Alliance	31 Dec., 1874.
English and Scottish Law	25 Dec., 1874.
Imperial Union	30 June, 1874.
Law Life	31 Dec., 1874.
Legal and General	31 Dec., 1874.
London Assurance Corporation	31 Dec., 1874.
Masonic and General	30 Sept., 1873.
Mutual	31 Dec., 1874.
National Industrial	30 Sept., 1873.
National Provident	20 Nov., 1874.
New York	31 Dec., 1874.
Provident Life	31 Dec., 1874.
Prudential	31 Dec., 1874.
Refuge Friendly	31 Dec., 1874.
Westminster and General	31 Dec., 1874.

The following company has also registered an Abstract of Actuarial Report and Valuation and Statement of Life Assurance and Annuity Business:—*Masonic and General*, 30th Sept., 1873.

THE STOCK EXCHANGE.

The Paris Correspondent of the *Economist* writes as follows:—

"After the evidence given by Mr. de Zoete before the English Parliamentary Committee on Foreign Loans as to the value of a 'quotation' on the London Stock-Exchange, it may be interesting to know the opinion of the Paris Chamber of Agents de Change on the same question. It may be remembered that last year the Syndicate of Agents de Change were condemned to pay damages to some bondholders of the Transcontinental railway swindle for having admitted the securities of that undertaking without sufficient caution to quotations in the official price current. M. Moreau, chairman of the Paris Company of Agents de Change, in his report to that body on the proceedings of the year 1874, touches on the subject to protest against the idea that the 'quotation' can create a responsibility for those who accord it. 'It is to be regretted" he says, 'that our business should be so imperfectly understood by the public, and that they should attach to certain of our acts a meaning which these have not, and never should have. It is supposed often wrongly, that the admission of a security to quotation is a sort of consecration given to it, a testimony in its favour, a recommendation of the Syndical Chamber. There can be no greater error. The quotation is nothing more than an affirmation that a security has been sold at certain prices. If it pleases a number of capitalists to do large business on any undertaking, to them belongs, and not to us, the delicate task of judging whether the affair is a safe or an unsafe one. Provided that it comes within the conditions required by the fiscal laws, and realizes sufficiently the conditions of competition and publicity, we cannot refuse our services, as we are in possession of a monopoly. . . . The Syndical Chamber of Agents de Change has always taken care to avoid all responsibility with respect to the quotation. In 1837 it wrote to M. Lacare-Laplagne, then Minister of Finance, a letter by which it asked him to decide finally on the admission of new securities; he refused categorically to do so, inviting the Chamber to do its best, and to act with prudence; and while himself repudiating the responsibility, admitted that it should not fall on us. Since that time the Syndical Chamber has obtained all the documents which have appeared to be of a nature to show, with the greatest probability, the value of the security. It has required that, by the importance of the capital and the diffusion of the titles, there should be a public interest in quoting the security; it has demanded lists of subscribers, constituting a serious guarantee of the undertaking, and for foreign securities the quotation of the country whence they came. Does that mean that the Chamber accepts any responsibility whatever? By no means. It simply obtains information which may appear to it useful to prevent fraud or folly; but it has not the pretension to make itself answerable for the undertaking. And if false lists have been submitted to it, and its good faith has been abused by authentic signatures, there are laws to punish the guilty parties, and judges to apply those laws. To ask for more would be to demand what is impossible, and to provoke the Chamber to refuse its offices to new securities; it would be to stop business and paralyze that great sprit of enterprise to which our age is indebted for being what it is, and humanity for the progress it has made during the last fifty years."

APPOINTMENTS.

[*The Editor will be glad to receive early notice af appointments of Liquidators and Auditors for insertion in this column.*]

Mr. Charles Lee Nichols has been appointed by the Master of the Rolls provisional official liquidator of the Australia Direct Steam Navigation Company (Limited).

Bankruptcy Reform.—A Correspondent of the *Law Times* writes as follows in regard to the letter from Mr. Bolland on Bankruptcy Reform, which appeared in our last issue:—"The other day at Preston the ordinary notices to creditors of first meetings were objected to because they only bore the ½d. stamp sufficient for their carriage through the post, a general order having been received from Mr. Nicol to insist upon a penny stamp. I may, perhaps, be permitted to state that the order in question does not refer expressly to 'penny stamps' or to bankruptcy proceedings, but is a general one, and worded as follows:—'All proceedings, warrants, and summonses must be sent by letter, and not by book post.' The order was issued above twelve months ago, and it has since been the custom at this and neighbouring courts to require all proceedings (bankruptcy or otherwise) to be posted in accordance with the terms of the order or instruction, and in very few cases has demur been made, but on the contrary, approval expressed at the alteration. Creditors have oftentimes expressed a preference for sealed or covered communications in lieu of loose and open ones generally under the book-post system."

County Courts Bill.—In the House of Commons on Monday Mr. Cross said it was the intention of the Lord Chancellor to introduce in the House of Lords very shortly a Bill which was substantially the same as that of last Session with respect to County Courts.

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PUBLIC REVENUE AND EXPENDITURE.

(From the *London Gazette.*)

Receipts into and payments out of the Exchequer between the 1st of April, 1874, and the 31st of March, 1875 :—

REVENUE AND OTHER RECEIPTS.

—	Budget Estimate for the Financial Year 1874-75.	Total Receipts into the Exchequer from April 1 to March 31.	Total Receipts for corresponding Period of last Year.
	£	£	£
Balance on April 1, 1874:—			
Bank of England	—	5,908,870	10,213,574
Bank of Ireland	—	1,533,984	1,779,131
		7,442,854	11,992,705
Revenue.			
Customs...	18,740,000	19,289,000	20,339,000
Excise	27,610,000	27,395,000	27,172,000
Stamps	10,880,000	10,540,000	10,550,000
Land Tax and House Duty	2,360,000	2,440,000	2,324,000
Income Tax	3,960,000	4,306,000	5,691,000
Post Office	5,300,000	5,300,000	*5,792,000
Telegraph Service	1,250,000	1,120,000	1,210,000
Crown Lands	375,000	385,000	375,000
Miscellaneous, including Interest on Public Loans in current year	3,950,000	3,776,873	*3,882,657
Revenue	74,425,000	74,921,873	77,335,657
Total including Balance... ...		82,364,727	89,328,362
Other Receipts.			
Advances, under various Acts, repaid to the Exchequer		1,589,182	2,274,669
Money raised for Fortifications and Military Barracks		600,000	500,000
Money raised by Exchequer Bonds		1,000,000	—
Totals		85,553,909	92,103,031

* Including £652,000 and £148,000, respectively repaid to Revenue out of Telegraph Loan, and not included in the Budget Estimate for 1873-74.

EXPENDITURE AND OTHER PAYMENTS.

—	Estimate for the Financial Year 1874-75 (including supplementary grants.	Total Issues from Exchequer to meet Payments from April 1 to March 31.	Total Issues from Exchequer for corresponding period of last Year.
Expenditure.	£	£	£
Interest of Debt } As stated in the Budget	*27,145,000	27,094,480	26,706,725
Other Charges on Consolidated Fund } As stated in the Budget	1,580,000	1,583,589	1,603,685
Supply Services	46,239,000	45,649,971	48,156,700
Estimate	74,964,000		
Expenditure		74,328,040	76,466,510
Other Payments.			
Advances, under various Acts, issued from the Exchequer		3,365,062	3,448,185
Expenses of Fortifications and Military Barracks		600,000	500,000
Exchequer Bills paid off		240,300	349,500
Surplus income applied to reduce debt		755,185	3,895,982
		79,288,587	84,660,177
Balances on March 31, 1875:—			
Bank of England		4,662,261	5,908,870
Bank of Ireland		1,603,061	1,533,984
Totals		85,553,909	92,103,031

* Including the additional terminable annuity referred to in the Budget.

EDINBURGH BANKRUPTCY COURT.—On Tuesday at this Court the partners of the firm of Messrs. Allen Boak & Company tanners and curriers, New Tannery, Georgie Road, appeared for examination in bankruptcy. There were present—Mr. J. A. Mollison, C.A., trustee; Mr. D. W. Paterson, S.S.C., agent in the sequestration; Mr. Macpherson, Mr. Liddell, and other creditors. The trustee stated that, being satisfied with the explanations of the bankrupt, he thought it unnecessary to put any questions. The statutory oath was thereafter administered. The state of affairs showed liabilities to the amoun of £15,083, and assets to £12,105.

BANKERS' CLEARING HOUSE.

The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, April 7 :—

Thursday, April 1	£23,230,000
Friday, April 2	21,589,000
Saturday, April 3	21,648,000
Monday, April 5.........................	17,692,000
Tuesday, April 6	20,361,000
Wednesday, April 7	15,793,000
	£120,313,000

The total at the corresponding period of last year, which included Good Friday and Easter Monday, was £91,072,000.

BANK OF ENGLAND.

The return of the Bank of England for the week ending Wednesday, April 7, compared with that for the previous week, shows the following changes :—

Circulation issue..........	£35,003,475	Decrease ..	£364,865
Circulation active	27,160,620	Increase ..	518,865
Public deposits	5,156,837	Decrease ..	3,564,027
Other deposits	18,878,363	Increase ..	67,584
Government securities in banking department	13,588,116	Decrease ..	7,771
Other securities in banking department	19,763,741	Decrease ..	3,188,658
Coin and bullion in both departments	20,858,067	Decrease ..	307,857
Seven day and other bills..	356,965	Increase ..	74,695
The Rest	3,104,139	Decrease ..	601,403
Notes in reserve	7,842,855	Decrease ..	883,730
Total reserve (notes and coin) in banking department..	8,697,447	Decrease ..	826,722

A Liverpool accountant has just realised the estate of a bankrupt Oriental who bears the euphonious name of Manockjee Dhungubhoy Shroff. We hope the trustee's remuneration was proportionately handsome.

MANCHESTER INSTITUTE OF ACCOUNTANTS. — The annual meeting of the Manchester Institute of Accountants was held at the Queen's Hotel, on Monday last, Mr. James Halliday in the chair. The report of the Council and the Treasurer's statement of receipts and payments for the year ending December 31st, 1874, were received and adopted: the retiring members of council, Messrs. John Adamson, Samuel Cottam, H. G. Nicholson, and Charles Tattersall were re-elected; and Messrs. Kett, Beardsall and Thomas Mottershead were appointed auditors of the Institute's accounts for the current year. The annual dinner took place after the proceedings of the meeting were concluded.

THE ANONYMOUS BENEFACTOR.—It is stated that an examination of the books of the late Mr. Benjamin Attwood shows that he has given away anonymously £1,000 cheques to the value of £475,000, so that the £350,000 which he was said to have distributed in this way was considerably under the mark. From the same source it is stated that Mr. Attwood gave away to his poor relations and dependents no less a sum than £400,000.

WINDING-UP.—A petition has been presented to the Court of Chancery for the winding-up of the Australia Direct Steam Navigation Company, Limited.

At a Court of Proprietors held at the Bank of England, Mr. Henry Hucks Gibbs, Deputy-Governor, was chosen Governor, and Mr. Edward Howley Palmer Deputy-Governor for the ensuing term.

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Bank Notes.—According to a Parliamentary paper just printed, the amount of bank notes held by the public on the 30th December last was £26,142,000; the notes held in reserve on that day amounted to £9,642; the coin held in reserve, £709,000. The total amount of bullion in the Bank on the same day, was £21,493,000.

Savings Banks and the National Debt.—A balance-sheet has been issued setting forth the assets and liabilities of the Commissioners for the Reduction of the National Debt in respect of savings banks established under the Act of Geo. IV., c. 92; and showing the securities held by the said Commissioners on account of such savings banks on Nov. 20, 1874. The total amount due to trustees on that date was £41,826,438 15s. 11d. The different securities amounted to £38,462,982 4s. 3d., showing a deficiency of £3,363,456 4s. 8d.

The Lord Chancellor will receive the Judges, Qneen's Counsel, Benchers, and Registrars of the Court of Chancery, at his Lordship's residence, No. 5 Cromwell Houses, on Thursday, April 15 (first day of Easter Term), at twelve o'clock.

The Budget.—The Chancellor of the Exchequer will make his financial statement on Thursday, the 15th inst.

The Bankruptcy (Scotland) Law Amendment Bill passed through Committee of the House of Commons on Monday.

Alleged Embezzlement.— At a special sitting of the Widnes Petty Sessions on Tuesday, Robert David Simpson was brought up on a warrant charged with embezzling £147 5s. 6d., belonging to the Local Board of Widnes, in whose service he has acted as collector for about the last six years. The prisoner was remanded for a fortnight, the magistrates fixing the bail of the prisoner, himself in £4,000, and two sureties in a like amount. The books of the Local Board have been placed in the hands of Mr. William Rock, public accountant, Widnes, for investigation.

Admission of Attorneys.—There are as many as 135 applications next Term to be admitted as attorneys, besides numerous renewed notices.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Bournemouth Steam Laundry—Capital £6,000, in £25 shares.

Bugail Slate—Capital £70,000, in £10 shares.

Bury Photographic—Capital £1,000, in £1 shares.

Church Paper—Capital £30,000, in £5 shares.

Crosses and Winkworth—Capital £500,000, in £10 shares.

D. Marples and Co.—Capital £6,000, in £10 shares.

Eccles New Park Estate and Building—Capital £30,000, in £10 shares.

Gladstone Building—Capital £125,000, in £5 shares.

Great Bridge and Bloxwich Colliery—Capital £25,000, in £50 shares.

Hurst Mills—Capital £200,000, in £5 shares.

Lime, Charcoal, and Phosphate—Capital £12,000, in £100 shares.

Little Harwood Brewery—Capital £30,000, in £5 shares.

Manchester and Bombay Spinning and Manufacturing—Capital £100,000, in £5 shares.

Orlando Brothers—Capital £10,000, in £5 shares.

Rumworth Land, Building, and Investment—Capital £25,000, in £5 shares.

Self-inflating Life-belt and Raft—Capital £25,000, in £5 shares.

Silkstone and Haigh-Moor Coal—Capital £50,000, in £10 shares.

Stower's British Wine—Capital £50,000, in £5 shares.

Thermostatic Cooker and Heat Retention—Capital £50,000 in £10 shares.

W. and J. Garforth—Capital £60,000, in £10 shares.

Vice-Chancellors' Courts.—Bankruptcy business will be taken at the following sittings which are appointed for Easter term. Before V. C. Bacon, at Lincoln's Inn, Monday, April 19; Monday, April 26; Monday, May 3rd.

THE BIRKBECK BUILDING SOCIETY'S ANNUAL RECEIPTS EXCEED THREE MILLIONS.

HOW TO PURCHASE A HOUSE FOR TWO GUINEAS PER MONTH.
With immediate Possession and no Rent to pay.—Apply at the Office of the Birkbeck Building Society, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO PURCHASE A PLOT OF LAND FOR FIVE SHILLINGS PER MONTH.
With Immediate Possession, either for Building or Gardening purposes.—Apply at the Office of the Birkbeck Freehold Land Society, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO INVEST YOUR MONEY WITH SAFETY AT £4 PER CENT. INTEREST.
Apply at the Office of the Birkbeck Bank. All sums under £50 repayable upon demand. Current Accounts opened similar to ordinary Bankers. Cheque-books supplied. English and Foreign Stocks and Shares purchased and sold, and Advances made thereon.
Office Hours from 10 till 4; on Mondays from 10 till 9, and on Saturdays from 10 till 12 o'clock.

A Pamphlet containing full particulars may be obtained post-free on application.

Francis Ravenscroft, Manager.

R E S T A U R A N T,
13 OXFORD STREET,
Near the corner of Tottenham-court-road.
Known as the BODEGA, now under the new management Mr. L. BOECKER, late of 13 Idol-lane, City.
Luncheons from the joints, hot or cold, including vegetables and bread, 1s. 3d
Dinners from 12 till 4 o'clock, from the joint, with soup or fish, vegetables, cheese and bread, 2s.
Dinners from 6 till 9 o'clock, from 2s. 6d. to 10s. 6d.
Private Dining Rooms for large and small Parties on the Second Floor.

OLD FALCON HOTEL, GRAVESEND.
Proprietor—W. SKILLETER.
Late Chef de Cuisine to His Grace the Duke of Argyll.
Visitors to Gravesend will find every accommodation at the Old Falcon Hotel, East Street. Public and Private Rooms facing the River, directly opposite Tilbury Fort, and with a capital view of the Thames Shipping.
FISH DINNERS AND WHITEBAIT.
BED AND BREAKFAST FOR GENTLEMEN £1 1s. PER WEEK.
And an equally low Tariff for Dejeuners, Dinners, &c.
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Land, Estate, House, Licensed Victuallers' & General BUSINESS TRANSFER "SYNDICATE" AGENCY.
Registered according to Act of Parliament, Head Offices, No. 3 Craven-street, Charing Cross, W.C. The organisation and working system of the "Syndicate" are; - 1st.—The Sale, as Auctioneers, or Agents, of Ground Rents, Freehold and Leasehold Land, Farms, Estates, Houses, Hotels, Public Houses, Inns, Beer Houses, Restaurants, Coffee Houses, Tobacconists, Drapers, and every other description of Business, Furniture, Objects of Art, or Goods of any description by Auction or Private Contract. 2nd.—The letting, or disposing of, as Auctioneers, or Agents, Land, Farms, Estates, Furnished, or Unfurnished Houses, Chambers, or Offices under private contract. 3rd.—The Collection of Rents, and the recovery of outstanding accounts. 4th.—The Surveys and Valuations of Land, Farms, Estates, and Houses; also Valuations of Furniture, Jewellery, and other Effects, for probate and other purposes. 5th.—The transaction of all other business usually transacted by Auctioneers, Surveyors, Land, House, Estate and Insurance Agents. 6th.—The negociations of partnerships, and from unlimited connection with capitalists, monetary advances on real and personal securities, as well as merchandize, and every other description of property intended for absolute sale, or otherwise. 7th. Generally the carrying out of all things incidental or conducive to the above objects, and every of them; also the laying out of estates and surveys for delapidations. The "Syndicate" from their extended connection with the Trades' Protection Societies and other sources, undertake expeditiously for Clients and others to ascertain reliably the status of parties, and make inquiries of a private and confidential character. Liberal terms to Accountants in town or country introducing business.

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Dinner Services, Gilt Pieces, £4 10s.

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NEW DECORATIONS for the DINING TABLE.

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STORER'S Patent Perpetual Perfumed CRYSTAL TABLE FOUNTAIN, for Dining, Hall and Drawing Rooms, in Crystal and Gilt, £2 17s. 6d. to 100 guineas.

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BALLROOMS and GARDENS, &c., DECORATED and ILLUMINATED for Evening Parties. Tents, Temporary Rooms, and Banqueting Halls erected.

CRYSTAL and BRONZED CHANDELIERS.

TABLE GLASS and CHINA LENT ON HIRE.

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The Accountant.

APRIL 17, 1875.

The annual meeting of the Manchester Institute of Accountants, of which we give a detailed report this week, was marked by a practical spirit and a determination to elevate the tone of the profession which make us very hopeful for its future. In nearly every respect the views of the speakers were identical with those expressed almost every week in our columns, and which we have urged strongly for the consideration of our readers. And we trust that the determination expressed at Manchester to support those who are striving so earnestly for the good of accountants may bear ample fruit, and that we may, as the result of our labours, have to record that an Incorporated Society of Accountants is watching over, guiding, and regulating, the best interests of their profession. We point to such meetings as that at Manchester as a proof that this consummation will soon be effected, and we hope that all members of the profession will co-operate heartily with those who are working for so unquestionably desirable an end.

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What is wanted in the interest of the profession is very simple. It is, that measures shall be adopted by which the title of accountant may have as definite a meaning attached to it as that of surgeon or of solicitor. This would at once remedy the cause of complaint put forward by the Council as to the too frequent choice of incompetent persons to act as auditors. If it were once for all clearly understood that one of the duties of accountants was, to become fitted to examine and report upon the mysteries of ledgers, journals, and balance sheets, those who were concerned in the proper working of a public company or charitable institution would soon insist upon their employment. But this reform, in every way desirable as it is for the due protection of shareholders and subscribers, cannot be finally effected till it is an universal rule, admitting of no exception, that no man shall be allowed to style himself an accountant unless he has proved his competency by the test of a stringent and thorough examination, and is amenable in case of professional misconduct to the jurisdiction of a central council.

In fact, as Mr. Collier said, the profession of an accountant is by no means confined to the casting-up of a column of figures, and cannot be held to afford scope only for the abilities required in setting to rights the clumsily worded books of some petty tradesman. "To become a perfect accountant implied an acquaintance with almost every thing that came up in this world. They must know something of every trade, and in this sense might be said to belong to every trade." Upon the accountants devolve the duties of receiverships, of the management of bankrupts' estates, and of companies under liquidation; they must be keen men of business, and shrewd men of the world. And above all, they must be men whose honour and integrity are absolutely beyond the reach of the faintest breath of suspicion. The duty of an attorney is to do the best he can for the interests of his client, knowing that any steps he may take will be narrowly watched by an adversary as keen and vigilant as he is himself. He is bound scrupulously to guard the trust committed to him; but, beyond the duty he owes to his client, he is unfettered. Law is a game of chess, in which every move is made either as defence from a threatened attack, or as a step of bold offence. The attorney is merely the agent who sets the pieces in motion. He may and does advise as to the merits of a dispute; he may refuse to take action in a case which he thinks unjust or unfair; but as a rule he is simply the highly perfected engine which carries out the bidding of his client. To betray these interests would be infamy; and, to the honour of the profession be it said, the instances of this are almost absolutely unknown. But to his client alone his allegiance is due.

Far more wide are the duties of the accountant. He is not the organ of one man, but of all concerned. The duty of the solicitor to a bankrupt is to bring his man through with as little loss and unpleasantness as possible. Creditors may fume and fret, and enemies take all means known to the law to harass and delay the debtor; but it is the pride of the solicitor to defeat all their machinations, to oppose device to device and plan to plan, till, in sheer weariness, the opposition is lulled, and the bankrupt obtains his discharge. But the accountant trustee stands in a widely different position. His duties are primarily to the creditors, to realise the assets and distribute them without fear or favour. And he stands also in a fiduciary position towards the debtor, into possession of whose property he has entered. If he is bound to see that no assets which might be made available for distribution have been overlooked or neglected, he is bound also so to deal with them that the bankrupt's property is not needlessly sacrificed. In most cases the payment of a small dividend is the result of a bankruptcy, and the efforts of the trustee are directed to increasing this as much as possible; and so far he considers only the interests of the creditors. But it might happen that the estate yielded sufficient to pay all claims in full; in this case the "resulting trust" for the benefit of the debtor would come into operation.

There is another point too connected with liquidations. A receiver and manager is appointed that the property may be protected, and, if necessary, a business sold as a going concern. In this event, the trustee becomes necessarily cognisant of trade secrets and business details, which are of extreme value. Here is an additional reason for holding that an accountant's integrity should be unimpeachable, and that the world should place implicit faith in the inviolable honour of the men to whom such a responsibility is confided. If this confidence is once shaken, if an idea ever creeps abroad that there are men who might abuse their positions for the sake of gaining a private advantage—then accountants will sink into the ranks of those impostors with whom they are so often with wilful perversity confounded.

To avert this evil,—to raise at once the public estima-

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tion of the profession and of its own actual worth,—to make the name of public accountant as honoured as that of any other body of men,—can be brought about only by constant and strenuous effort. Manchester has led the way in many reforms, let her now lead the way in this.

There are various other points of interest in the report, to which we cannot now advert, and especially to the manner in which the leader of the Manchester solicitors referred to the accountants—a subject we propose to treat more fully next week. After the silly articles so frequently put forth on the relations between solicitor and accountant, there is something very refreshing in the remarks of Mr. Ponsonby. But as to this we must defer our remarks.

There is no more difficult question for any reformer to encounter than the due regulation of professional charges, so that the remuneration earned shall bear its just proportion to the amount of skill and labour expended. Even in trade a fair profit is often matter of dispute, though in that case what Adam Smith terms the "higgling of the market" fairly enough determines it, and there are few persons who seriously contend that a tradesman's profits should be limited by law. The question of accountants' charges will be found rather a difficult one to settle, and it may be worth while to indicate some of the rocks ahead in the way of reformers.

There is no class whose charges are more rigorously defined and limited than solicitors. A physician's fees are prescribed by custom, and regulated according to his own celebrity and the wealth of his patients. The fees of a barrister, though governed by certain rather vague laws, are, as regards the sums paid for advocacy, dependent, like those of the physician, on his professional position and on the importance of the cause and the wealth of the parties. As regards pleadings and drafting, the amount received is regulated mainly by length. A solicitor is tied down terribly. The work done is paid for mainly by length, and without much allowance being made for the labour or responsibility involved in the work. The consequent result is, that a solicitor's bill of costs is made up of numerous petty items which worry and annoy a client far more than the larger charges. By striking a fair average a satisfactory result is doubtless obtained. A solicitor sets off the heavy work for which he is inadequately remunerated against the lighter bits, and so manages to flourish notwithstanding taxing-masters and all their rigour. But the system is a faulty one, and has led to much evil in the shape of a growth of verbiage in instruments and in circuity and cumbrousness in legal forms.

The most difficult questions to deal with are those in which, while an immense amount of labour is expended, the subject-matter is of trifling pecuniary value. Many a solicitor has found that in some trifling purchase his charges, if he were to set them down on a fair scale, would amount to as much as the money expended. In the same way, the simple trusteeship of a small estate with almost nominal assets may entail an immense amount of trouble, and call for the exercise of considerable professional skill. A payment proportioned to work done would be out of the question; a payment by per-centage would be ludicrously insufficient. To pass to another aspect of the question, we may ask, how is an investigation to be remunerated where the property is of large amount? If, as is the practice in some cases, the payment is proportioned to the number of hours employed, a direct encouragement is held out to hesitation and delay. To pay by time without exacting some guarantee against the abuse, is as absurd as to pay a solicitor for the length of his draft without having regard to any thing beyond the number of folios.

The best solution of the difficulties would be to distinguish clearly between the different duties which an accountant has to perform. Accountancy simple, the examination and investigation of books and the preparing of balance sheets, might receive remuneration in proportion to the number of hours employed and of the importance of the business; it being in the power of the client to appeal against any overcharge to the Council of the Society of Accountants, who would decide upon the case. For bankruptcy and liquidations we would repeat our suggestion that an official class be established, and paid by a sliding scale varying with the amounts of assets and liabilities. This class must of course treat all cases on a similar footing; and their members might either be chosen in the ordinary way as trustees, or in the case of a possibly unremunerative piece of business might be called upon to act in rotation, it being clearly understood that any one who was chosen trustee would receive merely a proportionate remuneration. The auditing of the accounts of public companies and institutions would be given only to the recognised heads of the profession, and no question

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would be likely to be raised as to the amount of their remuneration.

But the regulation of charges must depend upon the establishment of some central authority able to carry out the rules it has itself made, while the courts of equity and bankruptcy would retain complete control over the charges of accountants acting in matters pertaining to their jurisdiction. The uniformity of charge can only be brought about by uniformity of professional action, and by ensuring that a certain minimum of skill shall be at least available in all cases. Till a definite governing body is established, charges must be left pretty much to the individual members. No more important duty can fall to their lot than that of drawing up a scale of fees which shall duly reward talent and merit, without pressing hard upon those who require assistance, or giving an undue advantage to the careless and incompetent.

"UNAUTHORISED PERSONS" IN COUNTY COURTS.

The professional spirit of the *Law Times* is sadly vexed by the frequent appearance of "unauthorised persons" in County Courts, and it has apparently become necessary to deliver a weekly homily on that subject. We can quite sympathise with our contemporary in these efforts to maintain, in their integrity, the rights and dignities of the legal profession, more particularly as the *Law Times* is at last showing some disposition to discourage the unreasonable and unjust practice of setting down debt collectors, and agents who follow a kindred calling, indiscriminately as "accountants." It would appear, however, from the following extract from our contemporary, that there is scarcely a great degree of unanimity on the subject of "unauthorised persons" amongst the lawyers themselves.

"Some County Court judges are determined to uphold the dignity of the Profession and to enforce the law against unauthorised persons practising as solicitors in their courts; some insist upon solicitors appearing before them in proper professional costume; some discourage agents of all kinds who are wont to hang about the purlieus of these local tribunals, while other of these judges are disposed to take an opposite view of the matter. His Honour the judge of the Chester County Court (Mr. H. Lloyd) is determined to enforce the provisions of sect. 36 of 6 & 7 Vict. c. 73 (the Attorneys' Act of 1843), in the interest of the public and the Profession, while in Mr. H. W. Cole, Q.C., the judge of the Birmingham court, the debt collector practising in his court appears to have a friend. "The rules and forms of the court" to which His Honour referred as recognising agents, cannot override an Act of Parliament, and the sooner such rules are made to conform with the several enactments passed for the protection of the public and the Profession, the better. In the case before us we have no doubt that a gross contempt of court has been perpetrated, a repetition of which on the part of agents, the judge, in our opinion, has, by his expression of opinion in open court, done much to encourage. If the Profession in Birmingham will only take the matter up with a will and make a formal representation to the Lord Chancellor, the difficulty and irregularity would soon be rectified. One County Court judge, but only one, has lately gone the length of having posted up in his court the names of certain agents whom he has directed the registrar to recognise, although the law expressly forbids such recognition. Surely it is not because no solicitor's fee is allowed where a debt is under £5 that therefore in such cases the express provisions of an Act of Parliament are to be discarded? The argument of the judge of the Birmingham Court, that in small cases suitors may employ and pay these debt collectors as agents in legal business, is purely fallacious. His Honour is reported to have said that some of the debt collectors who practised as agents were men of great respectability. No doubt that is so, but their proceedings are none the less on that account in direct contravention of several Acts of Parliament; and, on the other hand, it must not be forgotten that these agents are wholly irresponsible persons. Many of them, most of them, we fear, unscrupulous and dishonest, and at whose hands unfortunate and ignorant suitors and debtors suffer great injustice. His Honour complained that to stop this agency in County Court business would be to stop the business of the court. Even if this was an argument in favour of allowing a breach of the law, we fail to see that it need have such an operation. In conclusion, to carry his Honour's argument and contentions to their legitimate end, is to assert that in actions on contract under £5 any agent may be employed as though, because the amount is small, therefore difficult questions of law could not arise. The judge is entirely mistaken. Not only are these agents unable to recover their fees, &c., which they deduct from the moneys they receive no doubt, but they are guilty of contempt of court, and this latter condition the judge declines to recognise, to the advantage of these quack lawyers and to the detriment of every one else. Only last session the Legislature aimed at suppressing this class of persons or rather at confining them to the transaction of their legitimate business, by enacting the 12th section of the Attorneys and Solicitors Act 1874. The term "agent," as used in County Court rules, can only mean a wife or child or other relation or friend willing (without the expectation of fee or reward) to represent a suitor unable to attend the court or to do what is required by the process or order of the court. We believe the judge of the Birmingham County Court is the first to urge that this word "agent" may be considered to include a debt collector, whose business consists in issuing and charging for issuing, process in County Courts, and otherwise acting as the *paid* agent of the suitor in relation thereto."

THE MANCHESTER INSTITUTE OF ACCOUNTANTS.—A meeting of the Council of this Institute was held on Monday evening at the rooms, in Cross-street, when the officers for the current year were elected, viz., Mr. Adam Murray, president; Mr. F. W. Popplewell, vice-president; Mr. William Aldred, treasurer; and Mr. Edwin Collier, secretary.

THE NEW COURTS OF JUSTICE.—The expenditure in respect of the new Courts of Justice in London up to the end of the year 1874 reached £1,042,905. As much as £933,288 of that sum had been spent in the purchase of the site and in incidental charges; and £85,596 in payments on account of contracts for the foundations and erection of the courts and offices, and architect's commission. The Civil Service Estimates show that a further vote of £75,000 is now proposed for the erection of the building; the revised estimate for this is stated at £826,000.

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THE MANCHESTER INSTITUTE OF ACCOUNTANTS.

The Manchester Institute of Accountants which was founded in February, 1871 " to increase the efficiency and usefulness of professional accountants; to protect the interests of its members; to express opinions upon all questions relating to the profession, and to do all such things as may be necessary for the attainment of these ends," held its annual meeting at the Queen's Hotel, Manchester, on Monday, April 5th, as briefly reported in the last issue of the *Accountant*. There was a large and influential attendance of members. Mr. Halliday, the President of the Institute, having taken the chair, the annual report was presented. In the report, the council stated that they had modified the rule for the admission of Fellows, so as to obviate the exclusion of any one who could make a reasonable claim to be admitted. Their quarterly meetings had been the occasion of interesting conversations on subjects bearing on the pursuits, and affecting the interests, of the profession. The Lord Chancellor having appointed a committee to inquire into the Bankruptcy Laws, the council memorialised his lordship to place one or more members of the Institute upon that committee. In this, however, they were unsuccessful, but, assisted by some members not in the council, they prepared a series of suggestions, and forwarded the same to the Lord Chancellor's committee, and they have every confidence that these suggestions, made, not solely in the interests of the profession, but of the commercial public will recive the fullest consideration at the hands of the committee. The council regret to find that in some instances public institutions, professing to have their accounts audited by professional accountants, have nominated gentlemen lacking the training and experience essential to the efficient discharge of such an office. The council feel it a difficult and delicate duty to interfere in such matters; but believing that such nominations result from want of consideration, are of opinion that by keeping the Institute and its objects before the puplic the objection will in time be remedied. The subscriptions, for the year, of the Fellows and Associates amounted to £100, and the financial year closed with a balance in hand of £340.

The Chairman moved the adoption of the report. Referring to the action of the committee on the Bankruptcy Laws, he said that when they communicated with the Lord Chancellor, as mentioned in the report, they received a courteous answer to the effect that the committee had not only begun but had made some progress in their labours. In spite of this they had no reason to doubt that the suggestions forwarded to the committee were utilised.

The report and financial statement were then unanimously adopted. The next business was to elect four members of the council to replace the four retiring members: Messrs. John Adamson, Samuel Cottam, H. G. Nicholson and Charles Tattersall. These gentlemen were after a ballot declared to be re-elected; and the retiring auditors, Messrs. Beardsell and Mottershead were again elected for the forthcoming year.

This concluded the formal business of the meeting. The members then sat down to the annual dinner, at which the President, Mr. Halliday, took the chair, and Mr. John Thomas the vice-chair. The chairman proposed in a few well chosen words, the toast of the evening: " the Manchester Institute of Accountants."

Mr. Edwin Collier, the honorary secretary of the Institute, in responding thanked the company for the heartiness of the response, and reminded them that the success of the Institute depended mainly on the gentlemen in the room that night. The active co-operation of all was necessary, and with that co-operation they were sure of success. As they were aware, the main objects of the Institute were to improve the status of professional accountants and to increase the usefulness and efficiency of the members. This had been in fact brought about by means of their quarterly meetings, where valuable suggestions and useful information were thrown out. But this was a matter which really depended on every individual member. Each must personally endeavour to increase his own efficiency and the increasing respect of others would inevitably follow. By means of that Institute the public might easily know whom they might trust. Their rules insisted on the necessity for examinations. By means of the recognition of such a standard it would become impossible for people who only just knew enough of book-keeping to tell the difference between the debit and credit side of a ledger, and who barely manage to add up a column of figures successfully, to claim to belong to the profession. In fact an accountant's work required something very different from a simple knowledge of the " three R's." (Hear, hear.) To become a perfect accountant implied an acquaintance with almost everything that came up in the world. They must know something of every trade, and in this sense might be said to belong to every trade. If the public would only look they would have no difficulty in recognising that the Manchester Institute of Accountants included in its ranks the pink of the profession, both as regards intelligence and honourable dealing with their clients. (Cheers.)

Mr. Adam Murray proposed the Manchester Incorporated Law Association. As accountants they were brought into frequent communication with solicitors, they ever received the fullest consideration at their hands, and looking at their frequent intercourse, the Manchester Law Association had a distinct claim on their regards.

Mr. Ponsonby, the President of the Manchester Incorporated Law Association acknowledged the toast. His association would always be glad to exchange kindly offices; their respective professions must of necessity be brought into close contact and they must therefore, in a manner, stand or fall together. The objects of the two institutions were similar, neither was seeking personal ends, and both were endeavouring to elevate the moral tone and character of their profession. Mr. Unwin, the Hon. Sec. of the Law Association, also acknowledged the toast.

Mr. W. Aldred proposed the " Manchester Chamber of Commerce," in a speech eulogising the efforts of that body, efforts that were gratuitous and assiduous, and which concerned the greatest and widest interests.

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Mr. THOMAS BROWNING, the Secretary of the Chamber of Commerce, acknowledged the toast. People might think that the prosperity of accountants depended on the disasters of commerce, but they would not be suspected of rejoicing in those disasters.

Mr. GRAHAM proposed "Kindred Institutes," and referring to the existence of other similar Associations, said they were all working up to the same point, and that the time would come when they would form a great and united whole.

Mr. JOHN DUFFIELD, as a member of the London Institute, responded.

"The Council" was proposed by Mr. DAVID SMITH, who said they were really as yet only in their infancy, and their position was only just beginning to receive due recognition. In the minds of many people he feared they had been associated too nearly with respectable "bum bailiffs"; and that was a state of things which should be altered.

Mr. F. W. POPPLEWELL in replying, said that their only object was to train up a body of accountants who should be honourable, right minded, and able men. They were determined that none should practise but those who had served a reasonable term of apprenticeship and were competent accountants. He wished to contradict the statement that had been made concerning their interest in the disasters of commerce. There were a good many of them who did not get their living out of the disasters of the country, it would be fairer to say that they made their living by preserving estates for the benefit of the whole mercantile community. The Council had tried to do their duty, and they were exceedingly anxious to raise the moral tone of the profession. It would be a great thing to make themselves an incorporated society, so that no man should be allowed to call himself an accountant who was not included in its lists. But at present they could not get a charter. If they got one they would have to include all who at present call themselves accountants, which would really be greater evil than the present arrangements involved.

This brought the proceedings to a conclusion.

LONDON REGISTRARS.

We observe from the Civil Service estimates for the present year, that the salaries of the Registrars of the London Bankruptcy Court have been augmented. Hitherto the several Registrars have been in receipt of £1,200 per annum. The salary of the senior Registrar is now increased to £1,400, and the salaries of the other Registrars to £1,300. No objection can be made to these increments, as the amount of work performed by the Bankruptcy Registrars will bear favourable comparison with that performed by the Registrars of the Court of Chancery, whose salaries vary from £1,250 to £2,000. Even were the Bankruptcy Registrars relieved of the duties of Chief Judge, as advocated in our columns, these officers would still have most important and varied duties to perform. Probably, therefore, no exception can well be taken to the proposed increase of their salaries; on the contrary, looking at the recommendation made in regard to them by Lord Lisgar's commission of last year, the government could hardly have done less than make the increase.

JUDICIAL COMMITTEE OF THE PRIVY COUNCIL.

April 14.

(*Present*—*Sir* JAMES COLVILLE, *Sir* BARNES PEACOCK, *Sir* MONTAGUE SMITH, *Sir* ROBERT COLLIER, *and Sir* HENRY KEATING.)

THE EUROPEAN ASSURANCE SOCIETY V. THE BANK OF TORONTO.—This was an appeal from judgments of the Court of Queen's Bench and the Court of Review for Lower Canada, reversing a decision of the Superior Court. The Solicitor-General and Mr. F. M. White were counsel for the appellants; Mr. Henry Matthews, Q.C., Mr. Cohen, Q.C., and Mr. R. Vaughan Williams for the respondents. The original action was brought by the Bank of Toronto against the European Assurance Society to recover the sum of 16,000 dollars and interest, being the amount of a policy of guarantee executed by the Society in October, 1864, against such loss as might be occasioned to the bank by the want of integrity, honesty, or fidelity, or by the negligence, defaults, irregularities of Mr. Alexander Munro, then their agent in Montreal. The bank alleged that Mr. Munro, without authority, and in direct violation of the instructions given him, granted to Messrs. Nichols and Robinson, brokers, of Montreal, large sums of money by way of overdraught on their current deposit accounts without security; that those overdraughts were concealed from the accounts; and that the moneys were used by the firm in respect of financial speculations in which they and Munro were jointly interested. The brokers becoming insolvent, the bank ultimately lost 28,160 dollars. The Society pleaded that Mr. Munro was merely acting in the ordinary exercise of his discretion as the banks agent; that the overdraughts were neither fraudulent nor irregular, and that Mr. Munro's dealings showed no want of honesty, or such negligence and irregularity as would be within the meaning of the policy. They also contended that the policy had been vitiated by the neglect of the bank to inform them of the alleged fraudulent overdraughts within two months of their discovery. Mr. Justice Monk decided that the allowance of overdraughts was not in itself an irregularity within the meaning of the policy; that there was no evidence of any fraudulent collusion, and that the policy had become void by the bank's neglect in the instance referred to. From that judgment the bank appealed to the Court of Review, who reversed it and ordered the Society to pay the sum assured (16,000 dollars) and interest. That order was upheld on a further appeal to the Court of Queen's Bench. The arguments in the case were unfinished when the Court rose on this day.

SIR BARNES PEACOCK gave judgment on Thursday: he said that in this case he saw there was one judgment for the Assurance Company, which was reversed on appeal, and there were two judgments for the bank. Two judges out of seven were in favour of the Assurance Society, and of the five there were four of opinion that there was fraud on the part of Munro, and, therefore, the bank could recover. After going through the facts, Sir Barnes said their lordships would advise her Majesty to affirm the decision of the Court of Queen's Bench, and dismiss the appeal with costs.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

Vice-Chancellor Malins has appointed Mr. F. Maynard official liquidator of the London and Paris Hotel Company.

Mr. Frederick Lucas, of No. 26 Maddox-street, W., has been appointed Receiver and Manager of the estate of Moritz Wolfsky, of No. 5 Pilgrim-street, Ludgate-hill, leather bag manufacturer.

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COURT OF BANKRUPTCY.

April 9.

(Before Mr. Registrar Roche, *sitting as Chief Judge.)*

In Re Siordet and Co.—This was an application for the appointment of a receiver and manager to the estate of John James Siordet, John Louis Siordet, and William Hume Trapmann, merchants, of 59 Mark-lane, carrying on business under the above style. Mr. H. W. Jones, (Nicholson, Nicol, and Co.), in making the application, said that the liabilities were estimated at £400,000, but that a considerable portion of that would come off, so that in all probability not more than £100,000 would rank against the estate. The assets were at present unestimated, but consisted of book debts, property abroad, furniture, and items of considerable value; also sums due from firms abroad, and remittances arriving daily. It was necessary that a receiver and manager should be appointed to receive the remittances and carry on the business. His Honour appointed Mr. Turquand (Turquand, Youngs, and Co.) to the office.

April 10.

(Before Mr. Registrar Murray.)

In re A. H. Mobsby.—In this case an application was renewed—by Mr. A. H. Miller—for the appointment of a receiver. The debtor, carrying on business as a merchant, at 10 Cullum-street, and formerly at 9 Fenchurch-street, has filed a petition for liquidation, his liabilities being roughly estimated at £5000, and assets £2500. A considerable quantity of property was lying at various wharves, and it was desirable that some person should be appointed to protect the same. The application being now supported by creditors for £1950, his Honour appointed a receiver.

April 12.

(Before Mr. Registrar Brougham.)

In re Henry Bradley.—The debtor is a builder and decorator, of 180 Fulham-road. He has presented a petition for liquidation; and upon the application of Mr. H, Harris, his honour appointed a receiver, and granted an interim injunction restraining several actions. The debts are estimated at about £1,300, and assets £500.

April 13.

(Before Mr. Registrar Hazlitt.)

In re C. J. Bury and Roger Leech.—This was an application by Messrs. Nash, Field and Co., for the appoinment of a receiver. The debtors, who are Australian merchants, of Gracechurch-street and Melbourne, have filed a petition for the liquidation of their affairs. The liabilities are estimated at £65,000, but the value of the assets is not yet ascertained. His Honour appointed Mr. Whinney, public accountant, of the firm of Harding, Whinney, and Co., Old Jewry, receiver to the estate, and granted an interim injunction restraining the proceedings of suing creditors.

Mr. Registrar Keene held a sitting in liquidation matters, and disposed of several contested applications for registration. In one case the assets were returned at £1,425, and registration was opposed on the ground that the actual amount was £425 only. After an examination of the debtor, the Registrar held that the statement of affairs being erroneous, the objection taken to the registration was perfectly tenable, and must be sustained.

April 14.

(Before Mr. Registrar Brougham, *sitting as Chief Judge.)*

In re John Morison.—The debtor, who is described as a merchant and manufacturer, ship owner, and ship insurance broker, of 27 Goodman's-yard, Minories, Hackney-wick, and 21 Billiter-street, has filed a petition under the arrangement clauses. His liabilities are stated at £200,000 in the aggregate; the assets consist, for the most part, of ships at sea on their way to this country, and the debtor has also a claim for £40,000, which is now the subject of arbitration. Mr. C. E. Jones, for the debtor, and with the concurrence of a creditor for £13,500, asked that Mr. Robert Fletcher, accountant, 2 Moorgate-street, should be appointed receiver and manager of the property. The evidence showed that one of the businesses carried on by the debtor was that of a rope manufacturer at Hackney-wick, and large contracts were pending. It was important that some person acting on behalf of the creditors under the authority of the Court should receive the freight of vessels payable to the debtor as owner. His Honour made the desired appointment, and also granted an interim injunction to restrain proceedings in an action brought by one of the creditors. He intimated, however, that the receiver should not interfere with the arbitration, but that he might make any application to the Court on the subject.

In re J. Miles.—The debtor, who carried on business as a lead, glass, and colour merchant, at High-street, Shoreditch, has presented a petition for the liquidation of his affairs, stating his liabilities at £72,239. Mr. C. Knox now moved the Court for the appointment of a receiver, and said that the application was supported by creditors to the amount of £3,900. It did not, however, appear that the property was in any danger at present, and the learned Registrar therefore declined to appoint a receiver, but gave leave to the parties to renew the application if they found it necessary to do so to protect the estate.

April 15.

(Before Mr. Registrar Brougham.)

In re J. F. Sang.—The debtor, described as of 4 Cavendish-road, St. John's-wood, architect and artist, has petitioned under the liquidation clauses, and Mr. Pamphilon now applied for a restraining order with a view to the protection of the property against suing creditors. The debts were about £41,000, and the assets consisted chiefly of freehold land at Knightsbridge, valued at £61,000, besides furniture and other property to the value of £1,200. Although the debtor had a surplus, subject to realisation, he had been compelled, in consequence of the pressure of certain creditors, to file this petition.—His Honour, before making any order, said that further particulars respecting the debtor's property must be furnished, and it was also necessary to apply, in the first instance, for the appointment of a receiver.

(Before Mr. Registrar Spring Rice.)

In Re the Hon. W. F. Ormonde O'Callaghan, M.P.—This was a first meeting for proof of debts and the appointment of a trustee in the case of the hon. member for Tipperary, who has been adjudicated a bankrupt on the petition of Messrs. Ortner and Houle, jewellers, of St. James's-street, creditors for £233. No statement of affairs has yet been filed, and Mr. Cottman, solicitor for the bankrupt, applied to the Court to adjourn the meeting, in order to enable the hon. gentleman to make a proposition to his creditors. Mr. Theodore Lumley, on the part of the petitioning creditor and other creditors, opposed the application, stating that the creditors desired the bankruptcy to proceed in the usual way. Proofs were then put in to the amount of £2,600, and Mr. Albert Marley, public accountant, of Coleman-street, City, was appointed trustee, with a committee of inspection.

Mr. Edwin Waterhouse, of Price, Waterhouse, and Co., Accountants, was examined before the Committee on Foreign Loans on Monday. He stated that he had had the documents and books given in evidence placed before him, and he had examined them and made an abstract of them, and he handed in a print of his figures to members of the Committee.

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PARLIAMENTARY INTELLIGENCE.

HOUSE OF LORDS, APRIL 9.

THE APPELLATE JURISDICTION.—The Lord Chancellor, in calling attention to the present condition of the Supreme Court of Judicature Act, referred to the report and recommendations of the Judicature Commission, on which the Judicature Act of 1873 was in great measure founded, but observed that in the creation of the Final Court of Appeal the recommendations of that Commission was not adhered to. That Act did not include Scotland and Ireland in its provisions with regard to Appeals, and, therefore, when the present Government came into office they had to consider what course should be taken in reference to Scotch and Irish Appeals. In determining that question, the Government resolved to be guided by three essential principles—namely, that as a general rule, a double appeal ought to be permitted; that there ought to be one and the same tribunal of final appeal for England, Scotland, and Ireland; and, lastly, that care should be taken that the Appeals should be heard before an adequate number of the most skilled and experienced judicial minds. However, the opposition which was offered to the provisions relating to the Final Court of Appeal compelled the Government to withdraw the bill, and they had since received a considerable quantity of advice as to the course they ought now to pursue. They had been recommended to allow the Act of 1873 to come into operation on the 1st of November next. The objection to that course was that the Judicature Act would then come into operation with certain defects and imperfections which required removal, and there would at once be a severance in the appellate system, as the Appeals from England would go to one tribunal and the Appeals from Scotland and Ireland to another. The Government also objected to postpone the operation of the Judicature Act for another year, and those who offered advice to that effect appeared, the Lord Chancellor observed, to look mainly to the creation of the ultimate tribunal of appeal and to overlook the great work which the Act of 1873 was intended to accomplish in other respects. Under these circumstances the Government, considering the satisfactory state of the business before the Judicial Committee of the Privy Council and the House of Lords, proposed to detach for the present the more urgent part of the Act of 1873 from the other part not equally urgent, and the Lord Chancellor said he would lay on the table a bill having that object in view, and providing that there should be an intermediate Court of Appeal constantly sitting. He thought it important that the Court of Appeal should not sit in separate divisions, and with respect to decrees disposing of the whole merits of a case, it would be provided that the Court should consist of not less than three members and of not less than two members in cases of interlocutory Appeals or questions of practice upon which the whole merits of a case were not disposed of. With respect to the question of the Final Court of Appeal, the Government proposed to ask Parliament to suspend for twelve months the operation of those clauses in the Act of 1873 which took away the appeal from the House of Lords. In conclusion, the Lord Chancellor laid on the table a bill for carrying into effect the objects he had referred to.—Lord Selborne did not think it expedient to go into detail upon the subject of the bill at the present moment, but he expressed an apprehension that if there was to be an intermediate appeal, followed by a final appeal, the intermediate Court of Appeal was not likely to be powerfully constituted as representing the principles of Equity, because the Lord Chancellor would be withdrawn from the intermediate court in order to attend and hear Appeals in the House of Lords; and the Master of the Rolls would be sitting often in his own Court and only occasionally in the intermediate Court of Appeal. Though there might be some formal defects in the Act of 1873 which it was desirable to correct, yet, upon the whole, he should have preferred to let the Act come into operation. However, the country must now decide whether or not the best possible Final Court of Appeal was to be created without regard to sentimental or political considerations. — Lord Penzance believed that the course taken by the Lord Chancellor was the best that could be adopted, and that the plan now proposed would be satisfactory to the country.—Lord Hatherley protested against the continued unfortunate delay in settling the question of Final Court of Appeal; and after some observations in reply from the Lord Chancellor the Bill was read a first time.

HOUSE OF COMMONS, APRIL 13.

BANKS OF ISSSUE.—The Chancellor of the Exchequer moved that the Select Committee on the subject should consist of 21 members. Mr. Hodgson took occasion to complain that out of 11 members for Cumberland and the adjoining county, not one was named to serve on the committee. He begged to move that one more member be added to the committee who, he thought, ought to be chosen from among the representatives of the counties of Cumberland, Westmoreland, and Northumberland.—Mr. M'Laren would recommend the addition to the committee of two members representing Scotch constituencies. (Laughter.) It was essential for the interest of property and of trade in Scotland that those members should be added. The 11 banks in Scotland formed one of the most perfect trades' unions that could possibly exist anywhere. He pointed out that Bank of England notes were not legal tender in Scotland. It was, he believed, impossible to maintain the monoply which at present exists. He thought under the circumstances his proposal was a very moderate one, and he hoped the Chancellor of the Exchequer would accede to it.—The Speaker pointed out that there was already one amendment before the House. Mr. Anderson said although he might not be considered a friend of Scotch banks, still he hoped they would receive that which they did not get—namely, fair play. He wished to see the House give the Scotch bankers fair play; and in the constitution of the Committee as now proposed, fair play would not be given. He disclaimed any personal feeling against any of the gentlemen whom he wished to see removed from the Committee; but there were strong grounds for what he purposed doing. There were two ways in which the Committee might be fairly constituted. The one was to select a given number of practical bankers from each party, and to fill up the Committee with men of business. The other was to keep the bankers entirely off the Committee, but to allow them to give evidence. But the right hon. gentleman had followed a third way—he had put a number of English practical bankers on the Committee, while there were no Scotch practical bankers to meet them. (Hear.) The Committee, as originally proposed, was to consist of 17 members, four of whom were to be Scotch, but not bankers. It was now intended that it should consist of 21 members, the number of Scotch remaining the same as before, while there were six practical English bankers to assist the right hon. gentleman the member for the City of London to make out a case against the Scotch banks. There was another reason against the appointment of those gentlemen—namely, that they had a direct pecuniary interest in the question which would come before them, and it was against the rules of the House that persons should vote in a case in which they had a direct pecuniary interest.—The Chancellor of the Exchequer would remind the House that experience had commonly shown that 15 was a much more convenient number for discussing a subject in committee than a larger number. However, on the present occasion it was entirely desirable that the committee should consist of a greater number of members. It should be remembered that such a committee was not appointed to take on itself the function of deciding finally on the questions submitted to it. The House did not part with its own judgment in the matter. What they had looked to in the appointment of the committee was that the gentlemen appointed should examine the subject and draw out all the different

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views that should be brought forward respecting it, place them in juxtaposition, and conveniently lay before the House and the public the questions to be decided and the considerations by which they should be guided. There should be on the committee gentlemen capable of putting questions and drawing forth opinions and facts necessary to enable the House to form its opinion. He looked on the committee as one which would be of very great use with reference to future legislation, but he did not look on it as one in which they could exactly count heads, and say because there happened to be a certain proportion of English and Scotch or Irish members a certain turn must be given to the decision of the committee. What was desired was to have a fair representation of the different interests and persons acquainted with the questions to be considered. With reference to the number of bankers on the committee, there would be representatives of the Scotch banks, of the Irish banks, the London banks, the provincial banks of issue, the provincial non-issuing banks, the joint-stock banks, and representatives of persons engaged in commercial pursuits. Great pains had been taken to form a list of a committee which would be qualified for the work, and he was very sorry to find it had been impossible to satisfy everybody. He saw a great number who were anxious to serve on so interesting a committee. The number he proposed was 21, but it was proposed by an hon. member to add other 10 names. It was necessary, however, to draw the line somewhere, and he submitted this was really a very fair proposal. He hoped the House would adhere to the number of 21, and there would then be a prospect of getting through the work in reasonable time, which was the more requisite as the Scotch banks had entered into an engagement to suspend any extension of their proceedings for another year with a view to the operations of this committee. (Hear.) The motion that the Committee do consist of 21 members was then agreed to. The committee was appointed as follows :—The Chancellor of the Exchequer, Mr. Goschen, Mr. Stephen Cave, Mr. Campbell-Bannerman, Sir Graham Montgomery, Sir John Lubbock, Mr. Hubbard, Mr. Anderson, Mr. Mulholland, Mr. Leveson Gower, Mr. Balfour, Mr. Norwood, Mr. Orr-Ewing, Mr. Mundella, Mr. Torr, Mr. W. Shaw, Mr. B. Denison, Mr. Backhouse, Mr. Kavanagh, Mr. S. Lloyd, and Mr. Hussey Vivian.

THE BUDGET.

The Chancellor of the Exchequer, on Thursday, made his annual Financial Statement. The estimated income of the year was £74,000,000, and the actual income was £74,921,870, leaving a surplus of close upon £497,000. The estimated expenditure of the year was £73,958,000, and the actual expenditure £74,328,000, being an excess of actual over estimated expenditure of £370,000. On the whole, making the necessary deductions and corrections, the surplus, estimated at £436,000, was actually £593,833. This, no doubt, was a small surplus, but he argued that it was better to have a surplus real, though small, than to create a fancy surplus by underestimating the Revenue. He admitted also that there had been some errors in the details of the estimates, but he showed that these had been much exaggerated, and, taking one item with another, that he had been tolerably accurate. Next, he read to the House a variety of interesting statistics, illustrating the condition of the people, and with regard to Local Taxation, he mentioned that £512,000 had been paid, last year, leaving £642,000 to be paid next year. Passing to the finances of the current year, he thus stated the estimated expenditure :—

Interest on Debt	£27,215,000
Consolidated Debt Charges ..	1,590,000
Army	14,678,000
Army Purchase	638,000
Navy	10,785,000
Civil Service	12,656,000
Revenue Collection	3,636,000
Telegraph	1,098,000
Packet Service	878,000
Total Expenditure	£75,266,000

While mentioning the Civil Service Estimates, the Chancellor took the opportunity of praising the energy and care displayed by Mr. W. H. Smith in the examination of those estimates, and before stating the estimated Revenue he premised that it took into account the normal growth of Revenue, and that they are neither too cautious nor over sanguine. The estimated Revenue is this :—

Customs	£19,500,000
Excise	27,800,000
Stamps	10,600,000
Land Tax and House Duties ..	2,450,000
Income Tax	3,900,000
Post Office	5,750,000
Telegraphs	1,240,000
Crown Lands	385,000
Miscellaneous	4,100,000
Total Revenue	£75,685,000

This leaves a surplus of £417,000, which may be reduced still further by supplementary estimates, especially in regard to Irish education. The Chancellor stated at once that he did not intend, with such a small surplus, to make any reductions of taxation, but he reminded the House that of the £5,476,000 taken off last year, £1,132,000 really came into operation this year—the remissions of the last Budget being for two years. He proposed, however, to make a re-adjustment of the Brewers' Licences by charging 12s. 6d. for every 50 barrels, which would be for the benefit of the small brewers, and would cost the Revenue £60,000. In addition to this he proposed another change, which would not affect the Revenue —substituting for the present Stamp Duty of 5 per cent. on written appointments an uniform duty of 5s. per £100 on all appointments, whether written or unwritten. As to larger readjustments of taxation, though our system may not be ideally the best, Sir Stafford urged there is no crying need for a great Reform. The objections to the Income Tax were much less felt when it was low, uniform, and steady, and if the tax was retained it was not for purpose of experiment, but in a state of abeyance ready for any necessity which might arise. Sir Stafford next turned to the question of the National Debt. contending that Parliament, though it had done much, had no reason to be proud of its efforts for the reduction of debt, and dwelling on the objections both to reduction by casual surpluses and terminable annuities. This served as an introduction to a plan for steadily acting on the Debt through a sort of Sinking Fund, by enacting that the annual charge in every Budget for the Debt shall be £28,000,000. This would only come into full operation the year after next. By this means he calculated that by 1885 £6,800,000 of Debt would be paid off, and in 30 years £162,000,000; and if the system of casual surpluses and terminable annuities were continued, by 1885 £21,000,000 would be reduced, and in 30 years £213,000,000. The Savings Bank deficiency he proposed to meet by amalgamating the accounts of the

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Old and New Savings Banks and by enlarging the field of investment; and, lastly, he enlarged on the question of Local Loans. It is proposed that all future debts are to be incurred by way of Debentures, and are to be subjected to a strict system of audit and registration. Other minor improvements are to be made in the system of Local Debt; and in conclusion he expressed a hope to be able to do something more next year for the relief of Local Taxation.

YARMOUTH COUNTY COURT.

(*Before* Mr. J. J. Worlledge, *Judge.*)

Blake (Trustee in re Wright, a Liquidating Debtor) v. Mercer and Peacock.—His Honour gave judgment in this case, which was a suit to determine the priority in respect of a sum of £120 11s. 6d., which was held or retained by Messrs. Mercer and Peacock, fish salesmen, as a set-off against a liability of Wright to them, arising out of a previous fishing voyage. Wright, it appeared, was indebted to the firm in the sum of £115, of which only £15 had been incurred on the last voyage. As usual, the firm was employed by Wright as salesmen, and at the close of the fishing season, when Wright was made bankrupt, they retained the money in their possession, resisting the claim of the trustee, who contended that it should be included in the estate. Mr. Wiltshire, when the case was previously before the court, submitted that the crew had a lien upon the earnings of the boat, and that Mercer and Peacock were bound to hand the money over, less their proper commission, without any retention for any claim arising out of a previous voyage. Mr. Blofeld, on the other hand, submitted that a maritime lien could not be inforced in that court, because the herrings caught by them could not be considered as freight. Mr. Wiltshire argued in reply that fish was *quasi* freight, and that the crew had a lien upon it. His Honour said he had no power in that court to enforce a maritime lien; but if the case had gone into the Admiralty Court, and a maritime lien had been established for a portion of the proceeds, then he thought Messrs. Mercer and Peacock would have been barred in setting off their claim against the amount of the lien. On that ground he thought the application on behalf of the trustee must be dismissed. It was a fresh case, and one which it was quite right to bring, and he should order the costs to the trustee to be paid out of the estate, but should leave Messrs. Mercer and Peacock, who had bagged a large sum, to pay their own costs. Mr. Moseley, solicitor in the case for Messrs. Mercer and Peacock, contended that costs should follow the event, and asked that his client's costs should be allowed. His Honour said he thought Mr. Moseley was right in his argument, and he must, therefore, allow the costs, although taking all the circumstances of the case into consideration, he would rather not have done so. The motion was then dismissed with costs, which are to come out of the estate.

BRADFORD COUNTY COURT.

On Tuesday, his Honour (Mr. Daniel, Q.C.) delivered judgment in re John Watson *ex parte* Douglas. The motion had been made on behalf of James Douglas, trustee in the estate of John Watson, draper, of Llanelly, for an order directing that Richard Gardiner, high bailiff of the Carmarthen County Court, and Samuel Powell, the sub-bailiff, should pay to him, as trustee, £50, value of a piano, bookcase, and books, seized by the respondents on or about the 17th October, 1874, being the property of the debtor, John Watson, at the time he filed his petition for liquidation. The petition was filed on the 18th September, 1874, at Carmarthen, and the majority of the creditors reside in the West Riding of Yorkshire. The question was whether the goods had been seized under an execution before the 18th September. His Honour characterised the circumstances as so strange, and the conduct of the respondents so reprehensible, that he felt bound to refer to them at greater length than he should have done under ordinary circumstances. After reviewing the facts in detail, he was of opinion that the goods which had been seized and sold by the respondents were the property of the trustee, and as the latter was willing to adopt the sale alleged to have been made of them, the order would be that the respondents should forthwith pay £18 10s. to the trustee, with costs.

FAILURES.

England.—A petition for liquidation by arrangement or composition with creditors was, on the 3rd instant, filed at Wolverhampton County Court, by Messrs Pountney and Turner, of Darlington-street, Wolverhampton, auctioneers, the liabilities amounting to to about £4,500. Messrs. Coleman and Coleman, of Colmore-row, Birmingham, are the solicitors in the matter, and Mr. C. T Starkey, of the firm of Messrs. Lomas Harrison and Starkey, accountants, Birmingham, has been appointed receiver. The first meeting is fixed for the 29th instant.—A circular has been issued announcing the suspension of payment of Messrs. John Morrison and Co., of 21 Billiter-strret, E.C. The liabilities are believed to be considerable, and the cause of the failure to have arisen from intimate business relations with Mr. W. T. Henley, whose failure was lately notified. It is stated that the estate will show a considerable surplus, provided that of Mr. W. T Henley works out as anticipated. The liabilities are estimated at about one quarter of a million sterling. The books have been placed in the hands of Mr. Robert Fletcher, accountant, 2 Moorgate-street.—The suspension was announced on Monday of Messrs, J. and H. Browning, of Upper Thames-street, an old and respected firm engaged in the oil trade. The liabilities are estimated at about £90,000, with assets of nearly the same amount, and the cause is reported to have been a withdrawal of capital by members of the family. The books are in the hands of Messrs Baggs, Clarke, and Josolyne.—Mr. John Wilson Brown, merchant, Birmingham, has called a meeting of creditors for Monday next. The liabilities are roundly estimated at £10,000.—A petition for liquidation by arrangement &c. was filed in the Oldham County Court on April 12th, by Mills and Heywood, cotton spinners and doublers, Oldham, and Mr. David Smith, accountant, Manchester, was appointed receiver. The liabilities are stated to be £20,000.—Application for liquidation has been filed in the Stourbridge County Court by Mr. Benjamin Wood, coke manufacturer and coalmaster, trading as Wood and Co., at Pensnett, Staffordshire, and lately at Gellygaer and Merthyr Tydvil, Glamorganshire. The liabilities are estimated at £50,000. Mr. J. Bent, of Dudley, is appointed receiver, and Mr. Ernest Whitehouse, of the same place, is the solicitor acting for Mr. Wood.—According to the *Manchester Courier* the suspension has been announced by circular, of Messrs. Agop Dayian and Co., merchants, of that city. The liabilities are only small.—The bills have been returned of Messrs. Fearon and Co., East India and China merchants, of Leadenhall-street, a firm established in 1856, but the amount of their liabilities has not yet transpired. The difficulties are understood to have arisen from the absence of remittances from the East.—The stoppage is reported of Messrs. Mills and Heywood, spinners and doublers, of Oldham, with liabilities representing £20,000.

The *National Zeitung* mentions the failure of Messrs. S. Wertheimer and Sons, in the leather trade of Vienna. The liabilities are estimated at 600,000 florins, partly due to London firms.

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America.—American advices announce the failure of Messrs. B. G. Smith and Co., on New York Stock Exchange; also that of the Banking house of S. P. Burt, New Bedford, Massachusetts, with liabilites of £60,000. It is thought payment in full will be made if time is granted.—Messrs. Simms Brothers, Boston, engaged in the furnishing goods line, had also succumbed, with liabilities of £70,000. An extension, it was thought, would be granted.—The Ashland Savings Bank Pottsville, Pennsylvania, had suspended.

CREDITORS' MEETINGS.

John Davis (Birmingham).—The creditors of John Davis, jewellers' factor, Ann-street, have held their adjourned meeting. The total liabilities had been announced at the first meeting as £16,273, and an offer of 6s. in the pound had been made by the debtor. A committee was appointed to arrange as to the securities to be given, and they reported on Friday that the estate would pay, after deducting costs, 6s. 0½d. An offer of 5s. 6d. cash in a month was, however, telegraphed just before the commencement of the meeting, and after an animated discussion was accepted by a large majority.

E. Jacobs (Birmingham).—A meeting has been held of the creditors of Emanuel Jacobs, jewellers' factor, 23 Frederick-street. The total liabilities are £17,938, the total assets being £4998 5s. The debtor's solicitor announced that, according to the statement of affairs, a composition could be offered of 5s. 7d. in the pound. But in order to avoid anything like liquidation an offer would be made in excess of what the assets showed, viz., 6s. A creditor remarked that on Thursday the debtor had submitted to him and other gentlemen some accounts which varied from those now presented. A resolution was ultimately adopted that the debtor should sign a declaration of insolvency, and it was agreed that the chairman of the meeting should file a petition in bankruptcy directly the debtor filed his petition in liquidation, unless the offer was considerably increased.

Boothman (Blackburn).—An adjourned meeting of the creditors of this bankrupt was held on Wednesday last at the Blackburn County Court, before the registrar. A statement of accounts presented by the bankrupt showed the liabilities to be £1,665 13s. 8d., and the assets £620. Mr. Thomas Duxbury, of Accrington, was appointed trustee, and Mr. Eastham, of Clitheroe, solicitor to the creditors.

A. W. Ramsden (Bingley).—A meeting of the creditors of Mr. A. W. Ramsden, worsted manufacturer, of Bingley, was held on Monday afternoon at the offices of Mr. Gardiner, solicitor, Bradford. A statement of affairs was presented, showing that the liabilities were £29,100, and the assets £10,200. It was resolved to liquidate by arrangement, and Mr. H. Dickin was appointed trustee with a committee of inspection.

Wilson, M'Lay & Co. (Glasgow).—A meeting of the creditors of Wilson, M'Lay, and Co., merchants, London and Glasgow—whose suspension was recently announced with liabilities estimated at £200,000—was held on Tuesday. Mr. Spens, of Messrs. Grahames, Crum and Spens, accountants, was appointed trustee, and three of the creditors were also appointed commissioners on the estate. The exact amount of liabilities cannot yet be ascertained, owing to transactions with other firms who have since suspended payment. The whole number of creditors is under twenty, and the bulk of the losses will fall upon English firms.

A. de Bussche (Ryde).—At a meeting on Thursday of the creditors of Mr. A. de Bussche, steam-ship owner, of Ryde, Isle of Wight, the liabilities were stated at about £100,000, and assets at £20,000, subject to realisation. Mr. F. B. Smart and Mr. Cape, the accountants, were appointed trustees to wind up the estate, with a committee of five creditors.

C. King (Yarmouth).—A meeting of the creditors of C. King, of Great Yarmouth, boatbuilder and smack owner, was held at the Star Hotel, Great Yarmouth, on Monday, 12th April, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, public accountant, and Mr. W. E. Suffolk, of Norwich, timber merchant, being appointed trustees with a committee of inspection. Mr. William Holt is solicitor in the proceedings.

J. B. Page (Gorleston).—A meeting of the creditors of James Bernard Page, of Gorleston, Suffolk, fishing-boat owner, was held on Tuesday, 13th April, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, public accountant, and Mr. John Hammond, of Gorleston, merchant, being appointed trustees with a committee of inspection. Mr. C. H. Wiltshire is solicitor in the proceedings.

J. Nelson (Lowestoft).—A meeting of the creditors of James Nelson, of Lowestoft, builder and beerhouse keeper, was held on Friday, 9th April, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, public accountant, being appointed trustee, with a committee of inspection. Mr. W. R. Seago is solicitor in the proceedings.

J. S. Bates (London).—A general meeting of the creditors of J. S. Bates, 36 Great Castle-street, Regent-street, was held at the offices of Mr. Oliver Richards, 16 Warwick-street, Regent-street, on Tuesday, the 13th April, when the debtor's statement of affairs showed liabilities £1,146 0s. 3d.; assets £444 12s. The creditors resolved to liquidate by arrangement, and Mr. Edmund Charles Chatterley (C. Browne, Stanley and Co.), public accountant, and Mr. Howard Haughton Ashworth, 3 Salter's Hall-court, E.C., public accountant, were appointed joint trustees to act with a committee of inspection.

Bank of England Accounts.—The annual Parliamentary return, giving the weekly accounts of the Bank of England during the year 1874, shows that the amount of Bank of England notes held by the public ranged from £24,818,000 in February to £27,660,000 in October; the reserve of bank-notes, from £12,423,000 in February to £7,899,000 in December; the total amount of bullion, from £23,969,000 in June to £19,951,000 in December; the *minimum* rate of interest, from 2½ per cent. in June and July to 6 per cent. in December; the amount of bills discounted, from £6,414,000 in April to £3,236,000 in December; the balances held on account of the London bankers on the last day of the week, from £11,169,000 in October to £6,485,000 in December; and the Exchequer balances, from £809,000 in January to £7,615,000 in March.

Bankruptcy Legislation.—B. H. writes as follows in the *Law Journal*:—"The defect in the working of ss. 125, 126 is that they afford such facilities to dishonest debtors. The intention was of course that merely unfortunate men might, without incurring the exposure of bankruptcy, arrange with their creditors, the majority clauses being introduced to prevent merely malignant creditors from delaying matters. How these sections really work is well known to creditors: the debtor's solicitor soon shows the creditors that he holds enough proxies from the debtor's friends, or indifferent or other creditors, to carry his offer of 6d. in the pound; and the creditors present, though feeling sure that, if the matter were properly sifted, a much larger dividend would be forthcoming, are deterred by the fear of throwing away time and money from opposing the registration of the resolution. As for the debtor, he, not being on oath, can say what he chooses, and frequently does so. I would suggest that all meetings held under these clauses should take place before some official of the Court (privately, to screen an honest debtor), who should have power to take the debtor's replies to creditors' queries on oath, and whose remarks on the case should be a guide to the registration of the resolution accepting the composition. This substitution of an official in the character of an umpire would, I am sure, effect a wholesome change in the present style; honest debtors would be sure of a fair hearing, and dishonest ones would not be able to simply 'whitewash,' as they easily do now."

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BANKING RETURNS.

The *Bankers' Magazine* furnishes the returns of the circulation of the private and joint-stock banks in England and Wales for the four weeks ending the 20th of March, 1875. These returns, combined with the circulation of the Scotch and Irish Banks for the same period, and the average circulation of the Bank of England for the four weeks ending the 17th of March (the nearest date furnished by their returns), will give the following results of the circulation of notes in the United Kingdom, when compared with the previous month:—

	March 20.	Feb. 20.	Increase.	Decrease.
Bank of England	£25,582,239	£25,944,794	—	£362,552
Private Banks ...	2,413,991	2,485,241	—	71,247
Joint-Stock Banks	2,278,126	2,300,253	—	22,127
Total in England	30,274,359	30,730,288	—	455,926
Scotland	5,543,920	5,634,553	—	90,633
Ireland	6,634,383	6,803,617	—	169,234
United Kingdom	£42,452,662	£43,168,458	—	£715,793

And as compared with the month ending the 21st of March, 1874, the above returns show an increase of £86,926 in the circulation of notes in England, and an increase of £103,809 in the circulation of the United Kingdom. On comparing the above with the fixed issues of the several Banks, the following is the state of the circulation:—

The English Private Banks are below their fixed issue ...	£1,431,600
The English Joint-Stock Banks are below their fixed issue...	374,867
Total below fixed issue in England ...	£1,806,467
The Scotch Banks are above their fixed issue	£2,794,649
The Irish Banks are above their fixed issue	279,889

The average stock of bullion held by the Bank of England, in both departments, during the month ending the 17th of March was £20,983,922, being a decrease of £414,102, as compared with the previous month, and a decrease of £2,181,259 when compared with the same period last year. The following are the amounts of specie held by the Scotch and Irish Banks during the month ending the 20th of March:—

Gold and silver held by the Scotch Banks	£4,025,847
Gold and silver held by the Irish Banks	2,807,771
Total	£6,833,618

—being a decrease of £80,633, as compared with the previous return, and an increase of £214,158 when compared with the corresponding period last year.

ALLEGED FRAUDULENT BANKRUPTCY.

At the Guildhall on Thursday, *Angelo Petrali*, a jeweller and watchmaker, of No. 90 Bute-street Docks, Cardiff, who was apprehended on a warrant at Cardiff by Detective-Sergeant Funnell, was charged on remand with making false representations for the purpose of obtaining the consent of his creditors to a composition arrangement under the Bankruptcy Act, 1869; also with making material omissions in the statutory statement of his affairs presented by him at the meetings of his creditors; and likewise with fraudulently removing goods of the value of £10 and upwards belonging to his estate after the presentation by him of a petition for liquidation under the said Act. Mr. Miller prosecuted; and Mr. Chapman appeared for the defendant. Mr. Miller said this prosecution was ordered by the Court of Bankruptcy, and was instituted under the Debtors Act, 1869. The debtor was an optician, jeweller, and watchmaker at Cardiff, in Glamorganshire, and in the latter end of last year he presented a petition to the Court of Bankruptcy, under the Debtors' Act, for the purpose of inducing his creditors to accept a composition. In accordance with that Act he made a statement of his assets, in which he omitted to insert about £50 worth of stock which was then in his possession. The assets were put down at £691 16s., which included the stock-in-trade, which was put down at £622 5s. 6d. He offered 10s. in the pound, and the creditors in the first place agreed to accept it, payable by four instalments, provided he gave security for carrying out the arrangement. At the second meeting, when the resolution agreed to at the first meeting was to be confirmed, it was found that the defendant had not been able to procure the requisite securities, and therefore the creditors refused to confirm the proceedings of the previous meeting, and decided on winding up the estate by arrangement. Mr. W. C. Harvey (Gamble and Harvey, public accountants), was appointed trustee, and he at once telegraphed to his agent at Cardiff to take possession of the defendant's stock, and when that was done, and it came to be examined, it was found that one-third of that mentioned in the inventory furnished by the prisoner's solicitor at the first meeting had disappeared, and the trustee had not been able to discover it. When the whole of these facts were laid before the Court of Bankruptcy the Registrar ordered the present prosecution. Evidence having been called in support of the charge, Mr. Chapman contended that there was really no fraud made out to send the defendant for trial. Alderman Owden thought that it was a case to send before a jury, and committed the prisoner for trial. He consented to accept one surety in £200, and himself in £200, to appear at the Central Criminal Court.

Winding up.—Petitions have been presented to the Court of Chancery for the winding up of the Star of Nevada Silver Mining Company (Limited), and of the West of England Stud Company (Limited).

Mr. J. Waddell, trustee in the liquidation of the Southwell Bank, which suspended in December last, has given notice of a first dividend of 2s. 6d. in the pound, payable on the 22nd instant.

Messrs. Barrett and Patey, public accountants, notify that they have removed from No. 8 Finsbury Circus to 90 London Wall.

County Courts.—In the House of Lords on Thursday, the Lord Chancellor laid on the table a Bill to amend the Acts relating to County Courts, and the Bill was read a first time.

European Assurance Liquidation.—It is announced that the official liquidators of the European Assurance Society are in the course of paying a second dividend of one shilling per pound on the amount declared by them as the balance of the debt due to parties originally insured with that Society.

National Debt.—From a return to the House of Commons just issued it appears that the sums advanced by the National Debt Commissioners last year in commutation of pensions and of annuities for ten years was £354,288 2s., and, with interest accrued to the end of the year, was £361,003 14s. 3d. The annuities for ten years from the 1st April last, sufficient to repay the advances mentioned, with interest at 3½ per cent., amounted to £42,300 3s. 6d.

The Cost of the European Society Arbitration.—A parliamentary return obtained by Sir J. Eardley Wilmot respecting the expenses of the European Society Arbitration shows that between August 21, 1872, and February 11, 1875, there was paid to various persons for services in the arbitration a sum of over £48,190. The arbitrator received £1,837 10s.; the assessor, £2,525; joint official liquidator, £10,000; joint official liquidator's clerks, £10,937 18s. 11d.; solicitors, £21,141 16s. 11d.; and solicitors in Canada, £185. The remaining sums were received by the secretary, assistant secretary, assessor's clerks, and secretary's clerks. The number of sittings held by the arbitrator was nine in 1872, five in 1873, and twenty-two in 1874. The number of judgments delivered at these sittings was 116.

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The index to the Estate Exchange Registers issued by Mr. Edward J. Wilson shows that the auction sales for the quarter ended the 31st ult, amounted to £1,130,486 against £943,146 in the corresponding period of 1874, being an increase of £187,340.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Albion Reversionary Interest and Investment—Capital £250,000, in £20 shares.

Blackpool Coal—Capital £5,000 in £1 shares.

Blackwater River Oyster Fishery—Capital £32,000, in £4 shares.

Burnley Paper Works—Capital £50,000, in £5 shares.

Cumberland Coal and Manufacturing—Capital £250,000, in £4 shares.

Darwen Cotton Manufacturing—Capital £30,000 in £5 shares.

Dolgelly Gas—Capital £3,000, in £5 and £2 10s. shares.

Dukinfield Spindle Making—Capital £1,000, in £10 shares.

Joseph Hirst and Co.—Capital £106,630, in £10 shares.

London and Provincial Consolidated Coal—Capital £25,000, in £10 shares.

Marron Bank Paper Mill—Capital £20,000, in £5 shares.

Northumberland and Durham Land and Property—Capital £25,000, in £100 shares.

Rother Vale Collieries—Capital £300,000, in £50 shares.

South Cliff, Scarborough (Bath)—Capital £6,000, in £5 shares.

Southern States Coal, Iron, and Land—Capital £100,000, in £10 shares.

Sovereign Mutual—Capital £1,000, in £1 shares.

Victoria Saw Mill and Waggon—Capital £50,000, in £5 shares.

Villa do Conde Iron—Capital £50,000, in £5 shares.

Westminster Cement Manufacturing—Capital £3,000, in £3 shares.

Wichita Copper—Capital £60,000, in £4 shares.

Wombridge Iron—Capital £25,000, in £100 shares.

RUPTURES—BY ROYAL LETTERS PATENT.

WHITE'S MOC-MAIN LEVER TRUSS is allowed by upwards of 500 Medical Men to be the most effective invention in the curative treatment of Hernia. The use of a steel spring, so hurtful in its effects, is here avoided, a soft bandage being worn round the body, while the requisite resisting power is supplied by the MOC-MAIN PAD and PATENT LEVER, fitting with so much ease and closeness that it cannot be detected and may be worn during sleep. A descriptive circular may be had, and the Truss (which cannot fail to fit), forwarded by post, on the circumference of the body two inches below the hips being sent to the manufacturer, Mr. John White, 228, Piccadilly, London. Price of a single Truss, 16s., 21s., 26s. 6d, 31s. 6d, Postage Free. Double Truss, 31s. 6d., 42s., and 52s. 6d. Postage free. An Umbilical Truss, 42s., and 52s. 6d. Postage free. P.O.O. to be made payable to John White, Post-office, Piccadilly.

NEW PATENT ELASTIC STOCKINGS, KNEE CAPS, &c, for Varicose Veins, and all cases of Weakness and Swelling of the Legs, Sprains, &c. They are porous, light in texture, and inexpensive, and are drawn on like an ordinary stocking. Price from 4s. 6d, 7s, 6d., 10s, to 16s. each. Postage free.

CHEST EXPANDING BRACES, for both sexes. For gentlemen they are a substitute for the ordinary braces. For children they are invaluable; they prevent stooping and preserve the symmetry of the chest. Prices for children, 5s. 6d. and 7s. 6d. Adults, 10s. 6d., 15s. 6d, and 21s. each. Postage free.—John White, Manufacturer, 228 Piccadilly, London.

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The Accountant.

APRIL 24, 1875.

We noticed last week, in referring to the meeting of the Manchester Society of Accountants, that the President of the Law Society was not only an invited guest, but spoke of the relations which existed between solicitors and accountants as being mutually advantageous, and not, as they are so often represented to be, utterly and irreconcilably hostile. We hope that after Mr. Ponsonby's common-sense remarks, the silly cry that is so constantly raised may be discontinued, and that the two professions may be allowed to go on working in their own entirely distinct ways. We concede at once to our opponents that every man is best kept to his own peculiar line of work, and that the outsiders who are perpetually trying to trespass within the confines of professional men deserve to be put down. But then, we must lay down as an equally clear principle, that the man who complains of unauthorised intruders on his demesne, must himself keep within his own limits. The small farmer has no right to pasture his cows in the carefully-fenced field of the neighbouring squire. On the other hand, the great landowner must not argue that, because his rights are absolute within certain carefully defined limits, he is therefore entitled to the exclusive use of land adjacent to his own to which no owner can be found and no title made: especially if he were to plead as a justification of his conduct that the local ne'er-do-wells were in the habit of poaching on his preserves. This, however, is tolerably analogous to the manner in which sundry members of the legal profession, and their organs in the press, treat the accountants.

The misunderstanding rests mainly on the attempt of solicitors to claim an exclusive monopoly in almost

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every branch of business which can in any manner be brought within their range, and in some of the letters which appear in sundry law papers this habit is carried to an extreme extent. In fact, it is doubtful, according to some of these authorities, whether it is not highly penal for a man to make his own will. For a "layman" to interfere in any way,—to draw a simple agreement, to make a will, to prepare the plainest possible legal document,—is a high misdemeanour, and punishable by law. In any of these cases a solicitor must be called in, and the whole routine of attendances, examination of deeds, perusing, preparing, and reading over gone through, much to the profit of the solicitors, and the increase of expense to the client. As a matter of fact, this professional rule is infringed daily. Every law stationer sells blank forms that may be readily used for any simple matter; there are plenty of books designed to instruct the most inexperienced in legal learning; and the standard work of reference on the duties of medical men, prepared by a barrister, and to be found in every law library, contains a chapter expressly devoted to the enabling of doctors to make wills for their patients. We do not say, that any wise man would ever refuse to avail himself of professional assistance. The man who physics himself, without going to a doctor, is not a wit more reckless than the man who draws his own will or settles his own purchase deeds. There is no obligation for any one to go to either solicitor or doctor, except the fear of an unpleasant blunder.

As a matter of fact, accountants are quite innocent of the heinous crimes so freely laid to their charge. They do not interfere in matters of conveyancing, they do not prepare wills, and their advice to any one who sought their opinion on a matter of law would be to go at once to a respectable solicitor. Their domain is that of figures, and a practical knowledge of accounts. Put a skilled accountant to carry on a business for a short time: he would be quite at sea as to many mechanical processes and trade secrets; but he would, from his keen intuition and knowledge of accounts, be as good a director as could be found. This skill of management is superadded to skill in figures, till the profession of an accountant is extended—just as the attorney, whose duties are to represent his client in courts of justice and to supply his deficiencies by the exercise of professional skill, performs in addition the functions of a conveyancer and draftsman of all documents which may at any time come within the ken of a court of law.

We suspect that the New Bankruptcy Act is at the bottom of all this outcry. Before the trustee system was introduced, accountant and solicitor met in perfect harmony. Companies were wound up by the joint efforts of liquidators and lawyers, both working in their own sphere. A solicitor would lay accounts before an accountant for his investigation, just as he would send a difficult abstract to his counsel. But the Act, which was expressly intended to diminish expense, has in some respects operated unfavourably for solicitors. When creditors chose some simple-minded member out of their own body as trustee the hearts of all debtors were gladdened. The trustee was afraid to take a step on his own responsibility, and referred every thing to his solicitor, except in those numerous cases in which every expense was to be sternly cut down. It soon became recognised that it is not every man who can reach the Corinth of unravelling accounts often intended not to be too easily seen through, and that a man whose profession it was to deal with this class of knavery was the best trustee that could be appointed. Undoubtedly the choice of a strong and capable man as a trustee who acted on his own knowledge, instead of a weak man who was always rushing to his solicitor, was not quite agreeable to the latter named profession. But it may safely be said, as to this system, that the Act allows it, that the interest of the trading community requires it, and that the petty attorneys who lose a small amount of their profits are not to be allowed to stand in the way. To complain of the iniquity of an accountant who charges for time actually expended instead of mulcting the estate out of the full fees which a solicitor would claim, is childishly ludicrous. Let our legal friends take comfort; they have still their own business to fall back on. We do not propose to allow "debt collectors" to have a legal status in our courts of law, and to address a judge and jury on the same footing as professional men. This we are quite willing to leave to trained advocates; but, while we will help them to put down any pretender who does unlawful work under any guise, we shall continue to assert the right of accountants to act where neither the dictates of law nor the requirements of professional etiquette forbid them.

We have on sundry occasions directed attention to the careless way in which people enter into a contract

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with an insurance company. The technically worded conditions, framed so as to leave every possible loophole of escape open, are never perused till the premium has been paid, and the declaration that is signed by the proposed insurer is too often looked upon as a mere form. Add to this, that the agent, whose profit depends upon the amount of insurances he obtains, is as liable to overstate and exaggerate as agents usually are, and it may be seen that life insurance is often a very hazardous business indeed—to the insurers. A case in which the United Kingdom Assurance Company figured in the police courts clearly illustrates this. Here is the instance of a man who believes and is told that his own statements as to his health are all that is required, and after whose death payment of the policy is disputed on the ground that he has misled them. His payments are made for some weeks before the policy is issued, and then it appears that there are stipulations as to entrance fees and payment of only half the amount due in case of death within one year. It is high time that the whole question of the insurance contract was put on a satisfactory basis, and that when once money has been paid to the company all objections should be considered to be waived. Some check should be kept on the agents, and the responsibility of the companies for their statements strictly enforced. The large companies are as much concerned in this matter as the small ones.

Mr. John Brearley Wood has evidently a very strong appreciation of the advantages of a judicious bankruptcy; and if he can only succeed in accomplishing a few more feats of the description of the one he performed at Birkenhead, he may become in time a very rich man. To offer, and get accepted, a composition of one penny in the pound, shows a spirit of daring and resolution which ought to do great things. It is possible that this confident gentleman may find some difficulty raised when the registrar has to decide whether he can register the resolutions. This is certainly a matter in which the doctrine laid down in Sir William Russell's case may be profitably applied, and registration refused. It is evident here that there are no assets, and that the creditors can derive no possible benefit by giving up their claims. In connection with this case, we may notice *in re* Cusker, which we report elsewhere. Here the assets appeared by the accounts furnished to be merely sufficient to pay the expenses, and registration would have been refused but for the filing of an affidavit which stated that more money might probably be received, and the fact that no discharge of the debtor was asked for. The Registrar seems to have acted here with due discrimination, but no one can fairly doubt that Mr. Wood's non-assenting creditors ought to have their interests duly considered and registration unhesitatingly refused.

We should not have thought that there could have been much doubt as to the social status of a miner. But it seems from the report of a case which we give elsewhere, that a question has been raised whether or not he comes under the denomination of a labourer or workman. The trustee apparently considered him to be a contractor, and so not within the 32nd section of the Act in respect to any claim to preferential payment. It is true that he contracted to do his work, and so does every man who accepts employment; but he might, on the same grounds, be termed a professor, and claim rank among the learned professions. If he had been paid a fixed rate of wages, either by time or by the week, the question would not have arisen; but if the appellant had been excluded from the definition of a labourer, all men who do piecework must have been excluded also. Piecework is coming much into vogue, and is considered by no less an authority than Mr. Brassey as one of the best antidotes to the powers of the trades unions. It favours a capable and industrious man, and it would be hard to place him in a worse financial position than men whose interest it is to spin out their time as much as possible.

The Australian Direct Steam Navagation Company.—Four petitions to wind up compulsorily the Australian Direct Steam Navigation Company (Limited) came before the Master of the Rolls on Saturday afternoon. This is the company against which summonses were recently heard at the Guildhall and the Mansion House, taken out by intending emigrants who had been induced to come to London in the expectation of sailing to Australia in the company's steamship Victoria, but who found that they had paid their passage-money to no purpose, as the vessel did not sail at any of the advertised dates. There was also a petition by Messrs. Suter, Hartmann & Co, ship painters, as creditors for the amount due to them for painting the ship's bottom. There were two others, one presented by Commander Cheyne, R.N, one of the directors, who claimed to be a creditor of the company, and the other by the Marine Superintendent of the company, Captain George Macdonald, M N. His Honour said it was clear the company must be wound up, and made an order, with costs, on the first three petitions, giving the conduct of the order to the petitioners, Messrs. Hopcraft, but refused to make any order on the fourth, as it was clearly presented only for the purpose of manufacturing costs, and after it was well known that the other petitions had been presented.

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Correspondence.

RE HELLIER A BANKRUPT.

To the Editor of the Accountant.

Sir,—Will you permit me to correct an error in your report of this case (and consequently in your comments thereon) in your issue of the 10th April. His Honour decided against the application to set aside a portion of the bankrupt's pay under section 89 of the Bankruptcy Act, 1869, on the ground that he was not a "civil servant of the Crown;" and under section 90, on the ground that he received neither "salary nor income" from his office, but was paid by "fees," which were uncertain. I then said that we should appeal from his decision, on which he said that he should decide on the point of discretion vested in him—in order that we might not be in a position to appeal, "which he did not think would be right or just, &c.," as in your report.

An opinion has, however, been taken, and counsel has advised that an appeal lies, and accordingly the trustee has lodged an appeal motion, which will come on for hearing before the Chief Judge on the 26th instant, at 10 o'clock, or as soon after as it can be heard.

Yours, &c.,
GEORGE HIRTZEL,
Solicitor to the Trustee.

THE MANCHESTER INSTITUTE OF ACCOUNTANTS.

To the Editor of the Accountant.

Sir,—An inaccuracy (of small moment however) has crept into your report of the annual meeting of the Manchester Institute, given in last week's issue.

You say—after giving the names of gentlemen appointed to the Council, in place of those retiring, "and the retiring Auditors, Messrs. Beardsell and Mottershead, were again elected for the forthcoming year;" whereas the auditors are appointed for one year only, and the honorary duties of the office for the past year were discharged by myself, in conjunction with Mr. A. P. Popplewell.

I am, yours truly,
J. E. LEES.

The suspension is announced of Mr. John Antoniadi, merchant, George-street, Manchester, with liabilities variously estimated at from £10,000 to £15,000.

Winding-up.—Petitions have been presented to the Court of Chancery for the winding-up of the Alton Coal, Coke, and Iron Company (Limited), Davis Maesteg Merthyr Colliery Company (Limited), Flagstaff Silver Mining Company of Utah (Limited), and Bronfloyd Company (Limited).—In the Rolls Courts on Friday the usual compulsory order was made for winding-up the Australian Direct Steam Navigation Company (Limited). Vice-Chancellor Malins has made an order for the voluntary winding-up, under the supervision of the Court, of the General South American Company (Limited), Messrs. Cope and Schwank, being continued as liquidators.—A petition has been presented to the Court of Chancery for the winding up of the Port of London Wharfage and Warehouses Company (Limited).

COURT OF CHANCERY, Westminster.

April 16.

(*Before Lord Justice* Mellish.)

Ex Parte Gibbs—In re Webb.—This was an appeal from a decision of Mr. Registrar Murray, acting as Chief Judge in Bankruptcy. Mr. Thomas Stammers Webb, of Gracechurch-street, a colliery proprietor, filed a liquidation petition on the 16th of January last. The first meeting of the creditors was held on the 3rd of February, when a liquidation by arrangement was resolved upon, and an immediate discharge was granted to the debtor. An objection was raised to the validity of the proceedings, on the ground that the debtor had been in partnership, and that he had omitted in his statement of his affairs produced to the meeting to distinguish between his joint and separate assets, and his joint and separate liabilities. Upon the application to have the resolutions registered, the Registrar, upon the authority of the decision of the Chief Judge, in "Ex parte Cockayne" ("Law Reports, 16, Eq. cases), held that the objection was a fatal one, and refused to allow the registration. Upon the application of the debtor an order was afterwards made, directing that a fresh first meeting of the creditors should be summoned under the petition. From this order one of the opposing creditors appealed. The debtor made an affidavit, in which he stated that the omission in his statement arose from ignorance. Mr. De Gex, Q.C., and Mr. Hemming, for the appellant, argued that the Act and the Rules gave no power under any circumstances to direct a fresh first meeting to be summoned. Mr. Finlay Knight was for the debtor. Lord Justice Mellish thought that the Registrar's decision was perfectly right.

April 20.

(*Before the* Lords Justices.)

Beynon v. Cook.—This was an appeal from a decree of the Master of the Rolls, granting relief in respect of certain money transactions in which the late husband of the plaintiff had been concerned with the defendant. In July, 1861, Rhys Beynon, the plaintiff's husband, was about 26 years of age. He had no income but a salary of £1 a week as a solicitor's clerk, and no property except a sum of £600, secured in pursuance of a family arrangement as his share of the family property by the bond of his eldest brother, and payable on the death of his father, then a healthy Welsh squire, aged 54. Being at this time very hard pressed for money, he was introduced by one Whitcombe, to whom he applied in the first instance, to the defendant, Mr. Robert Cook, who carried on the trade of bill discounter and money lender, in Warwick-street, Regent-street. Cook made an advance of £85 in consideration of his promissory note at six months for £100, the loan being collaterally secured by a mortgage of the £600 post-obit bond, with a proviso that if default should be made in payment of the promissory note when due, the £100 should bear interest at 5 per cent. per month. Rhys Beynon, who died in October, 1872, continued in the same state of pecuniary distress until his death. In October, 1873, the £600 bond having become payable by the death of his father, Beynon's widow offered Cook his principal with compound interest (at 5 per cent.), but Cook refused to take less than £400. Mrs. Beynon thereupon filed her bill to redeem Cook on payment of the sum actually advanced, with interest at such rate as the Court might award. The Master of the Rolls, being of opinion that Rhys Beynon was in the position of an expectant heir, and that the bargain was unconscionable and unaffected by the Sales of Reversions Act (31 and 32 Vict., cap. 4), made an order for delivery up of the securities on payment of the £85 actually advanced, with interest at 5 per cent., and ordered Cook to pay the costs of the suit. Mr. Brett (Mr. Karslake, Q.C., with him), for the defendant, contended that the case was distinguished from those of a catching bargain with an ex-

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pectant and inexperienced heir of tender years, of which "Earl of Aylesford v. Morris" (*L. R.* 8, Ch. 484) was a recent instance, inasmuch as Rhys Beynon was upwards of 26 years of age at the date of the transaction, and having parted with his expectancy, did not fill the position of an expectant heir; and further, that after acquiescence for so many years in the transaction it could not be now disturbed.

COURT OF BANKRUPTCY.

April 17.

(*Before Mr. Registrar* Spring Rice.)

In re Jesse Morsman.—The debtor, who has for eighteen years past carried on a large business as builder and contractor at Lisson-grove, has presented a petition for liquidation, estimating his total liabilities at £6,000, a considerable portion of which, being bill transactions, it is hoped will run off; and his assets, consisting of leases, household furniture, book debts, and the goodwill of business, at about £4000. Upon the application of Mr. Chubb, supported by trade creditors, his Honour appointed Mr. Flaxman Haydon, (Haydon and Vivian) public accountant, receiver and manager, and granted an interim injunction.

In re im Thurn and Co.—Mr. Nicol, (Nicholson, Nicol, and Co.) mentioned this case to the Registrar under the following circumstances. The debtors had become interested in some large gasworks in South America, having advanced money to complete and carry on the works. It was necessary that a competent gentleman should be sent out there to investigate the amount of the debtor's interest, which was estimated at about £120,000, and he now asked the Court's sanction for the payment of a sum of £500 out of the estate towards the expenses of such investigation. The Registrar thought the creditors ought to be consulted in the matter, and directed the application to stand over for that purpose.

In re J. F. Lang.—The debtor, an architect and artist, of Cavendish-road, St. John's Wood, has filed a petition for liquidation, estimating his liabilities at £41,000, the assets being estimated to show a surplus. Upon the application of Mr. Pamphilon, his Honour appointed a receiver and manager to the debtor's estate.

April 19.

Before Sir J. Bacon, *Chief Judge.*

Ex Parte Allsop re Disney.—This case, which was brought before the Court by appeal from the Derbyshire County Court, raised a question of some little importance as to the right of men working in coal and ironstone mines to be paid in full the wages earned by them in case of the failure of the masters. Mr. Winslow, Q.C., and Mr. E. C. Willis were counsel for the appellant; Mr. De Gex, Q.C., and Mr. Finlay Knight for the respondents, the trustees. The appellant had been for some time in the employ of Mr. H. C. Disney, ironmaster, of Morley-park Iron Works Derbyshire. At the date of the liquidation petition he was working in a gin pit as a miner, getting ironstone at the rate of 5s. to 7s. per ton, the master providing all necessary appliances, and the appellant finding merely the labour. The appellant had to get the stone and stack it on the pit bank, where it was measured up every fortnight. He then received a certain sum called a "subsist," for himself and others working with him, and at the end of each month the stone was weighed and a ticket given of the amount of work done. The 32nd section of the Bankruptcy Act, 1869, provides for preferential payment of "all wages of any labourer or workman in the employment of the bankrupt at the date of the order of adjudication and not exceeding two months' wages." It appeared that the appellant was subject to the rules and regulations in force at the mine and pits, and also subject to the provisions of the Truck Act, the Master's and Servants' Act, and the Mines Regulation Act. The appellant in his affidavit stated that the pits were under the control of a manager, who came round daily to see that the men were at work, and he had power to dismiss in case of misconduct. The trustees under the liquidation rejected the proof of the appellant on the ground that he was not a workman or servant, but a contractor, and the Judge of the County Court confirmed that rejection. After hearing the arguments of counsel, his Lordship held that the appellant was a "labourer or workman," to whom wages were due. He was employed to do work at wages; the hiring was for labour and nothing else; and his wages were to be paid by an estimate made of his services. The present case was within the protection which the Act of Parliament gave, and the order of the Court below must be discharged.

Ford v. Coughey.—This was an appeal from the judgment of the judge of the County Court at Liverpool. It was a case in which there having been a former unclosed petition, and a second petition having been presented, a sum of money was placed in the hands of Ford, the trustee, as assets divisible among the creditors, which assets were claimed by Mr. Read, the trustee under the first liquidation, the composition of 2s. in the pound not having been paid beyond 11d., and the County Court judge had decided that the assets in the hands of the trustee were applicable to the payment of the composition, under the case of Tucker and Hernaman. Attention being called to the fact that there was no evidence as to what creditors under the first petition had proved under the second, the learned judge thought he could not entertain the appeal at present, but that it had better go back to Liverpool to ascertain the fact. He thought that the whole matter should be referred to the County Court judge.

(*Before Mr. Registrar* Hazlitt.)

In Re C. W. Spark.—An application was made to confirm resolutions come to by the creditors of C. W. Spark, who is described as an ironmaster, of 31 Threadneedle-street, and elsewhere. The petition was presented in December last, the liabilities being estimated at £20,620, against assets £4,536. Liquidation by arrangement was agreed to by the creditors, but at a meeting subsequently held a composition of 2s. 6d. in the pound was accepted. His Honour confirmed the resolutions.

April 20.

(*Before Mr. Registrar* Roche, *sitting as Chief Judge.*)

In re Bennett and Glave.—The debtors, described as woollen manufacturers, of 45 Cheapside, and of Leeds, have petitioned under the arrangement clauses, with liabilities returned at £46,000, and assets, consisting of book debts, £1,800, and stock-in-trade of the value of several thousand pounds. Mr. Brough, for the debtors, and with the concurrence of some of the creditors, asked that a receiver and manager should be appointed for the purpose of protecting the property and carrying on the business. The evidence showed that the debtors were extensively engaged in the manufacture of woollen cloth, and the work now in progress amounted to several thousand pounds. At the mills 200 operatives were employed, and it was desirable that the trade should be continued until after the first meeting of creditors, appointed for the 7th of May. His Honour nominated Mr. W. H. Burrell, accountant, Leeds, to act as receiver and manager of the property.

(*Before Mr. Registrar* Keene.)

In re Samuel Brandram.—Upon the application of Mr. R. V. Williams, registration was allowed of a resolution for liquidating by arrangement. The debtor was a wine merchant, carrying on business in Mincing-lane, City, Pall Mall, and at Aldershot, and also proprietor of the late Junior St. James's Club. His liabilities were returned at £23,947, and assets £22,605, subject to realisation.

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In re William Barker.—The debtor had carried on an extensive business as a goldsmith and jeweller in New Bond-street. He recently failed for about £32,000, his estate being valued at £22,475. Resolutions to liquidate by arrangement, with a trustee and committee of inspection, have been passed, and upon the application of Mr. Oliver Richards, his Honour ordered registration.

April 21.

(*Before Mr. Registrar* Murray, *sitting as Chief Judge.*)

In re R. Cusker.—This was an appeal from an order of Mr. Registrar Keene, refusing to register a resolution of creditors for a liquidation by arrangement. Mr. Bagley appeared for the appellant; Mr. F. O. Crump for the respondent. The debtor, Richard Cusker, a general merchant, carrying on business in Merrick-square, Southwark, presented his petition in February last, and at the first meeting the creditors passed a resolution in favour of liquidation by arrangement, and appointed a trustee. The statement of affairs presented by the debtor disclosed debts, secured and unsecured, £3,470, with assets, consisting of book debts, £190. Upon the resolution being presented to Mr. Registrar Keene, he declined to register it, on the ground that, after payment of the expenses of the liquidation, there would probably be but little, if any, dividend for the creditors. The debtor appealed, and an affidavit was produced on his behalf, which showed that the book debts might prove to be of greater value than the amount stated, and that a surplus might be derived from the securities in the hands of creditors. His Honour held that the case of Sir William Russell, upon which the decision proceeded, was distinguishable. There the creditors granted the debtor his discharge upon a covenant to pay a sum of money out of any income which the debtor might have exceeding £600 per year, and not the slightest security was given that any thing whatever would be received. Here the resolution contained no provision for the debtor's discharge; the creditors had come to a resolution to liquidate by arrangement, which had very much the same effect as a bankruptcy. He knew of no authority which showed that, because the debtor's assets were returned at only 1s. in the pound, registration should be refused. Appeal allowed.

Re John Morison.—The debtor, who has presented a petition for liquidation, was a merchant, manufacturer, and shipowner, of Billiter-street, Goodman's-yard, and Hackney-wick. His liabilities are about £200,000, and assets showing a surplus subject to realisation. The Court last week appointed a receiver and manager, and granted an interim order staying further proceedings at the suit of the London and County Bank; and upon the application of Mr. C. E. Jones, his Honour now continued the injunction.

(*Before Mr. Registrar* Hazlitt.)

In Re Sir W. Russell.—At a first meeting held under this adjudication several proofs of debt were admitted, and Mr. C. F. Kemp, accountant, was appointed trustee. The debtor, formerly M.P. for Norwich, was described as of Salter's-hall-court, Cannon-street, and elsewhere, merchant and shipowner. His statement of affairs returned liabilities of £64,784, and assets, £750.

(*Before Mr. Registrar* Brougham.)

April 22.

In Re J. C. im Thurn and Co. (The Touting System).—In this case Mr. D. Jones applied to the Court for an order that no person other than the debtors, or the receiver and manager, or Messrs. Nicholson, Nicol, and Co., the solicitors to the petition, should be allowed to inspect the file of proceedings or be furnished with copies of the list of creditors. The object was to prevent a practice which had grown up of unauthorised persons issuing touting circulars to creditors under the pretence of representing them at the meeting of creditors. Mr. Jones submitted that unless a creditor had proved his debt he was precluded by the ninth rule from inspecting the proceedings. The court was aware that the case was one of exceptional magnitude, and it was extremely desirable that the creditors, many of whom resided abroad, should not be misled by touting circulars.—Mr. Learoyd, *amicus curiæ*, said that the practice referred to was no doubt exceedingly irritating and obnoxious, but there was also an evil to be provided against arising from the proceedings being left too exclusively under the control of the debtors and their representatives. He suggested that the evil complained of might be met if the court gave an intimation that access should not be allowed to the proceedings except upon written request of solicitors specifying the creditors they represented.—The Registrar said that the court was fully alive to the evil of touting, but the practice was also often resorted to on the part of receivers and managers, who were appointed on an ex-parte application made in the interest of debtors. He asked Mr. Jones whether he was prepared to undertake, on behalf of those he represented, not to make any application to the creditors?—Mr. Jones replied that he would give the undertaking.—His Honour: Are you also prepared to make an affidavit that no applications have been made to the creditors?—Mr. Jones said he was informed that in a few instances letters had been sent by the debtors to their creditors.—His Honour (after consulting Mr. Penn of the liquidation department) said that under all the circumstances he was not prepared to lay down any general rule upon the subject, nor did it come within his province to do so. He understood that it was the practice in the office to produce the proceedings, and supply copies to any creditor producing an affidavit of his debt. The court, as he had already stated, was fully sensible of the evil of touting, and he thought it would be very desirable if it could be checked by some rule of practice; but the touting did not prevail more on the part of creditors or unauthorised persons than of debtors and receivers and managers. All were equally concerned in the matter, and in this particular case all he could do was to give an intimation to the officials in the liquidation department that the affidavit of debt tendered by a creditor who desired to inspect or have copies of the proceedings should be also filed.

Edinburgh Bankruptcy Court.—The adjourned examination into the affairs of Messrs. Scarth & Scott, law agents and conveyancers, Leith, took place on the 19th instant, in presence of Sheriff Hamilton. The sederunt was composed of Mr. Thos. Dall, C.A., trustee; Mr. Thos. White, S.S.C., agent in the sequestration; Mr. Reid (of Messrs. Drummond & Reid, W.S.), Mr. J. C. Campbell Lorimer, advocate (instructed by Messrs. Davidson and Syme, W.S), and Mr. Lindsay Mackersie, W.S., for creditors. John Scott, who alone represented the bankrupt firm having been examined, the Trustee stated that, while he proposed now to close the examination, he was willing, in the event of any creditor for more than £100 making a written request to him to that effect, to apply for a diet for further examination of the bankrupt. The state of affairs showed liabilities to the extent of fully £20,000, and assets to the amount of about £2,300. Both bankrupts took the statutory oath at the close.

Revenue.—The receipts on account of revenue from the 1st April, 1875, when there was a balance of £6,265,122, to the 17th instant were £4,187,773, against £3,567,380 in the corresponding period of the preceding financial year, which began with a balance of £7,442,851. The net expenditure was £7,370,775, against £6,837,673 to the same date in the previous year. The treasury balances on the 17th instant amounted to £3,066,966., and at the same date in 1874 to £4,081,806.

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PARLIAMENTARY INTELLIGENCE.

HOUSE OF LORDS, APRIL 16.

SUPREME COURT OF JUDICATURE ACT, 1873 (No. 2) Bill.—Lord Granville, on the motion for the Second Reading of the Supreme Court of Judicature Act (1873) Amendment (No. 2) Bill, reviewed the circumstances under which the Government measure on the same subject was suddenly withdrawn this Session without any previous notice, and in a most unprecedented manner, before any decision had been pronounced on it.—Lord Redesdale said that the Bill of 1873, as introduced, took away the second appeal, and it now remained to be settled what should be done with respect to the ultimate Court of Appeal. Lord Salisbury reminded Lord Granville that in 1854 Lord Russell, without notice, withdrew the Reform Bill of that year before the time had arrived for the Second Reading, and he added that the withdrawal of the Judicature Bill was, therefore, not unprecedented in its manner. The Government wished that the Court of Ultimate Appeal, in whatever form it might be constituted, should be a strong one, but they had pledged themselves against the adoption of harassing and violent legislation, believing that it was by persuasion that the most useful legislation could be adopted.—Lord Grey thought Lord Granville had a just right to complain of the course pursued by the Government in withdrawing a Bill in deference to objections brought before them privately, and added that the withdrawal of the Reform Bill of 1854 was not a case in point.—Lord Denman expressed satisfaction at the omission from the present Bill of the clauses of the late Bill relating to the Appellate Jurisdiction; and Lord Penzance said that the Act of 1873 was an imperfect measure, because it did not deal with Scotland and Ireland. Lord Selborne thought it would be advisable not to discuss on the present occasion the objections he felt to measures suggested to supplement the Act of 1873; but he condemned the extraneous pressure brought to bear in an unusual manner in this case.—Lord O'Hagan thought the Government ought not to be blamed for the course they now pursued.—The Lord Chancellor accepted the present discussion as highly complimentary to the present Bill, because he had not heard one word expressed in disapproval of it; and though it had been said that the Government might have carried the Bill with the aid of the Peers on the Opposition benches, he must declare that on the night of the withdrawal of the Bill he did not observe that there was any great attendance of Peers on those benches, and when the question for its withdrawal was put no objection was made. —Lord Waveney said he would give his most hearty support to the present Bill, which was then read a second time.

HOUSE OF COMMONS, APRIL 20.

BANKS OF ISSUE.—Mr. McLaren moved that the Select Committee on banks of issue consist of 23 members. He certainly thought two Scotch members should be added to the Committee as it now stood.—The Chancellor of the Exchequer said that when the Committee was appointed he stated his objections to greatly increasing the number of its members. If two Scotch members were now added, the Irish members and those representing constituencies in the North of England might also propose to nominate members of the Committee, and he must, therefore, oppose the motion of the hon. member for Edinburgh. The House divided. For the motion, 48; against, 119. Majority, 71.

HOUSE OF COMMONS, APRIL 22.

PUBLIC INCOME, EXPENDITURE, AND SURPLUS.—On the motion of Mr. Childers, returns were ordered of the total public income and expenditure of the United Kingdom, according to the actual receipt and issue at the Exchequer, during each of the ten years ending the 31st of March, 1866, to the 31st of March, 1875, inclusive; of the surplus of income above expenditure for each such year, certified during the following quarter by the Treasury to the National Debt Commissioners as prescribed by the Acts 10 George IV., cap. 27, sec. 1, and 29 and 30 Vict., cap. 39, sec. 16: and a copy of the certificate given by the Treasury to the National Debt Commissioners with reference to the surplus (or otherwise) of income above expenditure for the year ended the 31st of March, 1875. Also of the estimated amount of stock to be purchased in each year from 1875-6 to 1904-5 inclusive, under the operation of the plan applying a fixed sum of £28,000,000 annually to the interest and reduction of the National Debt.

NOTTINGHAM COUNTY COURT.

April 15.

(*Before* MR. R. WILDMAN, *Judge*.)

RE GIBSON RICHARDSON PEARSON.—Bankrupt was a farmer and cattle dealer at Colston Basset.—Mr. Everall made an application on behalf of William Pearson, father of the bankrupt, to be allowed to prove on the estate for £593 7s., which applicant alleged was due to him by his son.—It appears that the trustee rejected the claim of applicant to the amount of £300, and he now applied to the Court for an order reversing the decision, and allowing him to prove to the full amount.—The applicant in his affidavit stated that on the 12th April, 1872, he delivered to his son certain horses, cattle, and sheep, under the agreement that the bankrupt was, in consideration thereof, to find applicant board and lodging whenever he wished to go, and the bankrupt was to pay him for such horses, cattle, and sheep, when he was in a position to do so. These cattle had since been sold for the trustees, and applicant therefore claimed to prove in respect of such horses, &c., the sum of £387, which was their value; and he held a promissory note for £200, making up the amount to £593.—Mr. Everall said that when applicant handed over the stock, he did so in the belief that it was arranged between them that he was from time to time to live with his son, and that his son was to maintain him.—His Honour observed that if he handed over the cattle and the sheep on the condition that he was to be maintained, the cattle and the sheep then became the property of the bankrupt. It was quite clear he could not have any claim for the cattle and sheep.—Mr. Everall said there were two sons; one had been successful in the world, and the one now in court had unfortunately failed. In answer to Mr. Everall, applicant said that the other son had taken all his house at a valuation. He gave him what he asked, about £300, and at the mother's decease he was to pay for these things.—Mr. Hind, for the trustee, read the agreement—which he remarked was very carefully drawn up—between the applicant and the other son. In continuing his evidence, in reply to Mr. Everall, applicant said he had a farm, and there was a quantity of stock upon it. That stock was taken by his son, the bankrupt. That was before the 6th April, 1873. He valued the stock in question at £387. His other son John took a public house on the land attached, and an agreement was drawn up between him and his son John. Applicant lived backwards and forwards between the two sons. He gave all his estate to his two sons, and he had nothing to live on but what they allowed him. By his Honour: There was no written agreement between him and his son Gibson, the bankrupt, only "verbal talking." Cross examined by Mr. Hind: Did your son take possession in 1872? Yes, I suppose so.—Do you know? I do not.—How many horses did you take? I took five horses.—What was the value of these? I don't know.—His Honour: About how much? £200.—By Mr. Hind: How many cattle and sheep? 75 sheep and 18 beasts. The sheep would be about 55s. each, and the beasts £18 each. My son had a certain amount of property to get at his mother's death, and he was to pay me when he could. We made an agreement between us that he was to pay me for this stock. I am quite sure about it. It was understood between him and me. There was an agreement that he was to pay me when he could. What was the agreement? He was to pay me

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£387.—The applicant was then questioned closely by his Honour as to how he had arrived at the figures quoted, but no definite answer was obtained. Cross-examination continued: Mr. Robert Thorpe and Mr. Richards came to the farm at different times. I do not recollect having any conversation with them when they were discussing my son's liabilities. I did not say anything to them about money for the cattle, but I said I wanted £200, for which I held the note.—The bankrupt, examined by Mr. Everall, emphatically denied that there was any understanding between him and his father about paying for the cattle. I had no bargain with him.—His Honour: Were you to give him anything in consideration for the stock?—No; only to keep him at times.—Were you to pay him for the cattle?—No, there was no sum mentioned. —By Mr. Everall. Have you told the same story this morning that you are telling in the witness box? Yes.—Did you not say to my clerk this morning that there was a sum agreed upon?—Bankrupt (after a pause): Well, I told him. Since that, have you been in conversation with Mr. Thorpe? Yes.—Did he threaten to prosecute you and send you to prison? Something of that sort.—Had you made a different statement before? Yes.—Which was the true statement—the one you made to my clerk or the one you made to Mr. Thorpe? The statement I am now making is the true one. My father gave me the stock, and he was to come and live with me when he liked.—Did you not say you had agreed upon a sum? No. —Mr. Patchitt said the question was whether there was a contract or not.—His Honour: I am not satisfied that there was a contract. I think the old man did himself very little credit in the box. He was a most discreditable witness.—His Honour allowed costs.

Re Francis Wolfe, innkeeper, Fish Inn, Hazleford Ferry, parish of Bleasby.—This was an application by the trustee to show cause why a certain bill of sale, dated 6th January, alleged to have been made by the bankrupt on the one part and Mr. Dickinson on the other part, should not be set aside, on grounds set forth in the affidavits.—Mr. Weightman, barrister, appeared on behalf of the trustee, and Mr. Cave, barrister, for Mr. Dickinson. Mr. Weightman said that in the first instance he would like to draw his Honour's attention to one point, viz. the description of the bankrupt. He held it was not sufficient in the bill of sale to satisfy the Bills of Sale Act. There must be, as he understood it, the name, address, and occupation of the bankrupt—such an address as would enable persons who were anxious to find out if the bill of sale was a *bona-fide* transaction. The description in the present instance was simply "Francis Wolfe, of the Fish inn, Hazleford Ferry, in the County of Nottingham." There was no parish mentioned.—His Honour: Would the postman have any difficulty in delivering a letter. Do you say there are two Fish inns or two Francis Wolfes?—Mr. Weightman replied that the parish should have been specified. There might be more Fish inns in Nottinghamshire. The second point to which he wished to direct attention was that the debt was not owing. The claim under the bill of sale was £537.—Mr. Cave said he did not think it could be proved that the bill of sale was security for more than £350 principal, and any interest that there might be.—Mr. Weightman said that when Mr. Dickinson was on the premises on the 10th Dec. the bankrupt filed a document that he was unable to pay his debts.—His Honour: The bankrupt had not the goods in his order and disposition on the 11th.—Mr. Weightman argued that the goods were in the apparent possession of the bankrupt, and that nothing had been done to show that they were not in his possession. He contended that though the bill of sale had been registered it should be looked upon the same as unregistered, and the trustee should get the property. The goods were in the actual and apparent ownership of the bankrupt, and during the time the formal possession was being taken the bankrupt was committing an Act of Bankruptcy.—His Honour said the question was what was the bill of sale worth.—Mr. Weightman: I say it is good for £180.—His Honour: And Mr. Cave says it is worth £360.—Mr. Cave: £360 of principal and any interest that may be on it. We shall go before the registrar to prove every thing beyond that. If we don't exceed that, it is covered by the bill of sale.—The bill of sale was then upheld for £350, with liberty to Mr. Dickinson to prove for any amount over that when the bill is being taxed before the registrar. Mr. Cave asked that the costs should be paid by the trustee, and this his Honour allowed.

MANSFIELD COUNTY COURT.

The Southwell Bank Failure.—At the Mansfield County Court on Friday the case of the Rev. A. Pavey v. Mr. W. S. Cursham came on for hearing. This case was submitted to his Honour by agreement of parties, and was to determine who was to bear the loss of £55 in Southwell Bank notes, which had been paid by defendant as a deposit and part payment of certain property which he had agreed to purchase from plaintiff. At the time of the agreement to purchase Mr. A. J. Cursham, solicitor, Mansfield, acted for both parties, and about two o'clock on Saturday, 12th Dec. last, he sent the agreement signed by the defendant for the signature of the plaintiff, together with £50 in £5 notes of Messrs. Wylde and Co.'s Bank, as a deposit and part payment of the purchase money of £1,000. Plaintiff at once signed and returned the agreement, retaining the notes. The Mansfield branch of the bank usually closed at one o'clock on Saturdays, for half holidays, but upon this occasion Mr. Cursham obtained the notes from the bank at 1.45, and his clerk went direct and paid them to the plaintiff. On the following Monday morning a notice was affixed to the shutters of the bank that payment was suspended, and the affairs are now in course of liquidation. The plaintiff, on hearing of this notice, during the afternoon, and on the Tuesday morning, called upon defendant, told him of it, and asked him to take back the notes. Defendant referred plaintiff to his solicitor.—Mr. W. Bryan, solicitor, Mansfield, appeared for the plaintiff, and Mr. A. J. Cursham for defendant.—Mr. Bryan, for plaintiff, pleaded that the bank had virtually closed when the notes were given, and there was, therefore, a failure of consideration. That plaintiff offered the notes to the defendant the day after the stoppage was announced, and, therefore, there was no delay or neglect on his part, as in the case of Timmins v. Gibbins it was held that presentment at the bank was not necessary. That in the case of Henderson v. Appleton it was decided that if notes were promptly tendered back want of presentment was no defence, and in the case of Robson v. Olliver that notice within a reasonable time is sufficient.—Mr. Cursham, for defendant, pleaded that the notes were good at the time they were paid over to and received by the plaintiff, and might have been paid away any time during the Saturday afternoon, and that he did not give notice to defendant until the Tuesday.—Judge: You gave that which turned out worthless paper, but had there been an opportunity of returning it to the bank, had it been open for a single hour on Monday morning, it would have altered the case.—Mr. Cursham applied for an adjournment.—Mr. Bryan asked that the matter might be decided at once.—Judge Wildman said had he the slightest doubt he should give defendant the benefit of it, but in this case he must give judgment for plaintiff.

It is proposed by a bill now in the House of Commons that for a clerk, officer, or servant who shall falsify the accounts of his employer, the law be amended to increase the penalty to seven years' penal servitude, or to two years' imprisonment.

The Consolidated Fund.—According to a Return printed this week, the estimated expenditure of the Consolidated Fund for the year 1875-76 is £29,660,000, and the actual issues in the year 1874-75, £28,678,068.

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APPOINTMENTS.

[The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.]

Mr. John Clay, of the firm of John Clay and Son, of 30 Union-street, Halifax, Accountants, has been appointed liquidator of the Leeds, Morley, and District Co-operative Coal Mining and Building Society (Limited), carrying on business at Wakefield.

Mr. Harry Brett, of the firm of Harry Brett, Milford, Pattinson and Co., of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., Public Accountant, has been appointed trustee of the estate of Hodgson, Denham and Co., of Clement's House, Clement's-lane, Lombard-street, Merchants. Messrs. Crook and Smith, 173 Fenchurch-street, E.C., solicitors to the trustee.

Mr. Harry Brett, Public Accountant, has been appointed trustee of the estate of Alfred Gain, of 24 Edgware-road, Importer of Foreign Produce. Messrs. Crook and Smith, of 173 Fenchurch-street, E.C., solicitors to the trustee.

Mr. John Pattinson, of the firm of Harry Brett, Milford, Pattinson and Co., Public Accountant, has been appointed Receiver and Manager of the estate of James Buckingham, of the Trafalgar Works, Old Kent-road, and of the St. George's Works, St. George's-road, Peckham, Mill Furnisher and Engineer. Messrs. Lumley and Lumley, 22 Conduit-street, W., solicitors to the proceedings.

Mr. John Pattinson, Public Accountant, has been appointed trustee of the estate of William Henry Wilbey, of Thames Vale or Villa, Sunbury, no occupation, a bankrupt. Messrs. Crook and Smith, 173 Fenchurch-street, E.C., solicitors to the trustee.

Mr. John Pattinson, Public Accountant, has been appointed Receiver and Manager of the estate of Stephen R. Hill, of 18 Upper Kennington-lane and Burton-road, Brixton, Auctioneer and Surveyor, bankrupt. Mr. H. M. Sydney, 9 Upper John-street, Golden-square, solicitor to petition.

Mr. John Pattinson, Public Accountant, has been appointed Trustee of the Estate of Alfred Cecil Dicker of Ivy Lodge, West Moulsey, bankrupt. Messrs. Lumley and Lumley, 22 Conduit-street, W., solicitors to the trustee.

Mr. William Mackinnon, chartered accountant, of 140 St. Vincent-street, Glasgow, has been elected trustee on the sequestrated estate of George Donaldson and Son, timber merchants in South Alloa.

CREDITORS' MEETINGS.

Agop Dayian and Co. (Manchester.)—A preliminary meeting of the creditors of Messrs. Agop Dayian and Co. of Lloyd's House, Manchester, merchant shippers, was held on Monday. The statement presented showed liabilities £13,691 10s. 2d. and the assets £18,499 9s. 3d.

J. M. Harris (London).—A meeting of the creditors of Mr. J. M. Harris, of London and Sierra Leone, merchant, was held in Manchester on Friday. The total liabilities were about £30,000. The debtor was not prepared to make any offer, and it was arranged that the estate should be liquidated, Mr. Halliday, accountant, being appointed trustee.

Foster and Lockwood (Sheffield).—A meeting of the creditors of Messrs Foster and Lockwood, steel manufacturers, Sheffield, was held on the 15th instant. The liabilities amounted to £3,160, and the estimated assets to £1,000, most of which it was stated consisted of damages which would, it was expected, be recovered in an action now pending. It was resolved to wind up the estate in liquidation.

Mills and Heywood (Oldham).—At a meeting of the creditors of Messrs. Mills and Heywood, cotton spinners and doublers, of Oldham, the liabilities were stated at £25,898, and assets at £11,158. A committee of investigation was appointed.

Broad and Sons (Plymouth).—A meeting of the creditors of Alfred Broad and Sons, late wine merchants of George-street, Plymouth, was held on Tuesday at the Duke of Cornwall Hotel, under the presidency of Mr Christopher H. Bulteel, for the purpose of receiving the report of the trustees of considering whether the claims of Mr. Wise, late a partner in the firm, should be admitted for dividend, and of deciding as to the remuneration to be paid for their services. The trustees' report having been read, the following resolutions were passed—"That the report of the trustees now read be received and approved; that, considering the trustees have done all in their power to obtain information and accounts from the debtors, the creditors are perfectly satisfied with the services rendered by the trustees, and do not consider it advisable to incur the heavy expenses which might be attendant on further proceedings against the debtors under the application for committal; that the claim of Mr. David Woodfield Wise to receive dividend out of the estate be admitted; that, in addition to the percentage voted at the first meeting of the creditors for the trustees' (Messrs. J. E. E. Dawe and W. Arliss) remuneration, a further percentage of £5 per cent. on the gross receipts be paid to them for their services, and this meeting desires to express to the trustees their best thanks for the valuable assistance rendered by them, which has resulted in not only exposing the transactions of the debtors, but in obtaining upwards of £600 for the creditors."

FAILURES.

England.—Messrs Bennett and Glave, woollen merchants and manufacturers, of King-street, Leeds, and Potterdale Mills, have issued a circular to their creditors, announcing their regret that they are obliged to suspend payment. It is supposed that their liabilities will be between £60,000 and £70,000. The suspension, it is stated, is due to depressed trade and losses.—Messrs. E. K. Fox and Co., woolstaplers, Canal-road, Halifax, have filed a petition for liquidation in the County Court. The liabilities are stated to be about £2,000.—The failure is announced of Mr. Donald Mackenzie, factor, of Sand-street, Birmingham, the liabilities amounting to about £10,000. Heavy losses in America and Australia are said to be the cause of failure.—A petition was filed on Friday afternoon, in the County Court, Burnley, by Mr. T. Howell, solicitor, Burnley, in the affairs of Mr. J. Lord Clarkson, wholesale grocer, Burnley. The liabilities are set down at £4,700, and the assets are not yet known.

Ireland.—It is announced that Messrs. Magill, Riddle, and Co., merchants and commission agents, of Belfast, have stopped payment, and that their liabilities are expected to be large. The partners hold the paper of Messrs. im Thurn and Co. to the extent of £30,000.

Canada.—Canadian advices report the following failures:—Messrs Fairbairn and Coons, brokers and produce commission merchants; Messrs. M'Donald Brothers, of Vernon Bridge, Prince Edward Island, general merchants; Messrs. Taylor and Fisher, Chatham; Messrs. E. W. Chipman and Co., dry goods, Messrs. J. R. Jennett and Co. crockery, both of Halifax; Messrs. Green Brothers, shoe trade; Messrs. Alexander, Murphy, and Cuddihy, wholesale fancy goods, both of Montreal. The proprietor of the Mohawk and Hudson Iron Works at Waterford, N.Y., had made an assignment.

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The failure of the firm of Messrs. Augustine, Heard & Co., of Shanghai, has been announced by telegraph, with liabilities believed to be of considerable amount, chiefly due to native houses. Messrs. Whittall and Linstead have been appointed trustees to the estate, and rumours are current of the native creditors having destroyed the warehouses of the firm in Hongkong. The suspension of Messrs. Fearon & Co., which occurred some ten days since, was due to the non-receipt of remittances from this firm, who were their principals.

LIFE ASSURANCE AND THE POOR.

At the Worship-street Police-court, on Saturday, Mr. Joseph Frith, on behalf of the Newington district branch of the Charity Organization Society, applied to Mr. Bushby, under the following circumstances, on behalf of a poor woman, widow of man named Bignell, of Belgrave-place, Walworth-road. Bignell, it appeared from the statement of Mr. Frith, who produced a number of papers and letters to support his case, had in his lifetime been insured for £11 4s., to be paid to his widow on his death, with the United Kingdom Assurance Corporation, the head office of which is at 27A Finsbury-square, in the district of this court. Bignell paid 2d. per week premium to an agent who called, and the payments were entered week by week in a book kept for that purpose. Bignell appeared to have joined the Society during the first week in October, 1873, but the policy issued to him by the society bore date the 27th, the payments having up to that time been claimed as a kind of entrance fee. There was also a stipulation in the policy that if the assured should die before the expiration of 12 months from the time of entrance, only half the amount of the policy could be claimed. It appeared that it was the course of business of the United Kingdom Assurance Corporation not to require a medical examination of the assured, but to accept him upon his own statement of his health, &c. It so happened that domestic troubles worried Bignell shortly afterwards, that towards the close of the year he was found to have become uncontrollable, and was obliged to be handed over to the parish, which in December sent him to Caterham Asylum. He died there of general paralysis and exhaustion in the following April, the payments to the insurance office being kept up all the time by the wife. Bignell had thus died within a year of his insuring himself, and the wife only claimed the sum of £5 12s. This, however, the United Kingdom Assurance Corporation refused to pay, and the woman, who was in great distress, and had a family to support, had been from April, 1874, up to the present time kept out of her money. Mr. Barker, honorary secretary of the Charity Organization Society, Newington, had taken up the case to endeavour to get some arrangement from the Society, but the letters from the manager (which were produced to Mr. Bushby) said that after consideration the corporation could not recognise the claim. The letters hinted at several grounds which "might" be taken up for the refusal, but stated one, which was that the deceased had misled the office as to his state of health at the time the insurance was effected. The widow, anxious to obtain the money, which would be to her a little fortune in her present need, applied to the magistrate at Lambeth, but he referred her to this court. Her case was not a solitary one with the same office. A widow, named Reeves, who had represented her case to the Charity Organization Society, had applied to the Alderman at Guildhall, because she had been refused payment of a sum of £9 due on the death of her son, she having insured two of them at 2d. a week—1d. each. That case had been answered by the solicitors to the United Kingdom Assurance Corporation, but Mr. Alderman Finnis had expressed his surprise that there was an insurance company which took 2d. a week from the poor people, and thought that such a class of society was prohibited by Act of Parliament.—Mr. Frith said that up to this time Mrs. Reeve's claim had not been met, but the Society disputed the case under their rules. He wished to know if it was not possible to bring the manager or directors before the court upon a summons in each case.—Mr. Bushby thought it was a case for the county court, and after some further discussion the applicant withdrew, expressing a hope that the public would know how the office dealt with its clients.—*Standard.*

"GENEROUS" CREDITORS.

The *Liverpool Daily Courier* of the 20th inst. says:—An example of the present unsatisfactory working of the bankruptcy law occurred at the first meeting of the creditors of Mr. John Brearley Wood, described as of No. 38 Chestnut-grove, Tranmere, in the county of Chester, formerly carrying on business as an African merchant, under the style of "Wood and Barclay," but now out of business, held on Saturday last at the office of Mr. T. M. Downham, solicitor, Birkenhead. Mr. T. Theodore Rogers, accountant, Lord-street, Liverpool, and Mr. Thompson, of the firm of Messrs. Thompson and Simm, accountants, Birkenhead, represented several creditors, and there were also present at the meeting about a dozen Birkenhead tradesmen, representing almost every branch of business, who had claims against the debtor, in some cases for large amounts. Mr. Downham, the debtor's solicitor, who held the proofs and proxies of friendly creditors, amounting to about £4,000, including one by the debtor's wife for £250 for money said to be lent, voted himself to the chair and read the statement of affairs, which showed liabilities £4,923, against assets, cash in hand £5, and on behalf of his client made an offer of one penny in the pound. Mr. Rogers, on behalf of *bona-fide* creditors severely examined the debtor as to the statement submitted, and in reply to one of his inquiries, it was admitted that the asset named in the statement was a sum of money which a friend had given the debtor to deposit with his solicitor to cover court fees consequent upon his petition, hence there were really no assets. Mr. Rogers indignantly protested against the whole proceedings, characterised them as an attempt on the part of the debtor to be relieved of legitimate debts in a way never contemplated by the framers of the act, and although he knew it was futile, in the face of the proxies held by Mr. Downham, to prevent at that meeting the passing of the resolutions, he asked the creditors present to mark their disapproval of the debtor's conduct by refusing their consent to the resolutions, with which, as a body, they complied. It was stated at the meeting that the debtor's wife is possessed of a large amount of property which has been settled upon her, and under this circumstance the creditors were loud in expressing their opinion that it was a shame they should be compelled, by being outvoted by friendly creditors, to accept a penny in the pound in satisfaction of their just debts.

COSTS OF THE EUROPEAN ASSURANCE ARBITRATION.

Our contemporary, the *Post Magazine*, in its issue of the 17th instant, says:—"We ask the careful consideration of our readers to the Parliamentary Return of payments on account of the expenses of the *European* Arbitration between 21st August, 1872, and 11th February, 1875, a period of little under two years and a half. The amount is £49,215. Of this £21,327 represents the payments to the solicitors; £10,000 for the personal services of Messrs. Price and Young, the joint official liquidators; and £11,537 remuneration for their clerks. The outlay, moreover, represents but one side of the charges involved in the Arbitration. How much the costs paid by the unfortunate contributaries amount to cannot even be estimated. We think some member of parliament should call for a further return of the sums due, but not paid at the date of this return, and also for an account of the general expenses of the arbitration, for that above referred to includes only pay-

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ments to the arbitrators, assessors, liquidators, solicitors, secretary and clerks. The appointment of joint liquidator is evidently a valuable one; Mr. Price and Mr. Young receive for their services the handsome allowance of £2,000 per annum each, and as both of them act in a similar capacity under the *Albert* Arbitration, and are besides liquidators to quite a number of companies winding up in the Court of Chancery, the aggregate of their remuneration derived from the miserable failures of joint-stock institutions must be enormous. The question naturally arises whether the services of *two* of such highly paid officials are necessary, and on this point we would suggest inquiry by some of the parties interested. A saving of £2,000 a year is something satisfactory in the direction of economy. An inquiry might also be made with reference to the solicitors' payments—whether they are in satisfaction of bills of costs delivered and taxed, and if so, by whom, or whether they are on account only."

The City Editor of the *Times* writes as follows on the same subject:—"Allowing fully for the difficulties and for the length of time over which this liquidation has extended, we think these figures show, so far as the lawyers' and accountants' bills are concerned, that the winding up of estates is, under our present system, most ruinously costly. This bill is but small, however, compared with those of many other liquidations where estates are literally swallowed up. The whole subject should be looked into in the interests both of unfortunate bankrupts and equally unfortunate creditors. In the present case 116 judgments were given, and the arbitrator sat 49 times, so the cost was over £1,000 a sitting, and about £425 per judgment."

Down with Accountants.—A correspondent of the *Law Times*, who signs himself "K. K," expresses his opinion of accountants in the following terms:—"Too much liberty is given to debtors; they laugh at their creditors, file petitions for liquidation, get friendly accountants appointed receivers, and get their discharge for next to nothing in the pound. If creditors would attend meetings of creditors themselves, or instruct their solicitors to do so, instead of giving proxies to accountants, who do nothing but fight for trusteeships, things would be different. Creditors too readily give their proxies to gentlemen who have nothing to recommend themselves with beyond boundless impudence and audacity, and who are so conscientious that when they cannot get appointed themselves, they object to others being appointed, and eventually rob a small estate by three of these rapacious wolves being appointed. In small estates, whilst the solicitor's charges are reduced by three-fifths, the accountant gets his full charges for every thing he does. Some people are under the impression that nobody besides lawyers can charge for attendances; but they are mistaken, the accountant charges for going to swear affidavits, going to see his solicitor; if any one calls upon him at his office relating to the estate, he charges for the time it occupies in speaking to the creditor or other person; but all this is done, not by charging an orthodox 3s. 4d., 6s. 8d., or 13s. 4d., but so much per hour. Fancy an item: 'Time going to solicitor and before commissioner, being sworn to affidavit that I would accept the office of trustee, 1s. 8d.' "

In the House of Commons on Wednesday, the Bankruptcy (Scotland) Law Amendment Bill was read a third time and passed.

BANKERS' CLEARING HOUSE.

The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, April 21st:—

Thursday, April 15th	£18,510,000
Friday, April 16th	19,652,000
Saturday, April 17th	20,647,000
Monday, April 19th	20,820,000
Tuesday, April 20th	15,966,000
Wednesday, April 21st	15, 957,000
	£140,952,000

The report of the London and Provincial Law Assurance states that new assurances were effected during its past year's business for £208,620, yielding in premiums £8,812. The total funds amounted to £683,960, and were invested at an average rate of £4 18s. 2d. per cent. interest.

Public Loans.—A Parliamentary return has been issued giving an account of loans advanced by the Government for relief of trade or of individuals, the employment of labour, the promotion of public works, or for other local purposes, from 1792 to the end of the financial year 1873-74. The total reaches the large sum of £66,961,526—namely, £27,454,400 for English purposes, £3,669,589 for Scotch purposes, £32,727,198 for Irish purposes, and £3,110,339 for Colonial purposes. The greater part of this amount has been repaid, with interest; but no less than £9,406,030 has been remitted—namely, £249,021 of the advances for English purposes, £196,549 of those for Scotch purposes, £463,028 of those for Colonial purposes, and as much as £8,497,431 of the advances for Irish purposes. The whole result has not been profitable. The repayments of principal, with the interest paid, have amounted to £55,174,327, and the outstanding principal estimated to be recoverable is £12,741,323, the two sums amounting together to £67,915,650, being £954,124 more than the amount advanced. Spread over 80 years this is equal to little better than a merely nominal rate of interest, and, in fact, it is not much more than the interest actually received in the last two years on such of the loans as were still outstanding.

Administering Oaths in Bankruptcy.—The power conferred by the rules framed pursuant to the Bankruptcy Act 1869, whereby a trustee is authorised in certain cases to administer an oath and to take affidavits, is one which we have reason to fear has been greatly abused, so much so, that any amending Act which continues this power will perpetuate a radical evil. Too often a trustee is not only an unreliable person, but a friend, or supposed friend, of the debtor's, and it is hardly too much to say that such a person is frequently in an equally impecunious state with the debtor himself, the required certificate of character, &c., notwithstanding. That this power puts temptations in the way of the trustee as well as of the debtor (sometimes to the injury of the debtor, more frequently to the loss of the creditors) under such circumstances, can hardly be denied, and it becomes a serious question whether the power to administer an oath must not be confined to certain responsible persons commissioned for the purpose, and moreover, that no affidavit should be sworn to until the person administering the oath has read over, and if he consider it necessary, explained to the proposed deponent, the nature of the matter as to which he seeks to be sworn. This latter course seems necessary, because of a growing practice on the part of commissioners for oaths, to administer the oath without even inquiring the general purpose or object of the affidavit. The question has been often discussed as to whether such a commissioner ought to inform himself of the contents of an affidavit or declaration, and although the fees are such as do not warrant such additional work, still we cannot help thinking that the practice which usually obtains in such matters would admit of remodelling. The Judicature Act and Rules promise to accomplish certain alterations, to which others might be usefully added.—*Law Times.*

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NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Allen Brown—Capital £20,000, in £5 shares.
Bentham Fire-clay—Capital £10,000, in £10 shares.
Bury Paper-making and Cotton-Spinning and Manufacturing—Capital £60,000, in £10 shares.
Brunswick Mill—Capital £20,000, in £5 shares.
Catterall Paper-making and Cotton-Spinning—Capital £50,000, in £5 shares.
Chapel Town Paper—Capital £15,000, in £5 shares.
Church and Oswaldtwistle Working Men's Mutual Employment—Capital £50,000, in £1 shares.
Cocker Brothers—Capital £60,000, in £100 shares.
Culcheth Hall Wool and Leather—Capital £30,000, in £10 shares.
Devon and Cornwall Banking (Unlimited)—Capital £300,000, in £100 shares.
Edwin Round and Son—Capital £10,000, in £10 shares.
Fiji Soap and Candle—Capital £100,000, in £10 shares.
Galicia Iron Mines—Capital £4,000, in £10 shares.
Holmes's Marine Life Protection Association—Capital £10,010, in £100 and £100 and £1 shares.
J. C. Clark and Co.—Capital £5, in 1s. shares.
Lincoln and Lindsey Banking (Unlimited)—Capital £250,000, in £200 shares.
Manchester Temperance Land, Building, and Investment—Capital £100,000, in £5 shares.
Manx Silver-Lead Mining—Capital £50,000, in £1 shares.
Mississippi Valley Trading—Capital £100,000, in £1 shares.
New Cambrian Slate—Capital £50,000, in £5 shares.
New Cwm-Elan Lead Mining—Capital £6,000, in £5 shares.
North West London Teetotal Hall—Capital £1,000, in £5 shares.
Northampton Masonic Building — Capital £2,000, in £5 shares.
Padeswood Hall Colliery—Capital £30,000, in £2 shares.
Ralph Entwistle and Co.—Capital £20,000, in £50 shares.
Roach Mills Spinning and Manufacturing—Capital £60,000, in £5 shares.
Royton and Oldham Brick and Tile Manufacturing—Capital 2,000, in £5 shares.
Smallshaw Coal—Capital £10,000, in £50 shares.
Sutton Public Hall—Capital £4,000, in £5 shares.
Taurine—Capital £50,000, in £5 shares.
Vacuum Brake—Capital £150,000, in £5 shares.

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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

TO SUBSCRIBERS.

In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

MAY 1, 1875.

We have spoken so frequently as to the short-sightedness of the numerous class of individuals whose constant endeavour is to cut down to the very lowest point possible the remuneration of professional men, that we shall do little more than point out the fallacies of the circular to which our correspondents "Cynic" and "O" have alluded. As a matter of fact, nothing is more common than the desire to get every thing done as cheaply as possible, in total oblivion of the truth that a bad article is dear at any price. In buying an article, the purchaser knows, when he has paid his money, that the article remains, and is perhaps less disposed to grumble as he has got something. But in dealing with professional men, clients are often strangely forgetful of the skill and labour that have been employed in their service. To say that the physician is looked upon as a friend and benefactor in the time of trial, and a sinecurist who has earned his money very cheaply, when the danger is over, is a mere commonplace. Every solicitor will admit that numerous cases which have taxed the learning and patience of counsel to the utmost, have brought him into disgrace with clients when fees and costs have to be paid, and that much work is done in a risky manner to save this expense. And so it is with ourselves. Loss of money by fraudulent bankruptcies, and bad debts, is one of the incidents of trade, and a mere item in the profit and

loss account. The amount paid to those who have minimised this loss appears to many business men in the semblance of an odious and onerous tax.

Probably the general ignorance of the business members of the world of any thing beyond their own peculiar occupation, is at the bottom of the matter. It seems a simple thing to investigate accounts and to examine into a debtor's real estate, requiring the slightest possible technical knowledge, and to be accomplished by any man of business training and habits. As a fact, the system of amateur trustees has broken down in the light of extended experience, which shows that the expense is greater, while the results are proportionately less, and that it is difficult to get a creditor of any standing to undertake the duties of trustee at all. What is to be the remedy? A trustee must be appointed, and must be a man trained for the post. A paragraph from the *Law Times* exultingly proclaims that solicitors are now acting as trustees. Unless universal opinion is much mistaken, this substitution will not curtail expenses. A competent man must be paid for his labour, whichever his profession. Supposing the circular is acted on, what will be the result? The trusteeships will fall into the hands of men of no professional standing and no great ability. It is absurd to contend that under this system he public interests will not suffer.

In the mean time the Society of Accountants in England is taking action in the matter. Let them resolve to check all unauthorised intruders; and whilst having due regard to the welfare of the business world, let them also jealously guard the interests of their profession.

The decision of the judge of the Birkenhead County Court in Palethorpe's case has been affirmed, and may now, pending any further appeal to the Lords Justices, be considered as law. Though bearing rather hardly on the unlucky creditor, the point seems sufficiently clear, and but for the nature of the security would scarcely have been seriously disputed. The creditor places his own value on his security, which, judging from the age of the policy and its amount, seems scarcely too inadequate, and claims for the difference between that and the amount of his debt. If any dividend had been paid he would have reaped the benefit of it, and on this he must be supposed to have calculated; while a policy of assurance, though a useful collateral security, is hardly, except under peculiar circumstances, an eligible investment, however important it may be to a business man, who is willing to put up with an unremunerative mode of dealing with his money if he lives, on the faith that an early death may not leave his family entirely penniless. The simple nature of the point appears more plainly if we treat the security as being of another nature. Suppose the security given had been stock of a railway company. The value of this would be taken at the market price of the day; and if the trustee chose to take this and pay the price, as in this case, he would be justified in doing so. But if, after it had been taken over, a sudden rise took place, as we have seen lately in the stocks of one or two railways, the secured creditor would never think of claiming the "unearned" increment. The same reasoning really governs the present matter.

History is said to repeat itself, and sometimes history repeats fiction, as we may see if we compare the career of the Great National Fire Insurance Company and that of the Anglo-Bengalee. The capital of the latter institution has never been accurately stated; but they seem, for a time at least, to have honourably met their engagements, even though they were reduced to realise every thing except a grand piano. The Great National has been hardly so fortunate. With a capital of five millions, they were unable to meet a debt of little more than fifty pounds, and their consequent extinction was accordingly decreed by the Court of Chancery. There can be no doubt that an insurance company, provided it can hold its own without any serious losses by fire for a few years, is about as paying a speculation as can possibly be imagined; and every improvement in building arrangements, and every increased facility for water supply, must add materially to its value. But in order to realise this proud position, it is necessary that a short period should elapse, and, above all, that creditors should be paid or pacified; otherwise, as in the case of the Great National Company, the shareholders may be left to reflect sadly on the vanished visions of Eldorado, and the truth of the proverb that it is the first step which is all important.

The Lord Chancellor has ordered that the offices of the County Courts may be closed on the 17th day of May.

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THE INSTITUTE OF ACCOUNTANTS.

The Fourth Annual General Meeting of the Institute of Accountants was held at the Cannon-street Hotel, on Wednesday last. There were present, Messrs. John Ball, H. W. Blackburn (Bradford), S. Barrow, E. G. Bradley, J. O. Chadwick, F. H. Collison, J. W. Ford, J. Harris, C. F. Kemp, G. H. Ladbury, S. Lovelock, E. Moore, S. D. Nix, S. L. Price, S. Smith, and T. H. Wintle, Fellows of the Institute; and E. J. Gardiner and T. A. Welton (Secretary), Associates.

In the absence of the President (Mr. William Quilter), Mr. C. F. Kemp was elected to the chair.

The minutes of the previous meeting having been read and confirmed, the report of the Council was taken as read.

It stated that "The Council announce that since the date of their last report, fourteen new Members have been admitted, raising the total number of Members to 160; namely, 97 Fellows and 63 Associates.

"The Council having been informed that the committee appointed by the Lord Chancellor to consider the practical working of the Bankruptcy Act, 1869, and of the Rules made under its authority, would gladly receive any suggestions, the Council accordingly submitted various recommendations to the consideration of that committee."

The balance sheet was appended to the report; and it appears that since the formation of the Institute in November 1870, it has received in entrance fees, subscriptions, and dividends on investments a total sum of £6,764 18s. 11d., whilst the current expenses have amounted to only £1,800 5s. 9d., leaving a balance of £4,964 13s. 2d.

The Chairman said the report was a short one, but it must not be taken as conveying any idea of the many and various questions arising out of the affairs of the Institute, which had been discussed from time to time by the Council. Notably various suggestions had been made to the committee appointed by the Lord Chancellor to inquire into the working of the Bankruptcy Act 1869, and they hoped that this would lead to a more distinct recognition, on the part of the Court, of the Institute, and of the class generally of which they were members. (Hear.) The Council had always been desirous to do every thing possible to advance the object of the Institution, viz. the elevation of the status of the profession, but of course not much could be gained in that direction until they were recognised by the proper legal authorities. And one of the modes to attain that end was, to see that the personal conduct of every member was such as to command the respect of the Courts and the legal profession. (Hear.) Another question that had occupied a great deal of the time of the Council, but which it was not thought desirable to refer to in the report, was the position in which members of the profession were occasionally placed in discharging the important and responsible duties of auditors. He thought there was not one member of the Institute, with any experience, who had not at times found himself, when acting as auditor of Public Companies, placed in an extremely unpleasant position. (Hear.) He had on one side the interests of the shareholders to protect, and on the other that of the directors: he was liable to the charge of needlessly interfering, and on the other hand, if any thing went wrong, he would be called to account for not having interfered enough. He had read recently that one of the leading members of the Institute had felt it necessary to resign his post, because of an exception taken by the directors of a company whose accounts his firm audited, to the manner in which the firm had performed the duties of auditors. He hoped that every member of the Institute would do his best to uphold his professional brethren in such a case, and would decline to accept an appointment of public auditor if he found that his predecessor had been dismissed, or compelled to resign, because he had tried to discharge his duties honestly and fearlessly. (Applause.) The Council had considered this matter, and it was in their minds to promulgate a bye-law on the subject; but they felt that it was a large question to deal with, and that it would perhaps be better to defer all action for the present. They were, however, unanimous in feeling that if any member found himself in a difficulty in connection with his post of auditor, they would, upon the facts being placed before them, do every thing they could to uphold him in the just discharge of his duties. (Hear, hear.) He was afraid that, from the very constitution of their order, they would have to wait some little time before they could show much in the way of practical results. But the position of public accountant was now becoming more recognised, and he believed the period would arrive when they would have an acknowledged status; and this would be achieved by time, by consolidation amongst themselves, and by their securing and retaining public confidence. (Applause.)

The report, &c. was then formally adopted.

Mr. S. D. Nix asked for information as to what the Council proposed to do with the large sum which was accumulating in their hands. He inquired whether there was any likelihood of a building being erected for the use of members, and whether it would not be practicable to give lectures upon topics connected with the profession.

Mr. Lovelock asked whether the attention of the Council had been drawn to some remarks by one of the Registrars of the Bankruptcy Court; and if so, whether it was proposed to take any action upon the matter.

The Chairman said, in regard to the first question, he thought the time had hardly arrived when they could go into the project of building. As to lectures, the

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challenge had been sent forth, and they were waiting for some volunteer to come forward and deliver one. In regard to the question of "touting," he saw that the attention of the Registrars had been directed to the subject. If any member would come forward with a direct complaint, and statement of facts, the Council would be quite prepared to act; but they felt that there was considerable difficulty in laying down any general rules on the subject.

The following members of the Council being eligible for re-election, were then re-elected, viz., Messrs. G. A. Cape, Robert Fletcher, C. F. Kemp, and G. H. Ladbury.

It having been intimated to the meeting that Mr. Henry Chatteris, one of the auditors, desired to be relieved of the duties, his place was filled by the election of Mr. Samuel Barrow (Barrow and Gates), on the motion of Mr. S. D. Nix, seconded by the Secretary. Mr. Frederick Whinney was then re-elected one of the auditors.

The Council recommended the election of Mr. Robert Ferguson Miller (Monkhouse, Goddard, Miller and Co Newcastle on Tyne) as an Associate of the Institute, and the recommendation was adopted by the meeting.

The proceedings were concluded with a vote of thanks to the Chairman.

Scotch Bills.—In the House of Commons on Wednesday, the High Court of Justiciary (Scotland) Bill was read a second time, and the Sheriff's Court (Scotland) Bill was withdrawn. The second reading of the Licensing Courts Appeal (Scotland) Bill was then moved, but it was rejected by 176 to 99,

Proposed Winding-up of a Steam Ship Company.—The *Western Mail* announces that the Directors of the South Wales Atlantic Steam-ship Company, which has been running a line of steamers for nearly five years, have decided on winding-up the company. A meeting of the shareholders to sanction the resolution will be held in London next week. The same paper states that during the existence of the company the Marquis of Bute has not only foregone all dock dues on its vessels, but has supplied them gratuitously with coal to an extent represented by a sum equal to £30,000. His lordship also subscribed £5,000 in shares to the original company, and subsequently doubled his stock.

Scotch Bankruptcy Examinations.—At the Glasgow Bankruptcy Court on Monday, Thomas M'Guffie, of M'Guffie, Sutherland and Co., merchants, Glasgow and Rangoon, appeared before Sheriff Clark for examination as a bankrupt. The bankrupt deposed that the insolvency of his firm was caused by losses on foreign transactions. During the past four years the Rangoon firm had not been punctual in forwarding statements of the business affairs, and until quite lately he had no reason to suspect that the concern had not been successful. A statement of affairs prepared by his partner, who had absconded, showed liabilities to the extent of £24,076, while the assets were estimated at £11,400. The statutory oath was administered to the bankrupt, and a warrant granted for his partner's apprehension.—Wilson, M'Lay & Co. (Glasgow).—At the examination in bankruptcy of Messrs. Wilson, M'Lay and Co., iron and metal merchants, of Glasgow and London, the total liabilities were stated to be £172,000 and the assets £20,000.

Correspondence.

ACCOUNTANTS' CHARGES.

To the Editor of the Accountant.

Sir,—Your attention will doubtless have been called to two public meetings of wholesale houses which appear to have been called at the Guildhall Coffee House, on the 12th January last, and 9th instant, respectively, for the discussion of the above subject. I have made inquiries in various quarters, and do not know of a single professional accountant having been invited to attend upon the discussion of questions of such vital importance to every member of the profession, and it is, therefore, self-evident that the wholesale houses are seeking to legislate upon the point with an *ex-parte* knowledge, viz. the result in the shape of dividends, without taking the labour of realisation into account. Surely, this is not in accordance with the sound common sense for which the wholesale warehousemen are, as a rule, remarkable. What would they think of the retail traders meeting and passing a resolution determining the price and terms upon which they would purchase goods, ignoring the cost of production and the terms of credit to the wholesale trade; or of retail consumers at a public meeting pledging themselves not to take less than twelve months' credit, and only to pay such prices as suited their fancy? They would naturally brand such a step as preposterous; and yet they, by their present action, are practically seeking to effect a like object. I have to take objection also to the principle of drawing a hard and fast line. No two estates entail an equal proportion of trouble. One is wound-up without difficulty, the next is only got in by hard fighting. An estate realising £200 (or less) is often more troublesome than one of £20,000 (when you can find one; like the hare, such estates want catching first, and are not *over* numerous). In the proposed scale liabilities are entirely ignored; whereas every practical accountant can show that no scale of remuneration which ignores the liabilities, (other than one by time) can be equitable.

What inducement is held out to an accountant to upset fraudulent or excessive claims? What inducement is held out to an accountant to do his best? Look again at the scale. A scale of 10 per cent. on the first £200 realised, descending gradually to 5 per cent. over £1,000 and up to £1,500, and reaching 4 per cent. only on amounts over £3,000. Why, it is comparatively little more than an auctioneer's scale, and even lower than the average of 5 per cent. for rent collections. And for this an accountant is to investigate claims, settle them equitably, often with the *aid* (?) of unreliable books, or no books at all, and perhaps an obstructive debtor acting in collusion,—to realise the estate possibly with an infinite amount of trouble and expense,—and all this independent of conferences and interviews with inspectors, creditors, and others interested in the estate. The remuneration proposed might be barely fair under a *good* system of laws, (such as those which prevail in France or Germany) with good estates, capable of easy realisation; but, I assert that under our existing *rotten* laws, in many instances the proposed scale would not recoup the trustee his outlay for salaries and office expenses.

The most startling feature in the movement is the formation of the committee. Among the members appear some names which stand high in reputation for integrity and liberality; they must have acted without considera-

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tion. Surely they will agree that "sauce for the goose should be sauce for the gander." That they do not work for nothing, is evident by the colossal fortunes many of them are known to possess, and many of those fortunes have been acquired within the last 20 years.

A few accountants have made large fortunes, but a few only. Profit for profit, I defy the warehousemen to prove that our average leads to such results as their trading shows. True it is that we do not buy and sell goods; but we do have to acquire experience, and the wear and tear of our profession, (who, for the benefit of warehousemen, are often called upon to work against time and at high pressure), not infrequently undermines the health and sometimes even the minds of one of the hardest working set of men of the day. By all means let us meet as a body and discuss the question, not hostilely towards the "Warehousemen's Committee," but in order that we may among ourselves arrive at some principle of remuneration fair and equitable to all concerned.

On the terms proposed by the committee, I defy any accountant to honestly do his best for the creditors without a loss to himself. He may *by luck* make one estate pay a profit, but the average would, I am convinced, compel him to call his own creditors together.

Yours faithfully,

O.

To the Editor of the Accountant.

Sir—Your persistent efforts to rouse the attention of accountants to the fatal consequences of their division of counsel, to their want of cohesion, and their apparent incapacity of combination, could scarcely have had a more effective corroboration than that which is furnished by the circular which I, for one, cannot treat as anything else than insolent, recently issued by a sort of association of warehousemen and other wholesale tradesmen, who, as far as I can judge, are a great deal more solicitous to make it impossible for an honourable profession to earn a fair and sufficient remuneration for honest services rendered to them, than to use common circumspection in selection of customers to whom they may safely extend the necessary confidence, and credit of trade. Can it be possible that the circular is the outgrowth of a deliberate calculation of a definite per centage of loss upon estimated bad debts, that is, a calculated speculation in insolvency, of which an item in the account is the fee of the honest man who is called in to reduce this contemplated loss to the lowest possible figure? This seems to me remarkable in the position taken by these persons, what limit do these men impose upon the contemplated profits of their own trade? Let us consider a moment. Suppose the body of accountants should take it into its head that there is a violent taint of usury in the trade of these people and should summon a public meeting at Exeter Hall to consider the scale of prices of shirtings and stockings, supposed to constitute in their excessive prices a tax unjustifiable (at least ethically unjustifiable), upon, (together with the rest of the community), the said accountants; and suppose further that in their indignation at the hunger of these men for inordinate profits the accountants should draw up a scale of prices for shirtings, stockings, and hosiery, and should thereupon issue a circular to all the gentlemen engaged in these trades, calling upon them to agree in writing to serve the accountants, together with the rest of the world perhaps, with all these articles at the prices fixed by the accountants. What opinion would sensible men entertain of the economic folly of the accountants, and of their preposterous presumption? Suppose the accountants should fix the tariff of prices at such rates that the trade of the warehouseman could not be carried on under its conditions except at a serious loss, what would happen to the accountants? Certainly the ordinary world of sensible people would look upon them as something approaching to idiots, for, besides the palpable economic fallacy of an attempt, which the very Legislature itself would shrink from making, to prescribe to any occupation the limits of its profits, it is quite plain that the warehousemen must compensate themselves for this loss by cheapening the process of their wares, and the only real effect of such a ridiculous attempt by the accountants would be that they would get mildewed shirtings, shoddy woollens, and gauzey stockings. And what possibly can these gentlemen expect from their little commotion but the adhesion of a few outlying accountants whose opinions would not be worth the ink with which they were written. It is plain that these gentlemen derive their only strength (if they have any at all) from combination, and this consideration should be dwelt upon, and dwelt upon very earnestly, by accountants.

For the outsiders we have spoken of this can be a matter of no consequence at all, but to the bulk of the profession it is a matter of the very greatest consequence, that, by the isolation of its members, and the absence of any joint action, they are powerless even for the maintenance of a position so economically clear and just as that which is assailed by this stupid stipulation by a little coterie of warehousemen. A certain combination has been effected by the efforts of the Society of Accountants in England, and everything may be anticipated by the extension of the operations of that useful Society.

The Society of Accountants in England have called a meeting to consider this circular, and would earnestly press upon the members of the profession that they should, though it may be at some inconvenience to themselves, make a point of attending it.—Yours truly,

CYNIC.

"TOUTING IN LIQUIDATION PROCEEDINGS."

To the Editor of the Accountant.

Sir,—Enclosed I send you a paragraph extracted from the *Globe* of the 22nd instant, which bears the above heading. If I am correctly informed, the parties making the application to the learned registrar are the debtor's solicitors, upon whose application the receiver and manager was appointed. It is a somewhat startling theory, to seek to prevent creditors from combining for the protection of their interests. As it is, the law is far too much in favour of the debtor; and, had the registrar entertained the application, the difficulties in the way of enforcing reasonable arrangements would have been materially increased. "Touting" is undoubtedly objectionable; but how is it under the present state of the law to be avoided? It may have been abused, but in the majority of instances it has (I say it emphatically) done something to reduce the power of the liquidating debtor to have it *all* his own way. A remedy for touting could be found; namely, by making it etiquette for all respectable lawyers and accountants not to interfere with the professional men who are first called in, and by so altering the law as to make it practically and *not theoretically* penal for a debtor to make false statements, and render-

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ing it impossible to effect an arrangement outside of bankruptcy, unless the deficiency is substantiated by a professional accountant, and holding the latter personally responsible for the truth of his report. Our *status* must, however, first be legally recognised in order that we may be protected from "outsiders."

Yours truly,
A PUBLIC ACCOUNTANT.

London, *April* 23, 1875.

[The matter referred to is an application in the case of im Thurn and Co., reported in the last issue of *The Accountant.*—ED.]

To the Editor of the Accountant.

SIR,--As one of the objects which public accountants have in view in auditing and investigating the books and accounts of public companies, charitable societies, and mercantile firms is the detection of financial frauds perpetrated by clerks and other servants and officials, I think it would greatly add to the value of the *Accountant*, as an organ of the profession, if it could be made to comprise a record of all cases of fraud of this nature brought before the criminal courts, giving as far as possible an explanation of the modes in which the frauds were effected, and of the manner in which such frauds were attempted to be concealed from the observation of those interested in their early discovery. A history of the frauds perpetrated by Robson, Redpath, Pullinger, Higgs, &c., would not be without interest to the younger members of the profession.

I am, dear Sir, yours truly,
S. D. N.

[We shall be glad to comply with the wish expressed by our correspondent so far as considerations of space will allow, and trust that subscribers will assist by giving information in regard to any cases of the kind which may come under their notice.—ED.]

Our attention has been drawn to certain strictures in regard to an extract from an Insurance paper published in our last issue. The matter referred to was simply given as a quotation, without any endorsement on our part of the views therein expressed; and we conceive it to be the duty of a representative organ to make known to its subscribers any fair and competent criticism, unfavourable as well as favourable, upon subjects with which it is specially connected. If commendation and praise alone were to be admitted, and accountants were to shut eyes and ears against all comment from an adverse point of view, in what a fool's paradise would the profession soon find itself!

WINDING UP.—The West of England Stud Company (Limited) has been ordered to be wound up under the supervision of the Court of Chancery, and Mr. Henry Brown has been appointed liquidator.—A petition for winding-up the Petersburg and Viborg Gas Company (Limited) has been presented to the Court of Chancery.—An order has been made for the winding up of the Snowdon Slate Quarries Company (Limited), to be continued under the supervision of the Court.

COURT OF QUEEN'S BENCH, WESTMINSTER.

April 23.

(*Sittings in Banco, before the* LORD CHIEF JUSTICE, *Mr. Justice* LUSH, *Mr. Justice* QUAIN, *and Mr. Justice* FIELD.)

LOVELL V. THE ACCIDENT ASSURANCE COMPANY.—This was an action by the representatives of a farmer in Lincolnshire, who was killed while walking on the line of the North-Western Railway. The policy of assurance contained an exception of accidents occurring under circumstances of obvious danger, and the question was whether the circumstances were such as to come within the exception. The unfortunate deceased was walking along the line of the railway at night, which, it appeared, was usual in that district, as it saved time, when he was knocked down by a train or something projecting from it and thrown on the line, where his feet were cut off and he was killed. The case for the plaintiff was that from the evidence as to the precise circumstances it was to be inferred that the man was walking out of danger and had been knocked down by something projecting improperly from the train, and that, therefore, it was a not a case of "obvious danger." The company contended that it was, and relied on the exception. The Lord Chief Justice summed up in favour of the company's view; but the jury found for the plaintiff, being, they said, of opinion that the man was not walking under circumstances of "obvious danger." The Lord Chief Justice, however, stayed execution, and the Court had granted a rule *nisi* for a new trial, which was now argued. Mr. Metcalfe, Q.C., and Mr. Lloyd were for the plaintiff; Mr. Philbrick, Q.C., was for the company. After hearing the counsel for the plaintiff, without calling on the counsel for the company, the Court set aside the verdict, and sent the case to a new trial.

COURT OF CHANCERY.

April 22.

(*Before the* LORDS JUSTICES.)

WHITAKER V. RHODES.—Mr. Winslow, Q.C., and Mr. Ambrose, Q.C. (instructed by Mr. Jubb, Halifax), appeared for Mr. Frederick Whitaker, wool merchant, Halifax, the appellant, and Mr. Finlay Knight (instructed by Messrs. Holroyde and Smith, Halifax) for Mr. C. T. Rhodes, Accountant, Halifax, trustee appointed under John Shackleton's bankruptcy, the respondent. This was an appeal by Mr. Whitaker against the decision of the Chief Judge in Bankruptcy, on the 15th day of February last, discharging an order of Mr. Sergeant Tindal Atkinson, the late judge of the Halifax County Court, ordering the trustee under the bankruptcy to deliver up to Mr. Whitaker three sheets of wool and three bales of wool, sold by him to the bankrupt on December 5th, 1874, after the presentation of the petition on December 2nd, upon which he was adjudged bankrupt, and delivered on the 12th December, two days prior to the adjudication (December 14th). The County Court Judge decided that the adjudication related back to the act of bankruptcy, and that it was a fraud on Mr. Whitaker for the bankrupt to buy the wool knowing the position he was in, and therefore there was no binding contract. The Chief Judge, in reversing the decision, stated that although it was a hard case, yet the order must be discharged, as fraud in such a case must be proved and not assumed, and there was nothing to show that the bankrupt did not intend to pay for the wool. After hearing the counsel for the appellant, and without calling upon the respondent's counsel, the Lords Justices upheld the Chief Judge's decision, and dismissed the appeal with costs.

COUNTY COURTS BILL.—In the House of Lords on Monday this bill was, on the motion of the Lord Chancellor, read the third time.

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VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

April 23.

Before Vice-Chancellor Sir R. MALINS.

IN RE GREAT NATIONAL FIRE INSURANCE COMPANY.—This was a petition by a firm of stationers and printers in St. Mary-axe, to wind up the Great National Fire Insurance Company, on the ground that they could not obtain payment of a sum of £57 14s. 6d., which was due to them for printing work done for the company. It appeared that the company was formed in October last, with a capital of £5,000,000 in preferred and deferred shares, and having, as the prospectus stated, for its president and vice-presidents, two noblemen, a colonial bishop, a foreign count, two honourables, and a baronet, and for the chairman of its London and provincial directors a foreign prince. The prospectus also stated that until 200,000 of the preferred share capital had been subscribed, no insurances would be effected; that £175,000 of this amount had already been applied for, and that the company had some special and important features, and had originated an entirely new plan of insurance. The petition stated that some small number of shares had been issued, but that many of the persons whose names had been affixed to the prospectus as vice-presidents and directors of the company had never agreed to accept office, and had taken steps to have their names removed; that the petitioners, on inquiring at the head office of the company in Queen Victoria-street, were informed that the secretary and auditors of the company had resigned, and that the managing director, who had given the order for the printing, had absconded. It was also stated that the company had about £20 at their bankers, that there were about 34 shareholders, and that the petitioners had unsuccessfully applied to some of the directors for payment. Mr. Higgins, Q.C., and Mr. Bund appeared for the petitioners; the company did not appear. The Vice-Chancellor made the order, but with some reluctance, as it would necessitate the formation of a list of contributories, and all to provide for so small a debt as £57.

IN RE STAR OF NEVADA SILVER MINING COMPANY.—This was a petition by Messrs. Cowdy and Moody, the former being a director and the holder of 230, and the latter being the holder of 135, fully paid-up shares in the company, to have the company wound-up upon the ground that it had ceased to carry on its business for more than a year—*i. e.* since March, 1873. It appeared that the company was registered in July, 1871, with a nominal capital of £50,000, in 25,000 shares of £2 each, in order to purchase a silver mine at Austen, in Nevada, called "The Star of Nevada Tunnel," which the prospectus represented as (if properly worked) likely in 12 months to return the shareholders not less than £25,000 per annum, and in two years double or treble that amount. Mr. E. C. Willis appeared for the petitioners; Mr. Solomon, for certain shareholders, supported the petition. The company did not appear; and the Vice-Chancellor made an order for a compulsory winding-up.

April 24.

IN RE THE BANGOR AND PORT MADOC SLATE AND SLATE SLAB COMPANY.—This company, in April, 1870, passed a resolution for a voluntary winding-up, which was afterwards continued under the supervision of the Court, in pursuance of an order obtained in the month of July following. After paying all the debts of the company, the liquidators had in their hands a sum of £4,678 surplus assets, and the question arose whether this sum ought to be distributed among the preference shareholders, to the exclusion of the ordinary shareholders, or whether the latter were entitled to participate with the former in the distribution of the fund. The company was formed in February, 1857, with a capital of £105,000, and by one of its articles of association it was provided that the company, in general meeting, might increase its capital to such amount and upon such terms, and either with or without special privileges or preferences to the holders of the shares in such increased capital, as it might from time to time deem expedient, and the capital should be increased accordingly. Such increased capital was to be raised by the issue of new shares of such amount as the company in general meeting might determine, and should be subject to the several provisions contained in the articles in the same manner as if it had been part of the original capital. At an extraordinary general meeting, held on the 21st April, 1863, a resolution was passed that further capital of £5,250 should be raised by the issue of a like number of preference shares of £1 each, entitled to a preferential interest of 10 per cent. per annum, which were to be repaid with a bonus of 25 per cent. in manner therein specified, and such payment of interest, repayment, and bonus was to be made before any interest or other money was payable to the original shareholders of the company, and at such times as must be determined by the resolution of a general meeting called for that purpose, but at which only the holders of original shares were to have votes. The preference capital was raised in accordance with these resolutions, and the question mentioned above now came on for argument upon an adjourned summons taken out in the winding-up. Mr. Higgins, Q.C., and Mr. Key, on behalf of the preference shareholders, claimed the whole surplus. Mr. Glasse, Q.C., and Mr. Loughborough, for the ordinary shareholders, while admitting that the preference shareholders were entitled to a preferential dividend, contended that under the articles of association the new capital was to be subject to the same provisions as if it had been part of the original capital, and that, therefore, as regarded the right to the receipt of capital sums, all the shareholders were on a footing of equality. Mr. J. Pearson, Q.C., appeared for certain trustees; Mr. Reginald Hughes for the liquidators. The Vice-Chancellor said that there could be no doubt that the articles of association gave power to the company to raise the new capital upon such terms as they might think fit, and the only question was whether, by the terms of the resolution, the holders of the new capital were intended to have priority in respect of capital. He was clearly of opinion that, under the resolution which had been passed, the preference shareholders who held the new capital were entitled to have the surplus in winding-up divided between them, in priority to the original shareholders in the company.

April 27.

(*Before Vice-Chancellor Sir* R. MALINS.)

M'KEWAN V. SANDERSON. This was a suit instituted by the public officer of the London and County Bank to enforce against the defendant, George Sanderson, a certain guarantee given by him to the bank under the following circumstances:—In May, 1864, James Sanderson, the defendant's brother, a licensed victualler and bill discounter, opened an account with the bank at their Holborn Branch, and in the usual course of business the bank discounted for him and placed to his credit the proceeds of discount of various bills of exchange of which some were accepted and others drawn and endorsed by him. In the month of August, 1870. James Sanderson owed the bank on such account the sum of £6,800, against which they held acceptances which they had discounted for him. Being then in pecuniary difficulties, he, in July, 1870, filed a petition for liquidation, and on the 27th of August a first meeting of his creditors was held, at which it was resolved that a composition should be accepted of 2s. in the pound. The bank having threatened to oppose this resolution at a second meeting, George Sanderson gave the bank a written guarantee, dated September 7th, 1870, undertaking that the ultimate loss to the bank upon James Sanderson's acceptances which they held, amounting to £6,896, should not amount to more than £2,000, and that he (George Sanderson) would pay to the bank such sum as should be due to them in respect of the acceptances beyond £2,000. The bank thereupon withdrew their opposition to the resolution, and at the second meeting of the creditors held on September 7th following, the resolution

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was confirmed. The bank eventually realised the bills in their possession, and reduced the debt to £4,867, and claimed that sum, less the £2,000, as the amount due to them from George Sanderson on his guarantee. He, however, refused to to pay the sum, alleging that the guarantee constituted a fraudulent preference in favour of the bank over James Sanderson's other creditors, and was, therefore, void. The object of the bill was, therefore, to compel George Sanderson to make good the loss on the bills, less £2,000. Mr. Waller, Q.C., and Mr. Chubb appeared for the bank; Mr. Glasse, Q.C., and Mr. Cottrell for the defendant, George Sanderson, were not called upon. The Vice-Chancellor said the right of every creditor in bankruptcy holding securities was to come in and prove for the deficiency remaining in respect of his debt, after he had realized his securities. If, therefore, the arrangement in question with George Sanderson had not been made, the bank would clearly have had the right of standing as creditors for the £4,867, less the £2,000 which they had agreed to take as a loss—that is, £2,867. Now, in considering the question, he must confess he did not admire the conduct of George Sanderson in taking advantage of the technical point as to fraudulent preference, in order to get out of his guarantee. It was, however, perfectly well settled, both in law and in equity, that in case of a bankruptcy, insolvency, or composition with creditors, it was the duty of all the creditors taking part in the proceedings to stand share and share alike on an equality with each other in carrying out a division of the assets of the debtor; and that if one creditor, unknown to the others, entered into any arrangement with the debtor by which that creditor obtained any advantage whatever over the other creditors, that constituted a fraudulent preference, and the Court would order the creditor so obtaining the advantage to repay any moneys thereby obtained by him. He hoped this case would prove a lesson to bankers that, in the case of the bankruptcy of a customer, it was their duty not to attempt to secure any private advantage for themselves, but to take their stand with the other creditors. All the Courts, as appeared from the authorities, were agreed that if one creditor entered into any arrangement whatever with the debtor with the view of obtaining an advantage over the other creditors, and that arrangement was not communicated to them, whether that arrangement might be merely to stay away from a meeting of the creditors, or whatever it might be, that arrangement amounted to a corrupt bargain, and the Court would compel the creditor to restore what he had obtained. Now, the result of the present transaction was that while the other creditors would have only 2s. in the pound, the bank would get between 11s. and 12s. in the pound. The bank were, in fact, bought off, and they did not attend the second meeting, at which they ought to have attended and co-operated with the other creditors in promoting an equality for all. It was clear they would have attended the meeting had they not received money as an inducement to stay away. This guarantee was opposed to all principles of public policy, and could not be sustained. He was sorry the bank had committed so great an error, but they they would no doubt know better in future. Under the circumstances, therefore, the bill must be dismissed.

The Newcastle Chymical Works Company (Limited) held two meetings the other day to consider the state of affairs, and to arrange about the payment of dividend. Owing to the enormous rise in the value of coals, the company had made no profit last year; but, under the deed by which the business had been sold to the company, Mr. Christian Allhusen, whose business it had been before, guaranteed 10 per cent. dividend on the paid-up capital. At the extraordinary general meeting, therefore, a resolution was passed sanctioning that form of payment, on the understanding that, should the company again prosper, Mr. Allhusen would be recouped his £42,000 without interest, but that if it did not, then he would have no claim for anything. This resolution has to be sanctioned next month, and then the dividend will be paid.

COURT OF BANKRUPTCY.

April 24.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE C. E. ALFORTH.—This was another heavy failure. The debtor, Charles Edward Alforth, described as a timber merchant, of 17 Gracechurch-street, has filed a petition for liquidation. His debts are stated at £100,000, with assets, consisting of stock-in-trade, book debts, mortgages on property at Riga, railway bonds and shares, furniture, and a balance at bankers, amounting to about £50,000 in the aggregate. The case was now mentioned to the Court by Mr. Munns, and upon his application, his Honour appointed Mr. R. Fletcher, accountant, Moorgate-street, receiver and manager of the estate.

April 26.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE KING, RE PALETHORPE.—This was an appeal from the Liverpool County Court, and involved a nice question as to the effect of proof by a secured creditor. Mr. De Gex, Q.C., and Mr. Potter were counsel for the appellant; Mr. Jackson, Q.C., and Mr. W. R. Kennedy for the respondent. In October, 1868, the debtor being indebted to Mr. King in the sum of £631, assigned to him a policy of assurance effected upon the debtor's life in the Economic Life Assurance Society, dated June, 1868, for £1,200 as security for the amount due and the premiums for keeping up the policy. Notice of the assignment was given to the assurance society. In 1874, the debtor filed a petition for liquidation, under which a trustee was appointed and a resolution registered to liquidate by arrangement, and the debtor's discharge granted, but no resolution was passed for the close of the liquidation. In October, 1874, a proof was presented by King for £1,209, stating that he held as security the policy in question, which he valued at £200, and the trustee being satisfied with the estimate of the value admitted the proof. On the 5th of November, 1874, the debtor died, and King had since received the amount of the policy. The trustee under the liquidation claimed to be entitled to the sum received by King over and above the estimated value of his security, and King, on the other hand, claimed to be entitled to retain the money for his own benefit. It was admitted on both sides that the proceeds of the policy were insufficient to satisfy the whole amount due to King, he having paid the premiums upon the policy, except one, which became due in 1869. The County Court Judge decided that the trustee under the liquidation was entitled to the surplus of the money after deducting the £200, being King's estimate of the value of the policy. King appealed. The Chief Judge said it was the first time this question—a difficult one—had arisen for decision. No doubt this was a hard case upon the appellant, but that could not affect the point, which must be decided according to the terms of the statute and the rules. His Lordship referred to the various sections of the Act, and to the rules bearing upon the subject, and said that the creditor had the option of proving his debt and of estimating the value of his security. If he did so and the security realised more than the estimate, the surplus must be administered for the benefit of the creditors generally. The order of the learned Judge was, therefore, right, and the appeal must be dismissed.

April 27.

(*Before the Hon.* W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE WILLIAM M'ARTHUR.—The debtor is an iron merchant carrying on business at 122 Cannon-street, City, the Anchor-wharf, East Greenwich, and Clyde-wharf, Millwall. He formerly traded as an iron founder, under the style of the

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Caledonian Iron Foundry Company, at Somerset-buildings, Upper Thames-street. The liabilities, under a liquidation petition, are returned at £268,881, but this amount includes liabilities on bills receivable, many, if not all, of which will be paid by third persons; of the value of the assets no estimate can yet be formed. Upon the application of the debtor, and with the concurrence of creditors for £70,560, the Court appointed Mr. John Weise (of the firm of Messrs. Turquand, Youngs, and Co.) receiver of the property, and granted an interim injunction to restrain actions.

April 28.

(*Before Mr. Registrar* MURRAY, *sitting as Chief Judge.*)

IN RE F. F. WYMAN.—The debtor, Frederick Frank Wyman, publisher, stationer, general agent, and merchant, of St. Bride's-chambers, Ludgate-circus, and Calcutta, has filed a petition for liquidation, with liabilities estimated at £23,433, and assets, consisting of cash in hand, book debts, and other property, £30,000, the greater portion being in India. The matter was mentioned to the Court this morning by Mr. F. Knight, on behalf of a creditor for £6,000, upon an application for the appointment of Mr. F. H. Collison, accountant, as receiver. His Honour asked whether notice of the application had been given to the debtor, and receiving a reply in the negative, said it would be contrary to the practice of the Court to appoint a receiver without such notice. Subject, however, to the debtor's consent being obtained, the order would be granted.

April 29.

((*Before the Hon.* W. C. SPRING-RICE.)

IN RE ISIDORE LEVEAUX.—The bankrupt in this case is described as of 2 Carlton-road, Maida-vale, wine merchant. This was the first meeting of creditors.—Upon the application of Messrs. Hughes and Son the Court had recently appointed Mr. T. H. Wintle, public accountant (Johnstone, Cooper, Wintle, and Co.), receiver to the estate.—A trustee was now chosen to act with a committee of inspection.

(*Before Mr. Registrar* ROCHE.)

IN RE GODFREY BAUM.—This was a first sitting. The bankrupt was a banker and money changer, of 46 Regent-street, and 65 Talbot-road, Bayswater. He had filed a petition for liquidation, but the proceedings fell to the ground and adjudication followed. His debts are now returned at £9,807, and assets £670. Several proofs were now admitted, and a resolution passed appointing a trustee and committee of inspection, Mr. A. H. Miller being the solicitor to the proceedings.

UNITED STATES FINANCES.—The Treasury Department of the United States Government is preparing, as a contribution to the Centennial Exhibition, a volume exhibiting the financial transactions of the Government in the past 100 years. The work, it is said, will show the causes which led to borrowing money at various times, and a sketch will be given of debates in Congress upon such subjects. The design is to present a complete financial history of the Government during the first century of independence.

SMART.—At the Preston County Court, some extraordinary revelations were made in the matter of the bankruptcy of Thomas George Hooton, ironmonger, lately carrying on business in Church-street, Preston. It was alleged at the meeting of creditors held last month, that the shop had been broken into, and a cash-box containing about £800 stolen therefrom. —*Berrow's Worcester Journal.*

PARLIAMENTARY INTELLIGENCE.

HOUSE OF LORDS, APRIL 23.

SUPREME COURT OF JUDICATURE ACT (1873) AMENDMENT.—On the motion for going into Committee on this Bill, after an explanation from Lord Granville in reference to some observations made by the Lord Chancellor on the occasion when the Bill was last under consideration, Lord Selborne declared that he should say "Non-content" to the Second Clause of the Bill, which suspended the operation of the Clauses of the Judicature Act of 1873 constituting a Supreme Court of Appeal, and at another opportunity he would enter fully into his reasons for regretting the proposed change with regard to the Appellate Jurisdiction. On Clause 4, Lord Coleridge objected to the proposal to remove from the Judicial Committee of the Privy Council, which, as the Lord Chancellor had stated, performed its work satisfactorily, any of the paid members for the purpose of placing them on the Intermediate Court of Appeal. The Lord Chancellor anticipated that the Judicial Committee of the Privy Council would, under the arrangements proposed, perform its work as satisfactorily as before. The Intermediate Court of Appeal was strongly composed, and was similar in its constitution to the Supreme Court of Appeal of the Bill of 1873, though curtailed in the number of its members, for it was not intended to prejudge the decision of Parliament next year on the question of the Final Court of Appeal. Lord Selborne said, as the Clause was now stated to be only provisional, he should not take upon himself the responsibility of objecting to it. The Clause was agreed to, and with respect to Clause 26, relating to the salaries and officers of the Courts of Lancaster and Durham, the Lord Chancellor, on an appeal from Lord Winmarleigh, said he would reconsider whether the change there proposed should be made. The Bill then passed through Committee.

HOUSE OF COMMONS, APRIL 26.

NATIONAL DEBT.—In Committee of the whole House, the Chancellor of the Exchequer moved that it was expedient to amend the Acts relating to the National Debt by making provision for the further reduction of the Debt. The Bill he proposed to introduce was mainly for the purpose which he described in his financial statement—namely, to appropriate a fixed sum yearly towards the reduction of the Debt. There would, however, be another provision which he had not yet mentioned. It was in conformity with a recommendation of the Public Accounts Committee, which sat some years ago, and had reference to the existing Sinking Fund. The payments in connexion with this fund were at present made quarterly, and were of a very irregular character, and what he proposed was that the ascertained surplus upon any one year should be paid over in one sum in the course of the year following. The resolution was agreed to.

THE COURTS OF LAW IN SCOTLAND.—Dr. Playfair asked the Lord Advocate whether the Government intended to bring in a Bill, indicated by the answer his Lordship gave on the 16th of July last, to give effect to many of the recommendations of the Royal Commission, including an increase in the salaries of the Judges of the Supreme Courts. The Lord Advocate.—I do not think my right hon. friend quite accurately describes the answer which I gave to him on the 16th July last. On referring to the usual source of information, I see I stated that "it is intended to give effect to many of the recommendations of the Royal Commission next Session, and the matter of the increase of the salaries of the Judges of the Supreme Courts will be submitted for consideration." I did not then indicate, as I had no authority to do so, that the Government would during this Session bring in a Bill providing for an increase in the salaries of the Judges of the Supreme Courts in Scotland. At the same time, it is proper I should say that I have submitted for the consideration of the Government many of the recommendations of the Royal Commission, including

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those relating to the increase of the salaries of the Judges of the Supreme Courts; but I have not yet received authority to propose to Parliament any legislation, except upon the matters dealt with in the two Bills relating to the Sheriff and other inferior Courts in Scotland which were read a first time on Friday last.

HOUSE OF LORDS, APRIL 29.

SUPREME COURT OF JUDICATURE ACT (1873) AMENDMENT (No. 2) BILL.—Lord Selborne, on the report of the Amendments to the Judicature Bill, reviewed the provisions with regard to Appeals of the Act of 1873, which the present Bill suspended, and said that the more he considered the matter the more he was convinced that the Court of Appeal constituted by the Act of 1873 would have been a strong Court, and was preferable to the one proposed to be formed by the present Bill. It was a point of great importance, he observed, to give strength to the Court which dealt with the first Appeals, which formed the great mass of Appeals, and it was by the Courts below that the law was built up. At the same time, the Act of 1873 provided for the re-hearing of causes with the leave of the Court; and there could be no doubt that in all proper cases such leave would have been granted. The Act of 1873 would have tended to discourage frivolous Appeals; but he had great misgivings as to the sufficient power of the Court of Appeal proposed to be established by the present Bill to do the work which it would have to perform. He would not say much as to what was eventually to be the Final Court of Appeal, as the Lord Chancellor had described the proposal made on that point as only provisional, but he saw no reason why the Act of 1873 should not have had a fair trial. Whatever the future Final Court of Appeal might be, it certainly would not be the House of Lords, but a Court constituted by Act of Parliament. He had thought it best to refer to this subject because he considered it one of great importance, and because he thought that the attention of the country should be directed to it. Lord Penzance contended that the machinery of the Act of 1873 did not establish an efficient second Appeal; but Lord Hatherley remarked that the Act of 1873 proposed that there should be a re-hearing in the event of the Court being of opinion that there ought to be a re-hearing; while Lord Redesdale protested against the assumption that an improvement could not be made in the House of Lords for the purpose of hearing Appeals. The Lord Chancellor said that as the Government desired to reserve till next Session the question what should be the Final Court of Appeal, he would not enter on that point upon the present occasion. With regard to the Court proposed to be constituted by the present Bill, he considered that it would be sufficiently strong for the important duties it would have to perform. The Report of the Amendments was then agreed to.

LIVERPOOL COUNTY COURT.

APRIL 24.

(*Before Mr.* PERRONET THOMPSON.)

IN RE WINSTANLEY AND FORMBY.—This was a motion of a complicated character. Messrs. Winstanley and Formby, ironfounders and shipsmiths, became bankrupts in 1871, and passed their public examination, but obtained no orders of discharge, nor was their bankruptcy closed. Shortly afterwards Formby recommenced business as a ship's ironfounder, and was subsequently joined in the business by two other persons, and they continued as partners up to the end of 1873, when there was a dissolution, the last two partners retiring, leaving Formby with the stock and business conditionally on his discharging the partnership debts. Formby carried on the business up to February last, when he failed, and presented a petition for liquidation, his assets being about £300, and consisting in part of property which belonged to the partnership. Mr. Bolland was appointed receiver, but on taking possession he found the property was claimed by Mr. Vine, the trustee under the former bankruptcy of Winstanley and Formby. The right of the latter also was subsequently disputed by the two partners who had retired, on the ground that the property was primarily liable to the discharge of the partnership debts, and in order to enforce their rights they obtained an injunction in Chancery to restrain Mr. Vine from dealing with the property. The present motion on behalf of Mr. Vine was to restrain the Chancery proceedings, and for a declaration of the court that the property in dispute vested in him as the trustee under the old bankruptcy. Mr. Walton, instructed by Mr. Etty, appeared for Mr. Vine, Mr. Kennedy, instructed by Messrs. Harvey and Co., for the late partners of Formby, and Mr. T. Lupton for Mr. Bolland. His Honour, after hearing the opening statement of Mr. Walton, expressed his opinion that there was no case made out for his interference with the proceedings of the Court of Chancery, and therefore the motion must be dismissed.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

Mr. J. G. B. Mawson, Public Accountant, of 8 Duncan-street, Birkenhead, has been appointed Receiver and Manager in the estate of Ann Roberts, Price-street, Birkenhead.

The Master of the Rolls has appointed Mr. Alfred A. Broad, (Broads, Paterson, and May), official liquidator of the Metropolitan Counties Co-operative Coal Company (Limited)

Vice-Chancellor, Sir Richard Malins, has made an order appointing Mr. Frederick Whinney (Harding, Whinney and Co., of 8 Old Jewry) the provisional official liquidator of the Cornish Consolidated Iron Mines Corporation (Limited).

Mr. Frederick William Sperring, of 26 Philpot-lane, Fenchurch-street, Public Accountant, has been appointed Liquidator of the Suburban and Metropolitan Co-operative Society, Limited.

Mr. Frederick William Sperring has been appointed Trustee of the Estate in Bankruptcy of Thomas Wright Fenwick, of Stamford, chemist and druggist.

Mr. Frederick William Sperring has been appointed Receiver in Liquidation of the Estate of Lewis Barrett West, St. Mary Grove Park, Chiswick.

The Master of the Rolls has made an order appointing Mr. James Waddell the provisional official liquidator of the Universal Disinfector Company (Limited).

CREDITORS' MEETINGS.

A. WHITE (MINCING LANE).—At a meeting of the creditors of Mr. Alfred White, lately partner in the firm of Henry White and Co., of 17 Mincing-lane held on Friday, the statement of affairs showed liabilities £10,900, and assets £4,097,

HANSON PICKLES AND CO., (HALIFAX).—A meeting of the creditors of Messrs. Hanson Pickles and Co., Spinners and Manufacturers, Halifax, was held at the County Court on Monday, the Registrar of the Court presiding. The bankrupts presented a statement of affairs (which had been prepared by Mr. J. J. Learoyd) which showed the liabilities to unsecured creditors to be £4,452 6s. 9d.; to creditors partly secured £29, 6s. 4d.; and to creditors for rent, rates, &c., £21, total £4,502 13s. 1d. The assets, consisting of stock and machinery at Westgrove Mill and Bailey Hall Works, Halifax, valued at £1,683 11s. 8d.; book debts estimated to produce £550; cash

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in hand £2 16s. 7d., and surplus from secured creditors £11 9s. 5d., total £2,247, 17s. 8d. Mr. C. T. Rhodes and Mr. Learoyd, Accountants, Halifax, were appointed joint trustees, with a Committee of inspection. Mr. Godfrey Rhodes, of Halifax, is the solicitor acting in the bankruptcy. The circumstances attending this bankruptcy are somewhat peculiar. The firm consists of six partners, viz., William Pickles, Thomas Hanson, John Jagger, James Helliwell, Levi Bottomley, and Samuel Woodhead. The partnership was dissolved in February—William Pickles continuing the Spinning department and Messrs. Hanson, Jagger, Helliwell, and Bottomley the Weaving, whilst Woodhead retired altogether. In March William Pickles filed a separate petition for liquidation of the partnership debts. In a few days this was followed by a second petition by Hanson, Jagger, Helliwell, and Bottomley, through two solicitors, and eventually, seeing that he was saddled with all the partnership liabilities, although not then a member of the firm, Woodhead followed suit. In this state of things—the largest creditor filed a bankruptcy petition against the whole six, on the hearing of which, all the debtors disputed the act of bankruptcy and Woodhead the actual trading. Mr. Registrar Rankin, however, after hearing Mr. Jordan, Barrister, of Manchester, on behalf of the petitioner, adjudged them all bankrupts, but stayed proceedings until the meetings under the various petitions—at none of which of course were any resolutions passed, and the affairs are now being wound up in bankruptcy.

JOHN LONGTON & Co. (LIVERPOOL).—At a meeting of the creditors of John Longton and Co., of 11 Brunswick-buildings, Brunswick-street, Liverpool, shipowners, the liabilities were stated to be £3,061, and assets £295. A composition of 1s. 6d. in the pound was accepted, and Mr. H. Bolland was appointed trustee to pay the same.

J. WHITFIELD (LIVERPOOL).—At a meeting of the creditors of John Whitfield, of 9 Boundary-place, Collingwood-street, Liverpool, cart-owner, the liabilities were stated to be £2,341; assets, £168. Mr. H. Bolland was appointed receiver upon the application of Mr. W. Lowe, solicitor.

H. CUMMINS (LIVERPOOL).—At a meeting of the creditors of Henry Cummins, of 20 Exchange-street East, Liverpool, stock and share broker, the liabilities were stated to be £13,600. Mr. H. Bolland was appointed receiver upon the application of Messrs. Barrell and Rodway, solicitors.

D. BYRNE (LIVERPOOL).—At a meeting of the creditors of Dennis Byrne, of 64 Regent-road, and 37 Bath-street, Liverpool, boot and shoe manufacturer and dealer, the liabilities were stated to be £1,991; assets, £196. Liquidation was resolved upon, and Mr. H. Bolland appointed trustee.

J. GUEDALLA & Co. (MANCHESTER).—At a meeting of the creditors of Messrs. Jacob Guedalla and Co., merchants, of Manchester, held on Tuesday, the liabilities were stated at £16,400, including £11,267 in connection with accommodation bills, against assets representing only £541. There is, however, a surplus on the separate estates of the debtors. It was decided to liquidate the estate by arrangement.

C. WHITTLE (LIVERPOOL).—At a meeting of the creditors of Charles Whittle, of Thatto-heath, St. Helens, licensed victualler, the liabilities were stated to be £1,479; assets, £151. Liquidation was resolved upon, and Mr. H. Bolland appointed trustee.

BUCKNALL, SON & Co. (LIVERPOOL).—At a meeting of the creditors of Bucknall, Son and Co., of 2 William-street, Liverpool, brokers and agents, the liabilities were stated to be £1,807; assets, £121. Liquidation was resolved upon, and Mr. H. Bolland was appointed trustee.

T. M. FERMBOUGH (TRANMERE).—At a meeting of the creditors of Thomas Major Fermbough, of the Tranmere Castle Hotel, Tranmere, hotel-keeper, the liabilities was stated to be £2,015; assets, £37. Liquidation was resolved upon, and Mr. H. Bolland, of Liverpool, was appointed trustee.

S. DEMPSEY (MANCHESTER).—The statutory meeting of the creditors of James Samuel Dempsey, of Whittles'-croft, Ducie-street, Manchester, shirt and underclothing manufacturer, was held on Tuesday, the liabilities were stated to be £1,249, and the assets, £343. Mr. Addleshaw, solicitor, appeared for the principal creditors, and Mr. Edgar for the debtor. The meeting resolved that the estate should be wound-up in Liquidation, that David Smith, Accountant, be the trustee with a committee of inspection, and that Messrs. Boote and Edgar be entrusted with the registration of the resolutions.

W. T. HENLEY (LONDON).—A meeting of the creditors of Mr. William Thomas Henley, telegraph engineer, who recently suspended payment, was held on Tuesday, when the statement of affairs presented showed that the total unsecured debts amounted to £212,406, and the total assets, including surplus from securities in the hands of creditors, to £519,669, showing an apparent surplus of £307,263. The debts to creditors fully secured represent £336,357, against an estimated value of securities amounting to £665,385, which gives the surplus of £329,028 held by creditors above referred to.

E. LLOYD (WOLVERHAMPTON).—A meeting of the creditors of Edwin Lloyd, of Wednesfield Road, Wolverhampton, general broker and metal dealer, was held at the offices of Mr. J. E. Sheldon, solicitor, Wednesbury, on Monday. Mr. Colbourn (of the firm of Gough and Colbourn, solicitors, Wolverhampton) and Mr. William Shakespeare, solicitor, Oldbury, represented creditors. The statements of accounts showed £3,306 14s. 2d. as due to unsecured creditors, £2,216 10s. 7d. (less £1,050 value of securities (due to partly secured creditors, and £570 to creditors fully secured; surplus from securities, £30; total amount of unsecured liabilities, £4,473 4s. 9d. The assets were: Stock-in trade, £874, and £30 surplus from securities in hands of creditors; deficiency, £3,569 4s. 9d. The debtor was closely questioned upon some of his transactions, after which it was resolved to wind up the estate by liquidation. Mr. Wignall, of 27 Colmore-row, Birmingham, accountant, was appointed trustee, and Mr. Sheldon was entrusted with the registration of the resolution.

J. GILROY (PAISLEY).—A meeting of the creditors of James Gilroy, bleacher at Nether Kirkton, Neilston, was held on Tuesday in the County Hotel, Paisley, at which Mr. John Fisher, accountant, was elected trustee.

FAILURES.

ENGLAND.—The failure has been announced of Mr. C. E. Alforth, of Gracechurch-street, timber merchant. The issue of the circular created some little surprise, as the business, which was established in 1862, has been for several years, and until lately, very profitable, and the credit of Mr. Alforth has been good. The books are in the hands of Messrs. Fletcher and Co., of 2 Moorgate-street, who will submit a statement of affairs to the creditors as soon as possible.—Messrs. Gray and Buchanan, ship and insurance brokers, have suspended payment. The liabilities amount to between £25,000 and £30,000.—According to the *Manchester Examiner*, there have been various rumours of commercial difficulties in "La Plata," but the only house positively known to have suspended payment is that of Messrs. Gollan and Co., with rather extensive liabilities falling chiefly on London and Hamburg. They are said to have been engaged in army contracts.—The failure of Messrs. Jonas, Foster, and Co., spinners, manufacturers, and commission agents, Castlefield Mills, Bingley, near Bradford, is announced. A petition for liquidation has been filed; the liabilities are estimated at £30,000.—The failure is announced of William Rose Martin, of 28 Exchange street East, Liverpool, stock and share broker, with liabilities £7,723. The books are in the hands of Messrs. Gibson and Bolland.—The suspension is announced of Mr. James Graham, of Dickinson-street, Manchester, shipping merchant, trading as James Graham and Co. The stoppage, it is understood, has resulted

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from the failure of the South American Company, Bishopsgate-street, London, and the liabilities are estimated at £5,000.

SCOTLAND.—Messrs. Gray and Buchanan, ship and insurance brokers, Glasgow, have suspended payment. The liabilities amount to between £25,000 and £30,000. The books are in the hands of Messrs. M'Farlane and Hutton, accountants, West George Street.—The suspension is announced of Messrs. Leck, Cowan, and Co., turkey red dyers, Strathclyde Works. The liabilities are about £10,000, and the estate is expected to realise from 8s. to 10s. in the pound.

AMERICA.—American advances report the failure of Messrs. Howard, Hinchman, and Sons, flour and commission merchants, Philadelphia, with liabilities of £25,000; and of Messrs. T. and E. De Wolf and Co., shipping and commission merchants, Halifax, N.S., with liabilities estimated at £30,000. The Farmers' and Mechanics' Bank of Shippensburg, Pa., had suspended.—Advices received from America report the failure of Messrs. Walter Brown, Son, and Co., brokers and dealers in wool, 146 Duare-street, New York.—Mr. Thaddeus Smith, farmer, North Hadley, Mass., had suspended; liabilities, £30,000.

The *National Zeitung* reports the suspension of Herr Michaelis Breslauer, of Posen, and the chief director of the Brelau-Warsaw Railway, with liabilities amounting to about £90,000

BANKERS' CLEARING HOUSE.

The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, April 28:—

Thursday, April 22	£14,158,000
Friday, April 23	13,088,000
Saturday, April 24	15,110,000
Monday, April 26	13,746,000
Tuesday, April 27	13,635,000
Wednesday, April 28	15,087,000
	£84,824,000

The total at the corresponding period of last year, which included a Stock Exchange settlement, was £116,590,000.

THE BALANCE SHEET.—The annual account of the gross public income and expenditure of the United Kingdom shows that in the financial year ending on the 31st of March, 1875, Customs' duties produced £19,289,000; Excise, £27,395,000; stamps, £10,540,000; land tax and house duty, £2,440,000; income tax, £4,306,000; Post Office, £5,670,000; telegraph service, £1,120,000; crown lands (net) £385,000; miscellaneous, £3,776,873; making a total income of £74,921,873. The item of "miscellaneous receipts" includes £523,500 from India for British troops serving there; £797,000 for military and naval old stores sold, &c.; £467,000 for interest on public loans; £300,000 for diminution of balance in the Treasury chest. The year's expenditure comprised £27,094,479 for interest of the national debt; £14,519,434 for the army, besides £579,115 for the Army Purchase Commission; £10,680,404 for the navy; £125,000 vote of credit for the Ashantee expedition; £13,557,717 for civil services; £2,694,908 for the cost of the customs and inland revenue departments; £2,911,917 for the post office; £972,000 for the packet service; £1,193,066 for the telegraph service; making a total expenditure of £74,328,040, or £593,833 less than the income. There was a further expenditure of £300,000 on fortifications, and £300,000 for the localisation of the military forces; but this outlay of £600,000 was not taken from the year's income, but was provided by the sale (or at least the creation) of annuities amounting to £68,595, terminating in 1885. If the £600,000 had been a charge on the year's income, the surplus to £593,833 would have disappeared, and there would have been a deficiency of £6,167.

ALLEGED EMBEZZLEMENT BY A BUILDING SOCIETY'S SECRETARY.—At the Guildhall on Monday William Robert Warner, 29 Gaisford-street, Kentish Town, was brought up on remand, charged with having embezzled numerous sums of money, amounting in the aggregate to upwards of £34,000, belonging to the Sun Permanent Benefit Building Society, of No. 17 Holborn, of which he was the Secretary.—Mr. Douglas Straight prosecuted; and Mr. Blanchard Wontner appeared for the prisoner.—Mr. Straight said the prisoner had been the secretary of the Sun Permanent Benefit Building Society from its commencement many years ago. He had large sums of money passing through his hands, and was undoubtedly a very clever man of business, and an expert book-keeper. During the time he had held this office he managed from time to time to appropriate sums of money which he had received on behalf of the society to his own purposes. To prevent detection he credited certain accounts with the money he had received in the ledger, but never entered them in the cash-books, and by making errors in the additions of other books he made the accounts balance, and showed a much larger amount of stock than really existed. In that manner, and by falsifying the annual statement of accounts, he had carried on his frauds to a very serious extent. It was only when something occurred to arouse the directors' suspicions that they called in an accountant, who discovered the defalcations of the prisoner. Mr. Grantham, of Grimsby, in April 1874, sent two sums of £25 1s. 3d. each to the society by draft upon the Grimsby branch of the Lincoln Bank, and received in return the scrip for shares. Mr. Dangerfield, the accountant, found that only one of those sums was accounted for in the cash-book, but both of them were entered to Mr. Grantham's account in the ledger.—Mr. Scrotter, deputy manager at the Ludgate-hill branch of the City Bank, proved that the society banked with them, and the defendant had a private account there also. One of the drafts of Mr. Grantham was passed through the prisoner's private account, and never went through the society's accounts at all.—Miss Hodgson, of Rawcliffe, near Selby, Yorkshire, held four £25 shares; and being desirous of transferring them, wrote to the society for that purpose in January 1873.—Mr. Moreton, of Milton-road, Stoke Newington, bought four realised shares from the defendant, and then expressed a wish to have four transferred shares. The four shares which had been taken back from Miss Hodgson, and which were entered in the books as cancelled, were transferred by the prisoner to Mr. Moreton, he paying something over £100 for them. Early in 1874 he was desirous of parting with his eight shares, and received the money for them from the society, but the purchase money for Miss Hodgson's shares was never paid in to the credit of the society.—Messrs. Digby and Liddle, of No. 1 Finsbury-place, solicitors to the society, proved that they at different times received money in discharge of mortgages, and paid the amounts by cheques into the City Bank to the account of the society, at the same time advising the defendant that those sums had been so received by them and paid into the bank. None of these sums were entered in the cash-book, and it was therefore supposed that he had taken cash to these amounts from other moneys passing through his hands, which he had entered in the cash-books.—Messrs. Field, auctioneers, of 70 Church-street, Mile End, proved receiving rents from various estates belonging to the society to the amount of £122 4s. 4d., and forwarding cheques for the amounts to the prisoner. Two other smaller sums were also proved as having been paid to the prisoner, none of which had been accounted for in the cash-books.—Mr. Dangerfield, the accountant, said that on the debit side of the balance sheet the entry for realised shares was £50,737 10s., and it should have been £60,062 10s., which, with the increased interest, would bring the total up to £61,483 2s. 6d. The difference was created through "under castings" in the realised shares account.—Mr. Alderman Knight, in effect, committed the prisoner for trial, but formally remanded him for the completion of the depositions.

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Solicitors as Trustees.—The *Law Times* "notices with satisfaction that in a recent issue of the *London Gazette* the names of two solicitors appear as having undertaken the offices of trustees in liquidation proceedings. So long as the present Bankruptcy Act, with all its imperfections—growing in intensity almost daily—remains on the statute book, we are of opinion that solicitors should endeavour, as far as possible, to undertake the trusteeship in liquidation proceedings. It is not unusual for solicitors to undertake trusts of another and equally onerous and responsible character, and we think the interests of clients (creditors) frequently require that they should do so in cases of insolvency. Without discussing the reason why, it is a fact that in nine cases out of ten, perhaps we might say 99 cases out of 100, a debtor by liquidating practically gets a fresh start in the world, and creditors get no dividends worth having. Experience proves the working of the Act to be a complete failure, wrong in principle, costly in its working, and satisfactory to none except the so-called bankruptcy trustees whom it has created."

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Ashton-under-Lyne Real Estate—Capital £40,000, in £5 shares.
Ancienne Maison Leon et Dehrer Comptoir de Change—Capital £60,000, in £3 shares.
Australian Stream Tin Syndicate—Capital £6,000, in £100 shares.
Bollin Cotton-Spinning—Capital £100,000, in £10 shares.
City of Potsdam Waterworks—Capital £100,000, in £20 shares.
Chelsea and West Brompton Trading—Capital £2,000, in £1 shares.
City Newspaper—Capital £10,000, in £100 shares.
Grange Town Iron Mines—Capital £30,000 in £10 shares.
Hamstead Colliery—Capital £160,000, in £20 shares.
Hill-Top Mill—Capital £40,000, in £10 shares.
Imperial Oil Works—Capital £5,000, in £5 shares.
Industrial Manufacturing Company, Bexenden—Capital £30,000, in £5 shares.
Kirk Ramsden and Co.—Capital £50,000, in £10 shares.
Levant Advance and Trading—Capital £100,000, in £100 shares.
"Ludlow and Leominster Herald" General Printing and Publishing—Capital £1,000, in £5 shares.
Maesmawr Colliery—Capital £3,000, in £10 shares.
Manchester District Land and Building Association—Capital £30,000, in £5 shares.
Matthew Brown and Co.—Capital £80,000, in £10 shares.
Nantwich General Cemetery—Capital £2,000, in £1 shares.
New Hey Cotton-Spinning and Manufacturing — Capital £30,000, in £5 shares.
Oddfellows' Hall Company, Dowlais—Capital £4,000, in £1 shares.
Preston Livery and Carriage—Capital £30,000, in £5 shares.
Thomas Birtwistle and Co.—Capital £10,000, in £10 shares.
W. Singleton, Birch and Sons—Capital £50,000, in £50 shares.

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Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
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VOL. I.—NEW SERIES.—No. 22.] SATURDAY, MAY 8, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE HOLDEN AT BRADFORD.

A Dividend of Tenpence in the Pound has been declared in the matter of the special resolution for Liquidation by arrangement of the affairs of THOMAS JACKSON of Bradford, in the County of York, Agent, and will be paid by me at my Offices, at Ward's End, Southgate, Halifax aforesaid (to those Creditors only who have proved their debts) on the Eighth day of May, 1875, between the hours of Four and Six o'clock in the Afternoon.

Dated this Twenty-Eighth day of April, 1875.

CHRISTOPHER TATE RHODES, *Trustee.*

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE HOLDEN AT HALIFAX.

A Dividend of Six Shillings in the Pound has been declared in the matter of the Composition arrangement between BENJAMIN BENTLEY, of Foundry Street, in the borough of Halifax, in the County of York, Cabinet Maker, and his creditors, and will be paid by me at my offices, at Ward's End, Southgate, Halifax aforesaid, (to those creditors only who have proved their debts) on the 12th day of May, 1875, between the hours of Four and Six o'clock in the Afternoon

Dated this Third day of May, 1875.

CHRISTOPHER TATE RHODES, *Trustee.*

THE COUNCIL OF THE SOCIETY OF ACCOUNTANTS IN ENGLAND

BEG TO GIVE NOTICE that a MEETING OF PUBLIC ACCOUNTANTS will be held on WEDNESDAY, 12th MAY next, at THREE O'CLOCK, p.m. At the "GUILDHALL TAVERN," to consider a circular issued by wholesale houses, having reference to a scale of charges for Accountancy work relating to Liquidations and Compositions. Tickets for admission to the meeting may be had upon application to the Secretary, ALFRED C. HARPER, Esq., at the Offices of the Society, 2 Cowper's Court, Cornhill, London, E.C.

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Begs to announce that in compliance with a wish expressed by some of the subscribers to the *Accountant*, he has made arrangements for the translation of legal and commercial documents, correspondence, &c., into the Principal European Languages. Members of the Profession are therefore respectfully informed that arrangements can be made for efficient and speedy translations into, or from, the French, German, Italian, Spanish, and Dutch Languages, on Moderate Terms.

The Accountant.

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The ACCOUNTANT is printed and published in time for Friday evening's mail; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being: annual subscription 24s. (post free); half-yearly ditto, 13s. (post free). Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62 Gracechurch-street, E.C., to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

MAY 8, 1875.

The meeting of the Manchester Society of Accountants has been followed by the meeting of the Institute of Accountants; and the reports which we gave of the proceedings on both occasions cannot fail to prove highly gratifying to all who are interested in the well-being of the profession. There was the same strongly marked feeling that the time had come for the decided recognition of accountants as a body, and the same marked determination to uphold their position and their privileges. These meetings, and the publicity given to them, do much towards the great step of thorough union and consolidation. The remarks of the Chairman at the Institute gathering were especially valuable, as directing attention to one very important branch of an accountant's duties, that of auditing. The cry against accountants is, that they are in reality a body of men who have sprung into existence since the Bankruptcy and Companies' Acts, and flourish simply on the ruins of once prosperous undertakings, and the wrecks of private fortunes. This cry is echoed, not only in the columns of mere professional organs, which may naturally be expected to utter shrieks of indignation at any thing which may threaten their interests, but

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obtains a wider publicity by letters to the daily press. It is true, of course, that the accountant is the man to whom is entrusted the task of saving as much as possible out of the fire; but there is another aspect of his duties to which we have frequently directed attention, and on which Mr. Kemp dwelt at some length, —that of protection of shareholders and creditors by means of fearless and rigorous auditing. Here is a ground on which no professional jealousy can give rise to any hostility, and on which the public can yield to the profession a sincere and hearty support. It is not too much to say, that but few of the terrible financial scandals which have sprung into such disgraceful notoriety could have taken place, if a thorough and independent system of auditing had been in force. Let the Institute follow up the principles enunciated by Mr. Kemp. Let them hold the professional honour of an accountant to be so high, that it forces him to decline to certify to the correctness of any accounts where he has not been allowed the fullest means of investigation. Let them stand by the man whose fearless discharge of his duty has brought about his dismissal, and let them insist upon his reinstatement. In this course they will carry with them the warm sympathy of the public; and they will find that those whom it is most necessary to hold in check, will soon cease to contend against them. The fact of an auditor of any company having been dismissed, and all men of eminence and standing in their profession refusing, with the support of the general body, to succeed to his post, will be proof positive to the world that the affairs of the company in question are not able to bear the light of publicity, and the necessary inferences will be readily drawn. Moreover, shareholders and investors will scrutinise carefully the audited account, and see the first threatenings of an impending danger which they may avert or escape from in time. A sound and solvent company need not fear the closest scrutiny into its affairs; and in answer to any alarming or disquieting rumours as to its stability, may point calmly to the signed approval of the auditors. A shaky concern will dread submitting its accounts to the keen eyes of a trained investigator, for fear of having its instability exposed to the world; and the dread of independent examination will tell its own tale. If the Institute of Accountants will persist in directing attention to these points, they will have done a very great service to the world, and laid the foundations of a really sound commercial prosperity. But they must attempt to educate the mind of the public. The idea of the importance of the post of auditor must be thoroughly grasped; and the necessity of his utter independence of any influences which may colour his conclusions, must be insisted upon. Where the auditor or examiner is a mere official of the company, his results cannot invariably be implicitly relied on.

It is to be hoped, also, for the honour and dignity of the profession, that the Council of the Institute will receive that support which they have a right to expect. The name of accountant is often used as a term of reproach, and he is wilfully and maliciously confounded with the outsiders of every calling who do the dirty work, if any. But to be a member of a large and influential body, trained for his work by a well-directed course of study, subject to the keen checks of professional restraint,—to feel that his fiat is looked upon as the test of the stability of many a seemingly prosperous undertaking, and that to his honour, integrity and skill numbers look for the safety of their fortune,—is a position, beyond all dispute, as high as can well be attained. The movement has now fairly begun; the progress towards the realisation of the wishes of the chief and best members of the profession is rapid; and we shall soon see, we trust, all working towards the same end, to place the profession of an accountant on the same level as those older professions which may be at present more dignified, but in no degree call forth greater skill or deeper responsibility.

Some idea of the work of an official liquidator may be gained from the statement made to the House of Lords Committee on the European Assurance Arbitration Bill, that the provisional liquidator of that unlucky company had handed over to the arbitrator, account books and papers weighing no less than thirty tons! In winding-up cases, and in fact in most proceedings in the Court of Chancery, a vast amount of work is done by men whose names and functions are almost wholly unknown to the general world. The chief clerks, one of the most hardworked set of officials in the public service, do an immensity of quiet business in every suit, and yet no one probably beyond the range of the legal world could name one of them. It is much the same with the official liquidator. A short paragraph announces his appointment, and then he is heard of no more till his duties are ended. He has no share in the glorious publicity of cunning arguments in

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points of law, his name is less mentioned than the most youthful counsel to whom nepotism or favouritism may have lent opportunities for distinction, he is a mere abstraction, whose personality is lost in his office. Few, who use the "Briton's privilege of grumbling" at having to pay money, know the actual amount of work by which a liquidator's remuneration is earned. It is easy to carp at the large sums to which the payments for hours of labour mount up, it is not so easy to find the men capable of undergoing the labour. There has been some comment on the sum required to discharge the claims of the European liquidators. We advise some of those ingenious gentlemen who are so fond of calculations showing how many globes of gold the size of the moon could be made out of the amount of sovereigns by which Sir Stafford Northcote will have reduced the National Debt in 1885, and other equally valuable feats in arithmetic, to endeavour to estimate what the liquidators are paid for each pound of matter they have to wade through. The result could scarcely fail to delight those who feel any interest in such statistics, and might possibly tend to raise the liquidators much in popular estimation. The would-be reformers of accountants' charges could deduce from it a sliding scale adapted to official liquidators based on a simple system of tonnage and poundage.

The liquidation petition by Mr. Richardson, the Liberal Member for Birkenhead, will raise no new question as to the vacating of his seat; though a member of the House of Commons who is adjudicated bankrupt is, during one year, incapable of sitting and voting in that House, unless within that time his creditors are satisfied or the adjudication annulled, and unless this is done his seat is adjudged vacant at the end of the year. But these provisions do not apply to the cases of liquidation by arrangement, which do not inflict any disabilities upon a member. This was expressly decided in the case of Sir William Russell (*Ex parte* Pooley 41 L. J. Bankruptcy 67), a gentleman who has achieved the somewhat sinister immortality of having settled the law in two disputed points of bankruptcy, and of pointing a moral and adorning a tale to an admiring posterity in the shape of a "leading case." It must be noticed that the "Bankruptcy Disqualification Act 1871," which refers exclusively to the case of Peers, extends disability to the event of liquidation by arrangement (sec. 8). But the Bankruptcy Act clearly exempts a member from forfeiting or endangering his seat by liquidation, though the reason for the distinction does not seem very obvious, especially as liquidation is a somewhat tedious process in general, and Mr. Richardson may be thankful that the fate of Sir William Russell has finally settled the law which might otherwise have been formally declared in his own person.

The terrors of an injunction are such that when issued by the Court of Chancery it must indeed be a very stout heart that would venture to disregard one. In the case of *Ex parte Cochrane*, however, the holder of a bill of sale restrained by injunction from realising his security, carried off the goods from the possession of a duly appointed receiver. This is an undoubted contempt of court, as the holder of the bill of sale had his remedy in consequence of the injunction by damages. The point is worth the attention of all concerned in bankruptcy administration. The object of the appointment of the receiver is to preserve the property as far as possible for the creditors, and, except where execution has actually been levied before the petition was presented, in which case the creditor is entitled to proceed to a sale,—no legal process or attempt to realise any security will be permitted. Besides, it must be borne in mind that nothing will be held to justify disobedience to an injunction of the Court. If it is wrong or irregular, it must be set aside on proper application; but so long as it is in force, it must be strictly and literally obeyed.

"ACCOUNTANTS' CHARGES."—We desire to call the attention of subscribers to the announcement of a meeting of accountants to be held at the Guildhall Tavern on Wednesday next, at 3 o'clock, "to consider a circular issued by wholesale houses having reference to a scale of charges for accountancy work relating to liquidations and compositions."

SOCIETY OF ACCOUNTANTS IN ENGLAND.—The third Annual Meeting of this Society will be held on Tuesday next, at the Guildhall Tavern, at 3 o'clock, and will be followed by a dinner at 5.30 p.m.

AN ABSCONDING BANKRUPT.—The examination into the sequestrated estate of F. Auchinleck, sole partner of the firm of F. Auchinleck and Co., lately carrying on business as commission agent at 71 Leith-walk, Edinburgh, was fixed to take place on Friday in the Edinburgh Bankruptcy Court. No appearance, however, was entered for the bankrupt, and a warrant was issued for his apprehension.

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LAWYERS AND ACCOUNTANTS.

It will scarcely be credited that a journal of the position and influence of the *Law Times* allows itself to be made the vehicle for the propagation of such unmitigated rubbish as the letter we append. We are charitable enough to attribute the wholesale and unreasoning condemnation of accountants to the ignorance of a solicitor "from the country," who appears to have adopted without question the pretensions of a few grasp-all lawyers: and his statements would be worth no more than the paper on which they are written if a respectable organ of the profession had not given a tacit endorsement to the charges. Has "a country solicitor the faintest conception of the scandalous manner in which" legal charges have increased under the present Bankruptcy Act, and of the corresponding decrease in accountant's charges? We imagine not, and therefore recommend him to study the Comptroller's Reports, before he pens any thing further on the subject of professional robbery. The notion of "creditors *and solicitors*" being "robbed by accountants" has such a charm of novelty, in so far as the second named victims are concerned; and the manifest "scare" under which it is suggested that judges should have power to commit that *enfant terrible*, the accountant, for "say three months," is so amusing,—that we are tempted to give the letter of this rustic light in full:—

"Bankruptcy Trustees.—I understand there is a Bill before the House of Commons to guard the rights of the legal profession. No persons but solicitors can have the faintest conception of the scandalous manner in which creditors and solicitors are robbed in bankruptcy and liquidation cases by accountants and others acting as receivers and trustees. The most stringent legislative enactments are absolutely needed to prevent accountants and agents acting either in the Bankruptcy or County Courts. In reference to the County Courts, accountants and agents write letters demanding payment, and then follow them up by attending and entering plaints, thus deliberately acting as attorneys. The present law is insufficient to meet these men, and I think that there should be a plurality of remedies against them. The judges should have power to commit them for contempt of court, for say three months, persons should have remedy by actions for penalties, and the magistrates should also have power. In any attempt you may make to preserve the rights of the public and the profession, you will be well supported.

A Country Solicitor."

AN INSURANCE BLUE BOOK.*

To have at hand a perfectly reliable book of reference upon any particular subject, is a matter of no small importance and convenience in business transactions. Such a work has reached us in the form of the *Insurance Blue Book for* 1875, being the third year of its publication; and from the careful manner in which the present issue has evidently been got up, we may venture to anticipate that it will receive greatly increased support. The Blue Book commences with an elaborate and exceedingly well-arranged Commercial Directory of Insurance Offices and the different officials connected therewith; following upon which is some very useful information concerning exclusive business transacted by certain companies, the want of which has undoubtedly been often felt. The Northampton, Carlisle and Actuaries' Tables of the Expectation of Life, and the comparative Table of Life Premiums of upwards of ninety-seven Offices form material which will be found invaluable to every Insurance Agent. The most important portion of the book, however (occupying 112 pages), and that which is of more special interest to accountants, is the Life Revenue Accounts and Balance Sheets of the various Companies; and the manner in which these statements have been so accurately placed within reach of the public reflects the greatest credit on the compiler. Here every one, no matter how small his knowledge of accounts, can get for a merely nominal sum complete information as to the financial position of the Life Office with which he may intend to connect himself. Quoting the words of Mr. Gladstone, viz.: "You know a "good deal about the position of an Insurance Society "when you get three things: first of all, its date; "secondly, its income from premiums; and thirdly, its ac-"cumulations. From the relation of these one to another "you know pretty clearly the state of the Society,"—the work claims, and justly, to set forth all these "three things." A more useful volume of reference for those who desire to become acquainted with the affairs of an Insurance Office we have not hitherto perused, nor have we ever seen one which we can recommend with greater confidence to our readers and the public generally.

* The Insurance Blue Book, 1875; price 1s. 6d. Thomas Murby, 32 Bouverie-street, E.C.

County Courts Bill.—In the House of Lords on Monday this Bill was read a third time and, after an amendment introduced by the Lord Chancellor, it was passed.

Winding up.—Petitions for winding up the Ifton Rhyn Collieries (Limited) and the Oriental Telegram Agency (Limited) have been presented to the Court of Chancery.—A petition to wind up the St. Just Amalgamated Mining Company (Limited) has been presented to the Vice-Warden of the Stannaries.

Shorthand Notes of Bankruptcy Cases.—A legal contemporary says:—Solicitors who practise largely in bankruptcy complain loudly of a practice insisted on by Mr. Registrar Keene requiring that a shorthand writer must be employed and paid a fee of one guinea by the solicitor to the proceedings in every case in which even a single witness is examined before the registrar. In another column we publish a letter upon the subject, and another solicitor, in writing to us, observes, "It is becoming a serious evil, and loud complaints are made by many solicitors about it." No doubt the rule presses unduly on small estates, and where, perhaps, only one or two questions are asked. We cannot but suppose, however, that some modification of the rule would follow upon the matter being properly represented to the registrar.

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Correspondence.

LAW AND ACCOUNTANCY.

To the Editor of the Accountant.

SIR.—I have just read an extract from the *Law Times* in your paper, wherein "K.K." expresses somewhat freely his opinion of accountants. It appears to me that "K.K." is a little too jealous of the accountants obtaining business which he thinks *he* ought to have; but by what right he claims the exclusive privilege of acting as proxy or agent, he does not venture to say. It is quite amusing to see how self! self! self! pervades his remarks. I have had some experience in bankruptcy matters myself, but I never saw accountants struggle harder for a trusteeship than the solicitors themselves,—knowing, of course, where the legal business would go. "K.K." complains of accountants joining in a trusteeship. Would he not be very different to any of his brethren, if he did not make "joint business" of a bankruptcy rather than lose it altogether, provided, of course, that he had the chance? Yet for doing this forsooth, accountants are dubbed "rapacious wolves." He complains too, that solicitors' charges are reduced by "three-fifths" in small estates, he means "*to three-fifths*," at which price I am told by solicitors themselves, the business *pays better* than anything else in a solicitor's office. If "K.K." were to attend with a receiver before a commissioner, or to send a clerk, to be sworn to an affidavit, he would charge and be allowed 6s. 8d., and yet he objects to an accountant charging 1s. 8d. An accountant would be very glad, no doubt, to get an "orthodox 3s. 4d., 6s. 8d., or 13s. 4d.," instead of the miserable 1s. 8d.

Who, besides solicitors, charge for making out their own invoices for work done? or, as it is termed, "drawing bill of costs, so many folios, and fair copy, &c." If a solicitor's time is money, in such a case, why not a grocer's or a draper's? whose bills often contain quite as many items as the solicitor's, if not as many folios. No doubt both would assert that the labour occupied their time, and was not charged or included in the profit on the other items. "Fair play is a jewel," and I long for the time when accountants will be recognised, as are solicitors, and the rights and privileges of each defined and respected, and "encroachers and impostors" punished.

Yours truly,

TRUSTEE.

FALSIFICATION OF ACCOUNTS.

In the House of Commons on Tuesday last, the Falsification of Accounts Bill was read a third time and passed. The following is a copy of this Bill:—

FALSIFICATION OF ACCOUNTS.—A Bill to Amend the Law with reference to the Falsification of Accounts.

Whereas, it is expedient to amend the Law so as to punish the falsification by clerks, officers, servants, and others, of their employer's accounts, books, writings or documents,

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same as follows:—

1. That if any clerk, officer, or servant, or any person employed or acting in the capacity of a clerk, officer, or servant, shall wilfully, and with intent to defraud, destroy, alter, or mutilate any book, writing, document, or account which belongs to, or is in the possession of, his employer, or has been received by him for or on behalf of his employer, and which relates to any business transactions, or matters of, or with, his employer, or shall wilfully, and with intent to defraud, make, or concur in making, any false entry in, or omit, or concur in omitting, any material entry from, or in any manner, falsify or permit the falsification of, any such book, writing, document, or account; then in every such case the person so offending shall be guilty of a misdemeanour, and be liable to be kept in penal servitude for a term not exceeding seven years, or to be imprisoned with or without hard labour, for any term not exceeding two years.

2. It shall be sufficient in any indictment under this Act to allege a general intent to defraud, without naming any particular person intended to be defrauded.

3. This Act shall be read as one with the Act of the twenty-fourth and twenty-fifth of Her Majesty, chapter ninety-six.

4. This Act may be cited as the Falsification of Accounts Act.

"ACCOUNTANTS' CHARGES."

We are desired by the Council of the Society of Accountants in England to publish the following copy of a circular referred to in the announcement of the meeting proposed to be held at the Guildhall Tavern on Wednesday next:

[COPY.]

With Three Inclosures.

Re ACCOUNTANTS' CHARGES.

Committee appointed by the Public Meeting, held at the "Guildhall Coffee House" on Tuesday, January 12th, 1875.

Mr. Samuel Morley, M.P. (J. & R. Morley.)
„ James Hughes, (Copestake, Moore, Crampton, & Co.)
„ J. G. Howes, (Cook, Son, & Co.)
„ George H. Leaf, (Leaf, Sons, & Co.)
„ James Cundy, (Dent, Allcroft, & Co.)
„ Samuel Lowry, (Lowry, Hitchcock, & Co.)
„ W. J. M. Melliss, (Fore Street Warehouse Company.)
„ Howard Morley, (J. & R. Morley.)
„ J. H. Buckingham, (Slater, Buckingham, & Co.)
„ A. M. White, (Foster, Porter, Davis, & Co.)
„ Robert Davis, (Brown, Davis, & Co.)
„ Robert Spence, (Baggalleys, Westall, & Spence.)

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Gentlemen,

The Committee beg to inform you that at a meeting of Wholesale Houses held at the Guildhall Coffee House, on Friday, April 9th, 1875, it was resolved unanimously—

> "That the maximum scale of accountants' charges enclosed be submitted to the accountants of London for their approval, and that all accountants should be invited to agree to render a detailed statement on the plan of one or other of the two forms appended, one of such forms being adapted for compositions and the other for liquidations, showing the gross liabilities, and the gross amount realised upon each estate, and a detailed statement of all charges of every kind up to the final dividend, whether an estate is wound up by liquidation, assignment, composition, or otherwise; and that a printed copy of one or other of such statements as above described be sent to every creditor with the notice of the final dividend, or in case of composition immediately after the issue of the composition notes."

The committee beg to inform you that at the request of the meeting of the 9th instant, a list of those accountants who agree to adopt the scale of charges and to comply with the foregoing resolution will be printed and circulated among the wholesale houses.

Should you feel disposed to accept and adopt the scale of charges, and to comply with the foregoing resolution, you will gratly oblige by signifying your assent upon the other half of this sheet on or before May 3rd, 1875, and by addressing it to,

Gentlemen,
Yours faithfully,
(Signed) JAMES HUGHES,
Chairman of the Committee.

To Messrs.——
Public Accountants.

April 9th, 1875.

ACCOUNTANTS' CHARGES.

Maximum Scale for Compositions,

Pending the revision of the Bankruptcy Act of 1869.

Upon any composition £			So that the charge would be £	s.	
under and up to	200		15	0	for £300 £21
Upon the next	200	6 per cent.	12	0	for £500 £32
ditto	200	5 per cent.	10	0	
So that upon	600	the Accountant's charge would be	37	0	
next	200	4½ per cent.	9	0	for £800 £46
ditto	200	4 per cent.	8	0	
So that upon	1000	the Accountant's charge would be	54	0	
next	500	3 per cent.	15	0	
So that upon	1500	the Accountant's charge would be	69	0	
next	500	2½ per cent.	12	10	
So that upon	2000	the Accountant's charge would be	81	10	
next	1000	2½ per cent.	25	0	
So that upon	3000	the Accountant's charge would be	106	10	
next	1000	2 per cent.	20	0	
So that upon	4000	the Accountant's charge would be	126	10	
next	1000	2 per cent.	20	0	
So that upon	5000	the Accountant's charge would be	146	10	

The following out-pockets will be in addition to the above charges, viz.—Possession money, Railway fare, Printing and Advertising, Bill-stamps, Postages, and Hotel expenses, not exceeding £10 on estates under £2000.

ACCOUNTANTS' CHARGES.

Maximum Scale for Liquidations.

Pending the revision of the Bankruptcy Act of 1869.

Upon any Liquidation £			So that the charge would be £	s.	
under & up to	200		20	0	for £300 £29
upon the next	200	9 per cent.	18	0	for £500 £46
ditto	200	8 per cent.	16	0	
So that upon	600	the Accountant's charge would be	54	0	
next	200	7 per cent.	14	0	for £800 £68
ditto	200	6 per cent.	12	0	
So that upon	1000	the Accountant's charge would be	80	0	for £1200 £90
next	500	5 per cent.	25	0	
So that upon	1500	the Accountant's charge would be	105	0	
next	500	4½ per cent.	22	10	
So that upon	2000	the Accountant's charge would be	127	10	
next	1000	4¼ per cent.	42	10	
So that upon	3000	the Accountant's charge would be	170	0	
next	1000	4 per cent.	40	0	
So that upon	4000	the Accountant's charge would be	210	0	
next	1000	4 per cent.	40	0	
So that upon	5000	the Accountant's charge would be	250	0	

The following out-pockets will be in addition to the above charges, viz.—Possession money, Railway fare, Printing and Advertising, Bill-stamps, Postages, and Hotel expenses, not exceeding £10 on estates under £2000.

"That all Accountants should be invited to agree to "render a detailed statement on the plan of one or other "of the two forms appended, one of such forms being "adapted for compositions and the other for liquidations, "showing the gross liabilities and the gross amount "realised upon each estate, and a detailed statement of "all charges of every kind up to the final dividend, "whether an estate is wound up by liquidation, assign- "ment, composition, or otherwise; and that a printed copy "of one or other of such statements as above described, "be sent to every creditor with the notice of the final "dividend immediately after the issue of the composition "notes."

We hereby agree to accept and to adopt the above scale as the maximum scale of charges, and to comply with the above resolution.

Signed————
Address ————
Date ————

To Mr. James Hughes,
Chairman of the Committee,
5 Bow Church-yard,
London, E.C.

GOLD OF NEW ZEALAND.—In the year 1874 there were 501,337 ounces of gold, of the declared value of £1,987,425, exported from New Zealand. The amount exported from the 1st of April, 1857, to the end of 1874 was 7,599,973 ounces, of the declared value of £29,577,016.

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COURT OF CHANCERY.

May 3.

(*Before the* Lords Justices.)

In re the London and Paris Hotel Company.—This was an appeal by the Company from a decision of Vice-Chancellor Malins, ordering a compulsory winding up. The petition for the winding up was presented by three shareholders. The company was formed in 1862 for the purchase and carrying on of hotels in any part of Europe. The capital was to be £400,000, in 20,000 shares of £20 each. The amount actually paid up was £127,000. With this sum, and money borrowed upon mortgages, the company became the proprietors of the West Cliffe Hotel, Folkestone; Meurice's Hotel, in Paris; and Crockford's Hotel, in St. James's-street, London. They carried on business until the whole amount of their capital was lost, with one exception, which was that of St. James's-street Hotel, which was let, and from which they had a rental profit of £500 a year. Out of this money had been paid for some time past the salary of the secretary, £350; rent of offices, £80; and payment to auditors, £50; making £480. A proposal had been made for the purchase of the St. James's-Hotel, but the petitioners were not satisfied that the sum was sufficient, and there were outstanding bills of exchange which might be realised for the benefit of the shareholders. In the court below the Vice-Chancellor was of opinion that the directors ought to have had the company wound up many years ago, and he therefore did not hesitate in making an order for a compulsory winding up, and he should appoint a liquidator who would immediately realise the assets at the least expense. Upon appeal, Mr. Bristowe, Q.C., and Mr. Cookson for the company; Mr. N. Higgins, Q.C., and Mr. Crossley for the petitioners.—Their lordships were of opinion that the appeal must be dismissed, and the decree of the Vice-Chancellor affirmed.

ROLLS' COURT, Chancery-Lane.

May 1.

(*Before the* Master *of the* Rolls.)

In re East Llangynog Lead Mining Company, (Limited).—This was a shareholder's petition, praying that the voluntary winding-up of the company might be continued under the supervision of the Court, and for the removal of the liquidator. The company was formed in December, 1870, with a nominal capital of £100,000, for the purchase of a 21 years' lease of a piece of mineral ground in Montgomeryshire. The vendor was a Mr. Charles Rule, who had purchased the lease from the liquidator of a defunct company called the Craig y Mwyn Company, and the price was £90,000, to be paid as to £60,000 in nominally paid-up shares of £2 each, and as to the balance in 20,000 shares of £2 each, on each of which £1 10s. was to be credited as paid. A Mr. Joseph Taylor, who is a mining agent and share dealer at 86 London-wall, and who described himself as the agent to start the concern, purchased the bulk of Rule's shares shortly afterwards, and became the managing director at a salary of £300 per annum. In April, 1872, the petitioner, who is a Fifeshire farmer, received from Taylor a copy of a circular called "Messrs. Joseph Taylor and Co.'s Mining, Exchange, and General Shareholders' Guide," containing certain statements as to Taylor's opinion of the value and prospects of the mine, in consequence of which he applied to Taylor, who let him have 16 fully paid-up shares in the concern, at a premium of cent. per cent. on their nominal value. The company carried on operations at a loss until May, 1874, when resolutions were passed for winding up the company voluntarily. In July the liquidator, who is a clerk in Taylor's office, offered the mine for sale by public auction as a going concern, and it was purchased by Taylor for £3,500, a sum which enabled the liquidator to declare a first and final dividend of 1s. 0½d per share. Having completed the purchase, Taylor sold the mine to another clerk in his office as trustee for a new company called the Llanrhaidr Lead Mining Company (Limited) at the price of £20,000, to be paid as to £10,000 in cash, and £10,000 in fully paid-up shares, on condition that shares in the new company should be offered to the shareholders in the East Llangynog Company at a discount of 25 per cent., out of consideration for the loss sustained by the shareholders in the latter company. The petitioner, however, with an amount of caution which would have been more useful to him at an earlier period, declined the offer, and now presented the petition with the object of having the affairs of the company investigated. Mr. E. K. Karslake, Q.C., and Mr Dixon appeared for the petitioner; Mr. C. H. Turner, for the holders of 3,123 shares, and Mr. Badcock, for the holder of 40 shares, supported the petition. Mr. Waller, Q.C., and Mr Bunting, for the liquidator, opposed. The Master of the Rolls said the mode in which this unlucky petitioner took his shares disclosed an amount of credulity which one did not expect to find in a Fifeshire farmer, for he had allowed an utter stranger to accommodate him with 16 shares, at the price of £4 per share, on which nobody had ever paid any thing to the company, for they were some of the vendors shares which Taylor had acquired from Rule. Of course, the petitioner never received a dividend while the company lasted, and when it was wound up he was offered a first and final dividend of 1s. 0½d. Not unnaturally discontented with his bargain, the Fifeshire farmer presented his petition. The answer of the liquidator was that he had paid the debts and distributed the assets, with the exception of a few pounds due to shareholders who would not take the 1s. 0½d., and demanded a winding-up order because the present liquidation was a swindle, for that word had been used on their behalf. His Honour had investigated the facts and had seen and heard Taylor and the liquidator, and had come to the conclusion that, whatever his opinion might be as to the mode in which the concern was got up, and as to the means used to induce persons to take shares, he was not entitled to say that the liquidation was not fairly conducted. No doubt the liquidator was one of Taylor's clerks, but then Taylor was the principal shareholder, and he might wish to have some control over a winding-up. It had been argued that it was a case of suspicion; but the Court was not at liberty to entertain suspicion, and could not interfere unless a *primâ facie* case was made out for its interference. It had been imputed to the liquidator that he sold too soon, and on the spot, instead of in London; but what of that? It was his duty to sell as soon as possible, and persons would not buy mines except after inspection, though they would take shares in a mine without knowing any thing about it. It had been argued that the liquidator sold at an undervalue because of the increased price obtained by Taylor immediately afterwards, but such increased price appeared to his Honour to have no bearing on the question of value; and if, as Taylor had deposed, his practice in these cases was to value the mine at no more than the value of the plant and stock on the ground, then Taylor himself had given for the mine more than it was worth. He must dismiss the petition, with costs.

VICE-CHANCELLORS' COURTS, Lincoln's Inn.

May 1.

Before Vice-Chancellor Sir R. Malins.

In re the Adansonian Fibre Company—Mendel's Claim.—This was an adjourned summons in the winding-up of this company upon a claim carried in by Mr. Sam Mendel, and resisted by Mr. Quilter, the liquidator of the company. The company was established in September, 1871, by the four firms of Fox Brothers, Malcolm and Co., Merry, Willis, and Lloyd,

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and W. J. and A. J. Adams, for the purpose of carrying on in partnership a business of trading in fibre to the West Coast of Africa which was established by Fox Brothers. The partners agreed that each party should be liable in proportion to his share in the undertaking, and that the profits and losses should be divided accordingly, and Fox Brothers were to be paid for their services in the managing of the business. In the course of the business goods were ordered from Mr. Mendel by Messrs. Fox Brothers for the account of the partnership, and the claim now made was for the amount of the debt incurred for those goods. The claim was resisted by the liquidator on the ground that the goods so supplied were sent to Zanzibar, on the East Coast of Africa, and that, as the partnership was formed for trading to the West Coast of Africa, this was a trading beyond the scope of the partnership, for the debts in connection with which the three other firms could not be made liable. Mr. Higgins, Q.C., and Mr. Robinson appeared for the three firms; and Mr. Cotton, Q.C., and Mr. Rodwell for the liquidator. The Vice-Chancellor said that although the company was formed for trading on the West Coast of Africa, it would be contrary to every principle of justice if every man who supplied them with goods was to be bound to inquire minutely whether the goods were to be sent to the East or to the West Coast of Africa. They were, in fact, sent to Zanzibar, but whether to one place or another, the company had the benefit of the goods, and no doubt received the price of the cargo. He was satisfied that all the partners knew perfectly well of this transaction; but if they did not, still they were bound by the act of their accredited agents, Fox Brothers, who in this case acted within their authority. Under these circumstances he had no hesitation in coming to the conclusion that Mr. Mendel must be admitted as a creditor of the company in respect of claims he had carried in.

COURT OF BANKRUPTCY.

April 30.

(Before Mr. Registrar PEPYS, *sitting as Chief Judge.)*

IN RE THOMAS RICHARDSON AND SONS.—Messrs. Thomas Richardson and John William Richardson, described as of 85 Gracechurch-street, and of Middleton, near Hartlepool, trading as Thomas Richardson and Sons, engineers and iron founders, have presented a petition under the liquidation clauses. The senior partner, Mr. Thomas Richardson, is M.P. for Hartlepool. The case was mentioned to the court by Mr. Munns, solicitor for the petitioners, upon affidavits which showed that the debts of the firm amounted to about £280,000, of which £50,000 were secured by charges upon the works at Middleton, and upon freehold land belonging to the debtors at Longhill, West Hartlepool. The assets of the partnership consisted of the works at Middleton, and stock there, of the estimated value of £240,000, and book debts, cash, bills, and other securities £50,000; the Longhill estate being valued at £46,000, and land at Cheltenham at £17,000 more. It appeared that a number of valuable contracts were being carried on by the firm, and the appointment of a receiver and manager was necessary with a view to the continuance of the business, and the payment of wages, which amounted to £1,500 per week. A meeting of creditors was held on Thursday at Hartlepool, and the petition for liquidation had been presented pursuant to a resolution then passed. His Honour appointed Mr. Robert Fletcher, accountant, Moorgate-street, receiver and manager of the estate, and granted an injunction to restrain actions by creditors.

IN RE FAREBROTHER AND COLLINS.—The debtors, who were corn factors and agents, carrying on business in Muscovy-court, Tower-hill, recently filed a petition under the 125th and 126th sections, and at the first meeting the creditors passed a resolution for a liquidation by arrangement, the debts being returned at £3,787, with assets £66. Upon the resolution being presented to Mr. Registrar Keene, he declined to register it on the ground that there was no property available for distribution. The debtors appealed. His Honour held that the case was distinguishable from that of Sir William Russell, recently decided by the Court of Appeal, on the ground that the creditors under the present petition had not granted the debtors any discharge, and upon the further and important ground that there were really no creditors who dissented from the resolution passed at the meeting. The order would therefore be discharged, and registration allowed.

May 1.

(Before the Hon. W. C. SPRING-RICE, *sitting as Chief Judge.)*

IN RE JAMES CLIFFORD HODGES.—This was an appeal from Mr. Registrar Keene. The debtor had traded as a merchant, in Metropolitan-buildings, Queen Victoria-street, in the name of May and Company. He had filed a petition for liquidation, and a resolution accepting 20s. in the pound was come to, but registration was refused on the ground that a scheme of settlement agreed to under a former bankruptcy was still pending. It appeared that the bankruptcy had been annulled upon the terms of the bankrupt paying 20s in the pound by certain instalments, but he had only paid 5s. in the pound, and in order that he might have further time for payment of the balance, filed the petition for liquidation. Mr. Registrar Keene being of opinion that under the circumstances the resolutions come to could not be registered, the debtor appealed. Mr. Merriman appeared in support of the appeal.—The respondents were not called upon, his Honour holding that in the face of the unfulfilled arrangement come to under the bankruptcy, and upon the faith of which the adjudication had been annulled, it was not competent for the debtor to file a petition for liquidation and thereby obtain a modification of those resolutions. The appeal was accordingly dismissed with costs.

May 3.

(Before Sir J. BACON, *Chief Judge.)*

EX PARTE COCHRANE, RE MEAD.—This was an appeal from the Colchester County Court. The debtor Mead, formerly of Wix, in Essex, farmer, had filed a petition for liquidation under which a receiver was appointed. It appeared that prior to the date of the petition he had executed a bill of sale in favour of Mr. Cochrane, the representative of the National Deposit Bank, as security for £200. The bill of sale was duly registered, but the receiver obtained an injunction restraining further proceedings thereunder. Notwithstanding such injunction and the fact that the receiver had taken possession of the property, Mr. Cochrane, by virtue of a power contained in the bill of sale, proceeded to the debtor's premises and forcibly removed seven horses, two waggons, and some harness. On the facts being brought to the notice of the registrar of the county court, he made an order continuing the interim injunction, and also directed that Mr. Cochrane should appear in court to answer for his contempt. From that order the present appeal was brought,—Mr. D. Gex, Q.C., and Mr. Robson were counsel for the appellant; Mr. Winslow, Q.C., and Mr. Jones for the respondent. The Chief Judge held that as the receiver was an officer of the Court and in possession of the property, the bill of sale holder had no right to interfere. The appeal would be dismissed, with liberty to the trustee to redeem the property; all questions as to costs and damages (if any) sustained by the bill of sale holder in consequence of the injunction being referred to the county court judge for adjudication.

(Before Mr. Registrar HAZLITT.)

IN RE W. J. PROSSER.—This was an adjourned meeting for public examination. The bankrupt was a wine merchant, of Mark-lane and Mincing-lane, formerly trading in partnership with John Prosser, under the firm of Prosser Brothers. He

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filed a petition for liquidation in December last, but the proceedings became abortive, and bankruptcy ensued. The liabilities were returned at £34,102, there being also secured debts to the amount of £10,000; assets estimated at £13,142. Mr. Bagley, who appeared for the trustee, said that the proceedings had been adjourned for additional accounts, but the bankrupt had not yet filed them, and the trustee desired further time for investigation. Adjourned accordingly.

IN RE MATILDA FRIEDERBERG.—The debtor, carrying on business as mantle, costume, and skirt manufacturer, in Hamsell-street, Falcon-square, has filed a petition for liquidation, her liabilities being estimated at about £13,000, and assets £8,000. Upon the application of Mr. Downes, on behalf of the debtor and creditors for £3,000, his Honour appointed a receiver and manager, and granted an interim restraining order.

May 4.

(Before Mr. Registrar ROCHE, *sitting as Chief Judge.)*

IN RE FRANCIS BROWNING.—LIABILITIES £145,000.—This was an application for the appointment of a receiver to the estate of this debtor, who has filed his petition for liquidation on the statutory allegation of inability to pay his debts, which amount to £145,000, the assets being estimated at £55,000. The debtor carried on business at St. John-street, Smithfield, as an oil merchant. His Honour, upon the application of Mr. Horton Smith, appointed Mr. Silas W. Baggs, of the firm of Baggs, Josolyne and Clarke, public accountants, of King-street, Cheapside, manager and receiver, it being stated that there were several large contracts on hand for the purchase and sale of oil, from which a large profit would be obtained. The application was concurred in by a large number of creditors.

IN RE F. R. B. IRELAND.—This was another heavy failure. The debtor carried on business at Cannon-street, and Middlesborough, in Yorkshire, as an iron merchant. The liabilities amount to the sum of £60,000, and the assets are stated at £34,000, consisting of shares in steamships, collieries and public companies. On the application of Mr. Brough, Mr. Swithinbank, public accountant, of Newcastle-on-Tyne, was appointed receiver, and an injunction granted restraining the proceedings of suing creditors.

MAY 5.

(Before Mr. Registrar MURRAY, *sitting as Chief Judge.)*

IN RE STEPHEN HENRY EMMENS.—The debtor, described as a merchant and banker, of 8 Old Jewry, trading as Emmens Brothers, has filed a petition for liquidation. His debts are stated at £140,000, with assets £150,000. Mr. Doria, on behalf of Mr. Chatteris, the official liquidator of the Mutual Society Trust Fund, a creditor for £10,000, and another creditor for £1,000, applied for the appointment of Mr. Nicholls, accountant, as receiver and manager of the estate. The affidavits showed that the debtor was interested in mines in Cornwall, and he was also concerned in large financial operations in connection with public companies. At present the assets, which the debtor believed to be capable of yielding 20s. in the pound, were unprotected. His Honour inquired whether notice of the present application had been given to the debtor, and receiving a reply in the negative, said that he could not entertain the matter until such notice had been served. Mr. Doria asked for leave to give short notice, which was granted. Later in the day Mr. Brough, on behalf of the debtor, and with the concurrence of creditors for £57,000, asked that Mr. Cooper, accountant (Johnstone, Cooper, Wintle, and Co.), should be appointed receiver and manager. It appeared that the debtor had chymical works at Rotherhithe, and large premises at Redmoor in Cornwall, used for the manufacture of arsenic. A great number of workmen were employed, and it would be necessary to provide funds for payment of wages. His Honour thought, under the circumstances, that the appointment should be made, and directed that notice of it should be given to Mr. Chatteris.

IN RE ALFRED BOWES.—This was a meeting for proofs of debt and the choice of trustee. The statement of affairs by Messrs. Browne, Stanley and Co., accountants, disclosed—total debts, £22,745 12s. 6d., against assets, £6692 16s. Proofs to a large amount were admitted. Mr. Robert Hough, a creditor, and Mr. W. L. C. Browne, accountant (Browne, Stanley, and Co.), were appointed trustees, to act with a committee of inspection.

May 6.

(Before Mr. Registrar BROUGHAM, *sitting as Chief Judge.)*

IN RE JAMES TAYLOR.—This is one of the failures arising from that of Messrs. Thomas Richardson and Sons. The debtor is described as a shipowner, steam shipping agent, and wharfinger, of 37 Great Tower-street, and of Middlesbrough, also trading as the Queen's Wharf Company and the Middlesbrough and London Steam Shipping Company. He has filed a petition for liquidation, with debts returned at £253,000, of which £133,000 is likely to run off, with assets about £82,000. He is the owner of a line of steamers running between Middlesbrough and London. Upon the application of Mr. F. S. Herbert, his Honour appointed Mr. G. E. Swithinbank, accountant, 9 Lawrence Pountney-lane, receiver and manager of the property, and granted an *interim* injunction to restrain proceedings at law by creditors.

IN RE JOHN GREAVES.—The debtor, a boot and shoe manufacturer of Hackney-road and Norwich, filed a petition for liquidation in November last, and at the first meeting the creditors passed a resolution, which was afterwards confirmed, accepting a composition of 5s. in the pound, payable by four equal instalments. The debtor paid the first instalment of the composition, but made default in payment of the second, due on the 22nd of April, having the day previously caused notice to be filed convening a meeting of creditors for the purpose of varying the terms of the resolution. On the 24th the debtor was served with a writ at the suit of Messrs. Egan and Grimsdell, to recover £424, being the amount of certain dishonoured acceptances, and application was now made for an injunction to restrain the action. The question was whether, under existing circumstances, the Court had any jurisdiction to interfere. Mr. Bagley was counsel for the debtor; Mr. Finlay Knight for Messrs. Egan and Co. His Honour thought Messrs. Egan and Co. had a right to bring the action, but that, as the meeting was summoned before the writ issued, the debtor was entitled to take the opinion of the creditors assembled at the meeting. But, inasmuch as the assets seemed to have been considerably reduced since the statement of affairs was presented, the injunction would be granted conditionally upon a receiver being appointed; Messrs. Egan and Co. to have their costs, and to be at liberty to sign judgment, but not to proceed to execution until after the meeting of creditors.

PARLIAMENTARY INTELLIGENCE.

HOUSE OF COMMONS, MAY 3.

ARMY ACCOUNTANTS.—Mr. Hayter asked the Secretary of State for War whether he had yet come to any decision as to the formation of a department of Army Accountants, or whether the numerous vacancies at present existing among regimental paymasters were likely to be soon filled up.—Mr. Hardy said he did not altogether agree with the report of the committee upon Army Accountants, and was of opinion that it was better no action upon the subject referred to by the hon. member should be taken until the commission now engaged in inquiry had reported.

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HOUSE OF LORDS, MAY 4.

A SCHOOL OF LAW.—Lord Selborne next laid on the table a Bill for the establishment of a School of Law, where all classes might receive instruction. He observed that he had been charged with wishing to confound together the two branches of the legal profession, but his opinion was strongly in favour of maintaining the present distinction between Solicitors and Barristers. At the same time he thought that such an institution as a School of Law would lose half its value if made exclusive. He could not agree entirely with the Lord Chancellor as to the expediency of making the School of Law an examining body only, and distinct from a teaching body, for he thought that the two systems were capable of being united advantageously. However, he did not propose to make the School of Law necessarily a teaching body, though a power would be retained in the Bill to provide instruction. Generally speaking, the Bill was the same as the proposal he made last year. It incorporated the School of Law, which would be governed by *ex-officio* members, and by persons nominated by Her Majesty, the Inns of Court, the Incorporated Law Society, and by Barristers and Solicitors. The Governing Body would have to superintend the examinations in the School of Law, and no one would be permitted to practise as a Barrister or Solicitor who had not passed an appropriate examination. —The Lord Chancellor was of opinion that the Bill should be confined to making the School of Law an examining body only; but that was a detail which might hereafter be discussed. —The Bill was read a first time.

COURT OF BANKRUPTCY, DUBLIN.

May 4.

(*Before Judge* MILLER.)

IN RE GEORGE MEARES.—In this case some disclosures of rather a novel nature were made to the court. The bankrupt had carried on business as a manufacturer of stays and crinolines at 2 Crampton-quay, in this city. His liabilities amounted to about £1,400, and he carried a composition of 20s. in the pound. As a security for the amount, the bankrupt undertook to get his mother to sign two bills for the last instalment, and also to execute a mortgage to the official assignees of a property in which she had a life interest. The bankrupt's mother is aged about 80 years of age, and it was represented that she was extremely feeble, and could not possibly leave her home at Roundtown for the purpose of coming into town to perfect the bills. The documents were given to a clerk named O'Healy, who was in the bankrupt's employment, and who knew Mrs. Meares senior, to bring to Roundtown to be signed, which he accordingly did. Some evenings afterwards the same person accompanied Mr. J. G. Rynd, solicitor, and Mr. Logan, a clerk from Messrs. Casey and Clay's office, to Mrs. Meare's residence to have the mortgage executed. They were brought into a parlour, and after remaining there a short time were told that Mrs. Meares was ready for them. They then went into an adjoining room, where an elderly woman was introduced to them by O'Healy as Mrs. Meares. The mortgage was duly executed by this person. Immediately before the first instalment of composition became due the bankrupt represented that his establishment had been broken open and £280 (the money he had to pay the bills) stolen therefrom. A meeting of creditors was held at Mr. Rynd's office, when the bankrupt stated that his mother had never signed the bills or mortgage at all. Mr. Rynd, who was acting for him, at once withdrew from the case, and immediately afterwards apprised the official assignee of the imposition that had been practised. O'Healy and other witnesses, including the bankrupt's wife and sister-in-law, were summoned before the court, and were examined in reference to the transactions. They denied all knowledge of the person who signed the deed, and positively swore they were unable to tell who was there at the time, O'Healy adding that he was imposed upon himself. Judge Miller directed the evidence to be immediately transcribed, and informed the witnesses that if they did not disclose the whole business he would adopt a different course with them on the next court day. His lordship also granted a warrant to compel the attendance of Mrs. Meares, sen. Mr. Monroe, instructed by Messrs. Casey and Clay, appeared for the assignees, and examined the witnesses.

EUROPEAN ASSURANCE ARBITRATION BILL.

This Bill came before the House of Lords on Monday. The committee were—Lord Winmarleigh (chairman), Earl Amherst, Viscount Powerscourt, and Lords Wolverton and Lisgar. Sir Edmund Beckett appeared for the promoters, the joint official liquidators of the European Arbitration, and in his opening statement said the object of the Bill was twofold—first, to authorise appeals in certain cases from the decisions already given of the arbitrator for the time being; and, secondly, to authorise the Lord Chancellor to appoint a barrister of 15 years' standing as arbitrator in the event of a future vacancy. By the Act of 1872 Lord Westbury was appointed the first arbitrator, and upon his death Lord Romilly was appointed his successor. Upon Lord Romilly's death the Lord Justice James agreed to hold the office of Arbitrator until the arbitration arrangements could be altered. The present Bill is promoted with this Lordship's approval and sanction; and the Lord Chancellor had also approved the Bill, and had himself presented it to the House. The necessity for further legislation had arisen from the conflict of decisions between the deceased Arbitrators, and especially with reference to the question of novation; and until some final decision on these questions was arrived at the work of the Arbitration would of necessity be in abeyance. The Act of 1872 provided that the Arbitrator should be selected from among past or present Judges, none of whom would, however, in the circumstances, accept the appointment. It therefore became necessary to enlarge the circle from which the appointment could be made. It was accordingly proposed that the Court of Appeal in Chancery should have jurisdiction to hear, with the sanction of the arbitrator, an appeal from a judgment delivered by the arbitrator before or after the passing of the Act. After giving a history of the arbitration up to the present time, the learned counsel said that he could not better enforce his argument than by comparing the costs in the Albert arbitration, which was on all-fours with this, with the costs and expenses in the Court of Chancery. The Albert Company was in Chancery 19 months, and the costs were over £70,000, the amount realised being trivial. The Albert Arbitration had been in operation nearly four years, and the total amount of costs had only been £66,000, and the sum realised £390,000. Now, the Albert Arbitration was comparatively speaking a small matter when considered in relation to the European. In the former there were only eight companies in liquidation, whereas in the latter there were already 22 companies, and there would probably be more. The expenses up to the present time also showed that the work was being done at about one-tenth of what it would have been in Chancery. Lord Justice James had computed that the Albert would have taken 15 years to finish it in Chancery, and if that were so, it was reasonable to suppose that the European would have taken at least 50. As an illustration of the immense amount of work thrown upon the liquidators he might mention one instance in which the provisional liquidators under the Court of Chancery had handed over to the Arbitrator account books and papers weighing 30 tons. But besides the public decisions of the Arbitrator, there had been an enormous amount of judicial work

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done. Numberless cases had been decided on written statements, orders for compromise and orders to Sheriffs, lists of contributories settled, above 600 summonses heard, nearly 100 affidavits filed, and so forth, showing an extraordinary amount of activity on the part of the Arbitrator and his staff. The learned counsel said he believed that the opposition to the Bill was not serious, as it must be patent to the petitioners and every body else who gave the matter a moment's thought that the only way of settling the matter was by intrusting the work to some one who understood it, and who could give proper attention to it, with power to enable him, with the aid of the Court of Chancery, to get the vexed question of novation finally settled. Mr. Serjeant Sargood, instructed by Mr. Musgrave, opposed on behalf of a shareholder in one of the amalgamated companies, and succeeded in getting a few verbal amendments introduced. Mr. Digby Seymour, Q.C., instructed by Mr. Manning, on behalf of some policyholders and shareholders, also opposed, some of their objections being allowed. The Bill then passed committee.

STOCK-EXCHANGE STATISTICS.—The following is a statement of Stock-Exchange Clearing House statistics for the eighth year during which the institution has been in existence :—

"15 Lombard-street, May 1.

"Sir,—I beg to forward you the subjoined statistics, showing the working of the Clearing House for the year ending on the 30th of April, 1875, which is the eighth during which these statistics have been collected. The total amounts for the eight years have been :—

	Total for the Year.	On the Fourths of the Month.	On Stock-Exchange Account Days.	On Consols Settling Days.
1867-68	£3,257,411,000 ...	£147,113,000 ...	£444,443,000 ...	£132,293,000
1868-69	3,531,039,000 ...	161,861,000 ...	550,622,000 ...	142,270,000
1869-70	3,720,623,000 ...	168,523,000 ...	594,763,000 ...	148,822,000
1870-71	4,018,464,000 ..	186,517,000 ...	635,916,000 ...	169,141,000
1871-72	5,359,722,000 ...	229,629,000 ...	912,446,000 ...	233,843,000
1872-73	6,003,335,000 ...	265,965,000 ...	1,032,474,000 ...	243,561,000
1873-74	5,993,586,000 ...	272,841,000 ...	970,945,000 ...	260,072,000
1874-75	6,013,229,000 ...	255,950,000 ...	1,076,585,000 ...	260,338,000

"The total amount of bills, cheques, &c., paid at the Clearing House during the year ending the 30th of April, 1875, shows, therefore, an increase of £19,713,000, as contrasted with 1874. The payments on Stock-Exchange account days form a sum of £1,076,585,000, being an increase of £105,640,000 as compared with 1874. The payments on Consols account days for the same period have amounted to £260,338,000, giving an increase of £266,000 over 1874. On the other hand, the amounts passing through on the fourths of the month for 1875 have amounted to £255,950,000, showing a decrease of £16,891,000 as compared with 1874.

"I am indebted to Messrs. Derbyshire and Pocock, the inspectors of the Clearing House, for the above figures, which will, I think, be interesting to many of your readers.

"I am, Sir, your obedient servant,
"JOHN LUBBOCK, Hon. Sec. London Bankers."

PUBLIC INCOME AND EXPENDITURE.—Mr. Childers has obtained a return, which was printed on Friday, as to the Public Income and Expenditure and Surplus for ten years ended the 31st March last. In 1866 the public income was £67,812,292 4s. 6d., and the surplus certified by the National Debt Commissioners, after stating the expenditure, was £1,337,935 11s. 3d. In 1867, income, £69,434,567 15s. 9d.; surplus, £2,204,171 17s. 3d. In 1868, income, £69,600,218 4s. 1d.; surplus, *nil*. In 1869, income, £72,591,991 12s. 8d.; surplus, *nil*. In 1870, income, £75,434,252 10s. 6d.; surplus, £6,369,500 11s. In 1871, income, £69,945,220 10s. 8d.; surplus, £246,680 18s. 6d. In 1872, income, £74,768,314 13s. 1d.; surplus, £2,848,294 6s. 8d. In 1873, income, £76,608,770 5s. 1d.; surplus, £5,586,322 0s. 5d. In 1874, income, £77,335,656 17s 1d.; surplus, £369,146 14s. In the present year to the 31st of March last the income was £74,921,872 14s. 1d., and the surplus *nil*.

CREDITORS' MEETINGS.

BURGHARDT KREUELS AND CO., (MANCHESTER).—A meeting of the creditors of Francis Burghardt, of High-bank, Green-walk, Bowdon, and Augustus Kreuels, 19 Plymouth-view, Upper Brook-street, Chorlton-on-Medlock, Manchester, trading as Burghardt Kreuels, and Co, 3 Greek-street, Manchester, merchants, was held May 1st, at the offices of Messrs. Richardsons and Trevor, accountants, Clarence-buildings, Booth-street, in that city. The creditors were represented by Messrs. Slater, Heelis, and Co., and Messrs. Rowley, Page, and Rowley, solicitors. The statement of affairs, prepared by Mr. Trevor, the receiver, was as follows :—Liabilities—to creditors unsecured, £27,025 12s. 4d.; liabilities on bills £9,581, 19s. 5d., of which it is expected there will rank for dividend, £4,111 19s. 5d.; rent, £79 7s. 9d.; total, £31,216 19s. 6d.:—Assets—stock-in-trade, £501 0s. 9d.; book debts, £4,106 14s. 2d.; cash in hand, £8 6s. 9d.; furniture, &c., £98, 18s.; goods abroad, £226 17s. 1d.; surplus from securities, £141 15s. 4d.; total, £5,083 12s. 1d. The creditors resolved to wind up the estate in liquidation, and appointed Mr. C. R. Trevor, trustee, without a committee of inspection.

E. JACOBS (BIRMINGHAM).—At an adjourned meeting of the creditors of Mr. Emmanuel Jacobs, jewellers' factor, of Frederick-street, Birmingham, Mr. Luke J. Sharp, receiver, submitted a statement of the affairs of the debtor to the following effect:—To creditors, £15,395 8s. 5d.; other liabilities, £747 1s.; creditors to be paid in full, £49 19s. 5d.; liabilities on bills discounted, £10,054 6s. 1d.; of which it is expected will rank against the estate for dividend, £2,341 0s. 9d.; less bills in hands of bankers, £321 3s. 8d.—£2,019 17s. 1d.; total debts, £18,162 6s. 6d.; stock-in-trade at cost price, £2,121 11s. 1d.—less 10 per cent. for depreciation, £212 3s. 2d.—£1,909 7s. 11d.; book debts, £25,832 14s. 7d.—estimated to produce £2,536 11s. 11d.; furniture, fixtures, and fittings, valued at £279 1s. 9d., estimated to produce by auction, £230; total, £4,675 19s. 10d.; less creditors to be paid in full, £49 19s. 5d.; total assets, £4,626 0s. 5d. There was considerable discussion as to the debtor's transactions, Mr. Peirson, accountant, Coventry, stating that his clients received an order only ten or eleven days before the failure for £2,000 worth of goods, and if there was any case for a prosecution they would certainly be in favour of it. Ultimately it was moved that the offer of 5s., payable in four instalments of 1s. 3d. each, the last two secured, be accepted. Another resolution was proposed in favour of bankruptcy. The result was as follows:—Out of 63 creditors present or represented, 39 voted for the composition, representing in amount £18,829 15s. 5d., out of a possible £21,855. The resolution in favour of the composition was, therefore, carried by a large majority.

J. B. WOOD (TRANMERE).—A second meeting of the creditors of John Brearley Wood, of 38 Chestnut-grove, Tranmere, who recently filed his petition for liquidation, &c., with liabilities £4,923, against assets, cash in hand, £5, was held on the 29th April at the office of Mr. Downham, solicitor, Birkenhead. Mr. Winstanley, solicitor, Liverpool; Mr. Rogers, accountant, Liverpool; and Mr. Thompson, Birkenhead, represented several creditors. It will be remembered that at the first meeting Mr. Downham, the debtor's solicitor, who held the proxies of relatives and friendly creditors amounting to close upon £3,700, voted himself to the chair, and carried a resolution that a composition of a penny in the pound be accepted, payable on demand within three calendar months from the date of the registration, but which was strongly opposed by the creditors present. Under the 126th section of the bankruptcy Act, however, the resolution as to the acceptance of a composition has to be confirmed at a second meeting by a majority in value and number of the creditors, and at the present meeting Mr. Downham, as the proxy of friendly creditors, again voted himself to the chair, but finding himself unable to confirm the resolution by the statutory majority, adjourned the meeting.

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BENJAMIN TURNER (NEWCASTLE-UPON-TYNE).—At a meeting of creditors of Benjamin Turner, of 11 Lawton-street, Newcastle-upon-Tyne, jeweller, (held at the County Court offices May 1st inst.) who was adjudged a bankrupt on the 15th April last. The bankrupt not having filed his statement of affairs was ordered to do so within a week. It transpired that the liabilities would exceed £2,800, and the assets would be small. Mr. Edward Thomas Peirson, public accountant, of Coventry, was appointed trustee.

W. SUNDERLAND (HALIFAX).—A meeting of the creditors of this person who carried on business as a grocer, in Woolshops, was held at the offices of Mr. Francis Jubb, solicitor, on Thursday. Mr. Roberts (of Messrs. Foster, Roberts and Co., public accountants), produced a statement of the debtor's. affairs. Liquidation by arrangement was resolved upon, and Mr. Roberts was appointed trustee, with a committee of inpection, and Mr. Jubb was entrusted with the registration of the resolutions.

W. R. MARTIN (LIVERPOOL.)—A meeting of creditors of Mr. William Rose Martin, sharebroker, of Exchange-street East, Liverpool, was held on the 5th inst., at the offices of Messrs. Gibson and Bolland, 10 South John-street. Debts amounting to £4,000 were proved, and a resolution passed to liquidate the estate by arrangement, and to appoint Mr. Bolland trustee. The statement of accounts disclosed unsecured debts £6,617, and those secured £1,394—the security, land at Oxton—being valued at £1,901. The assets consisted of book debts £233, estimated at £93, other property £78, and surplus from securities in the hands of creditors already referred to £505. Mr. Bolland read a summary of accounts showing the indebtedness to arise from losses on shares £2,903, cash borrowed £3,658, and other expenses £54. The household furniture was comprised in an ante-nuptial settlement. The deficiency was accounted for by losses in shares, chiefly Brightons, North British, and Caledonian Stocks, of which £6,450 was incurred during the last two or three months.

FAILURES.

ENGLAND.—Messrs. Emmens, Brothers and Co., described as financial agents, of 8 Old Jewry, have presented a petition for liquidation under the arrangement clauses of the Bankruptcy Act. The books are in the hands of Messrs. Johnstone, Cooper and Co., accountants, and the circular states that the estate, by proper and judicious realisation, will enable every creditor to be paid in full, with interest.—The failure was announced on Friday of Messrs. T. Richardson and Sons, of 85 Gracechurch-street, and Hartlepool, established in 1869, with liabilities estimated at £300,000, which is due to the fall in iron and the decrease in the export trade of the country. The senior partner in the firm represents Hartlepool as a Liberal in the present Parliament. The circular issued states that all the creditors will be paid in full, and that the arrangements which have been made between the committee of creditors and Mr. Robert Fletcher, of the firm of Messrs. Robert Fletcher and Co., of 2 Moorgate-street, London, accountants, are of such a nature that the business will be carried on without interruption.—Petitions for liquidation have been filed in the Manchester County Court by Stephen Agop Gevairgian, of Water-street, Liverpool, and of Cooper-street, Manchester, commision agent, liabilities, £6,000; by Richard Rome Bealey, of Joiner-street, Church-street, Manchester, commission agent, liabilities £2,633; and by James Graham, of Dickinson-street, Manchester, shipping merchant, trading under the style of James Graham and Co., liabilities £4,509.—A circular has been issued to the creditors of John Roberts, carpet factor and dealer, Market-place, Sheffield, asking them to meet in London in order to effect an arrangement. The liabilities are nearly £11,000, and the assets are within £1000 of that amount. Payment has been suspended.—The suspension is announced of Mr. W. E. Taylor, of Enfield Mills, near Accrington, with liabilities stated at from £40,000 to £50,000.

SCOTLAND.—On Tuesday, Messrs. J. H. and A. Bell, export linen and jute merchants of Dundee, issued a circular to their creditors, intimating their suspension. They attribute their insolvency to depression of the foreign markets. A meeting of the creditors is called for Monday the 10th. It is reported that the liabilities amount to £70,000, or £80,000, and the estate is not likely to realise a large sum. The loss will fall almost exclusively upon merchants in Dundee, Arbroath, and Forfar.

BANKRUPTCY REFORM.

A correspondent of a contemporary writes as follows:—"It requires but a very slight acquaintance with our bankruptcy laws to be convinced of their inefficiency to cope with one of their principal objects, viz., the prevention of fraud in regard to the dealings between a debtor and his creditors. The Bankruptcy Act of 1861 enabled a debtor to present a petition in relation to his own bankruptcy, and while the Act of 1869 expressly enacts that it shall not be lawful for a debtor to present his own petition in bankruptcy, it nevertheless gives him the right of presenting a petition for the liquidation of his own affairs, which is really tantamount to a petition in bankruptcy; but it seems that the principal defect in the bankruptcy laws consists in the power which they place in the hands of a majority of the creditors to resist the wish and often the interests of the remaining creditors in relation to the discharge of the bankrupt, and the liquidation of his affairs. Under the provisions of the Bankruptcy Act of 1869, a trader or non-trader may be declared a bankrupt on the petition of a creditor upon certain conditions, which it is not necessary to mention here. A meeting of the creditors is convened, and by a resolution of three-fourths in value, and a majority in number of the creditors, the bankrupt can obtain his order of discharge on the payment to his creditors of 10s. in the £. The mischief is, that often these so-called creditors are merely *creditors for the occasion*, and have an interest in co-operating with the bankrupt, often relatives who use their interest as a means of influencing the remainder of the creditors, who are for the most part glad to acccept the composition that is offered rather than allow the bankruptcy to proceed with the prospect of serious litigation, great delay, a heavy expenditure in law costs, and no dividend. The Court of Bankruptcy does not exercise sufficient control over the proceedings in bankruptcy, and too much power is vested in the creditors, which is often wrongfully exercised. It is only right and just that where a man has honestly become a bankrupt, he should be relieved from the pressure of his creditors; but the vote of the creditors on the subject should be unanimous, and it should be left in the discretion of the court or the registrar to confirm or relax the decision of the creditors. Surely the interest of every creditor should be considered alike, and no means should be afforded to place it in the power of a majority of the creditors to act prejudicially to the interests of the minority. My reason for drawing the attention of your readers to the subject is, that although they may not altogether share in my views of the subject, it may nevertheless serve to arouse the attention of the Profession and the Legislature to the flagrant deficiencies and evils of our bankruptcy system, to which attention is so frequently and forcibly directed in your columns. It is shocking, indeed, to observe the callousness of a certain class of persons (who have no reputation at stake) to dishonest dealings with their creditors. I have only touched upon one of the many abuses of the Act of 1869, and I trust that the many readers of your valuable journal will assist in the task to bring prominently before the Profession and the public, the many defects in the bankruptcy system, in the hope that the Legislature may do something to place the matter on a fairer and more impartial footing."

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HALIFAX COUNTY COURT.

(*Before Mr.* Giffard.)

Re Whitworth and Co.—This was an action brought by a trustee in Whitworth's bankruptcy, the hearing of which had been several times adjourned; it was again brought up for hearing. Mr. Shaw, barrister, of Leeds (instructed by Mr. Mumford, of Bradford), appeared in support of the motion; and Mr. Jordan, barrister, of Manchester (instructed by Messrs. Rawson and Co., also of Bradford), appeared in opposition. At the time of the failure of Messrs. Whitworth, certain goods were on their way from the firm of Gibbs and Co., cotton brokers, Charlestown, America, to their place at Luddenden Foot. These goods having arrived at Liverpool, and got into the hands of the railway company, a person named Windall took possession of them, acting on behalf of Messrs. Gibbs as vendors. This was a motion to settle the right of ownership. Mr. Jordan, in the course of his remarks, said the goods were at their risk in Liverpool; had the goods been destroyed by fire whilst there, the loss would have been theirs. He also contended that where there had been a partial delivery of goods, with the intention to deliver the whole, that was a constructive delivery of the whole.—Mr. Shaw said there was no intention to deliver the whole. Besides, Whitworth and Co. had disposed of the cotton which had reached them. Now, they were not merchants; and though merchants were in the habit of disposing of the goods in a falling market, they, having bought the goods for the purpose of consuming them, had no right to sell them as they did.—His Honour reserved judgment for a fortnight.

Bankers' Clearing House.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, May 5th:—

Thursday, April 29	£42,250,000
Friday, April 30	19,153,000
Saturday, May 1	18,291,000
Monday, May 3	20,385,000
Tuesday, May 4	21,382,000
Wednesday, May 5	18,408,000
	£139,869,000

The total at the corresponding period of last year, which did not include a Stock Exchange settlement, was £119,118,000.

Winding up.—A petition for the winding up of the Air Gas Light Company, (Limited) is to be heard before Vice-Chancellor Hall on the 28th instant.

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VOL. I.—NEW SERIES.—No. 28.] SATURDAY, MAY 15, 1875. [PRICE 6D.

IN the Matter of the Companies Acts 1862 and 1867, and In the Matter of the BREAM IRON MINING COMPANY Limited.

THE Master of the Rolls has, by an Order, dated the 23rd day of February, 1875, appointed BAKER PHILIP DANIELS, of No 7 Poultry in the City of London, Public Accountant, to be Official Liquidator of the above-named Company.
Dated this 7th day of May 1875.

IN the Matter of the Companies Acts 1862 and 1867, and in the Matter of the BREAM IRON MINING COMPANY Limited.

THE CREDITORS of the above-named Company are required on or before the 11th day of June 1875 to send their names and addresses, and the particulars of their debts or claims and the names and addresses of their Solicitors, if any, to BAKER PHILIP DANIELS, of No 7 Poultry in the city of London the Official Liquidator of the said Company and if so required by notice in writing from the said Official Liquidator, are by their Solicitors to come in and prove their debts or claims in the Chambers of the Master of the Rolls in the Rolls Yard Chancery Lane in the County of Middlesex at such time as shall be specified in such notice or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved. Friday the 25th day of June 1875 at 11 o'clock in the forenoon at the said Chambers is appointed for hearing and adjudicating upon the debts and claims.—Dated this 7th day of May 1875.

E. B. CHURCH, Chief Clerk.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF WARWICKSHIRE HOLDEN AT BIRMINGHAM.

IN the matter of a Special Resolution for Liquidation by Arrangement of the affairs of WILLIAM JAMES, of No. 12 Eaign-street, in the City of Hereford, in the County of Hereford, Wine and Spirit Merchant, and Licensed Victualler, trading under the style or Firm of JAMES AND SON.

The Creditors of the above-named William James who have not already proved their debts, are required, on or before the thirty-first day of May instant, to send their names and addresses, and the particulars of their debts or claims to me the undersigned, CHARLES PEMBER, of the City of Hereford, Accountant, the Trustee under the Liquidation, or in default thereof they will be excluded from the benefit of the Dividend proposed to be declared.

Dated this Eleventh day of May, 1875,

CHARLES PEMBER,
Trustee.

1 King Street, Hereford.

AT A MEETING OF PUBLIC ACCOUNTANTS

CONVENED BY THE

COUNCIL OF THE SOCIETY OF ACCOUNTANTS IN ENGLAND,

Held at the GUILDHALL TAVERN, on Wednesday, the 12th inst.,

"TO consider a Circular issued by Wholesale Houses, having reference to a Scale of Charges for Accountancy Work relating to Liquidations and Compositions." MR JOSEPH DAVIES, PRESIDENT S.A.E., in the Chair, the following Resolutions, moved by MR. JOHN BATH VICE-PRESIDENT, S.A.E., were carried unanimously, viz. :—

(1.) That a charge by way of commission only, is not an equitable mode of remuneration, as the result may be very much out of proportion to the work done.

(2.) That a resolution as to maximum charges under all circumstances, and without any exception, is not a reasonable proposition.

(3.) That, in considering any method of remunerating Accountants, particular regard should be had to the important duties and special risks they are called upon to undertake in addition to the work done.

(4.) That a Committee, comprising the following gentlemen:—Joseph Davies, John Bath, James Cooper, Edward Harvey, H. Brett, Thomas Meggy, R. R. Robinson, J. C. Bolton, Henry Leatherdale, A. C. Harper (Sec.), R. A. March, and J. Killingworth, be appointed to confer with the several Societies of Accountants in England, in order to arrive at some satisfactory scale of charges and remuneration to Accountants in relation to Liquidation, Composition, and Bankruptcy.

(5.) That the foregoing resolutions be advertised in the *Times*, *Daily News*, *Standard*, *Accountant*, and several Provincial Daily Papers, with the statement that a report of the proceedings may be seen in the *Accountant* newspaper of Saturday, 15th instant.

ALFRED C. HARPER,
Secretary.

Offices,
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Begs to announce that in compliance with a wish expressed by some of the subscribers to the *Accountant*, he has made arrangements for the translation of legal and commercial documents, correspondence, &c., into the Principal European Languages. Members of the Profession are therefore respectfully informed that arrangements can be made for efficient and speedy translations into, or from, the French, German, Italian, Spanish, and Dutch Languages, on Moderate Terms.

The Accountant.

NOTICE TO SUBSCRIBERS.

The ACCOUNTANT is printed and published in time for Friday evening's mail; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being: annual subscription 24s. (post free); half-yearly ditto, 13s. (post free). Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62 Gracechurch-street, E.C., to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

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TO CORRESPONDENTS.

In consequence of the press of matter this week, several reports and other communications are unavoidably held over until the next issue.

The Accountant.

MAY 15, 1875.

We indicated a few weeks ago, some of the difficulties which would beset the path of those who were so busily endeavouring to reform the charges of accountants, and pointed out the fallacy of endeavouring to establish one uniform rate of payment for work of every description. We ventured too to suggest, that

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a system by which remuneration was fixed so low as to prevent men of standing from thinking it worth their acceptance, was one which could never prevail. Above all, a system by which a maximum percentage was fixed, was perhaps the most unsatisfactory of all methods, unless accompanied by various safeguards and checks to prevent its operating unfavourably. These views, we are happy to say, were generally held at the crowded and unanimous meeting which was held at the Guildhall Tavern, on Wednesday last, when it was in effect, declared that an accountant's work involving risks and heavy responsibilities must be remunerated in an adequate manner, and not left to find its due reward under influences which make it scarcely worth undertaking from any, except the most disinterested motives.

There can be no question that "payment by results" is a mode of payment which possesses many advantages. It leads the workman to put forth his best endeavours, and encourages the zealous and hard-working at the expense of the careless and incapable. It is looked upon by many authorities, of more or less eminence, as the sovereign remedy for strikes, locks out and other social amenities arising from the antagonisms of capital and labour. It is a rough kind of justice, by which in the long run, a due share of profit and loss is meted out to all, and upon the whole may be said to work fairly well in the cases in which it is generally employed. But theoretically perfect as it is, its working is not wholly unimpeachable. Granting that the conditions at starting are equal, the most successful is certainly the most deserving man. But looking at the various difficulties which beset every course, it is hard to say, without a considerable amount of investigation, in what instances success is a mere fortuitous incident earned by far less merit and industry than almost total failure. To introduce payment by results into professional business generally is plainly absurd. It is, if we remember right, the Emperor of Siam whose physicians duly receive a salary so long as their august master is in the enjoyment of perfect health, which ceases during the slightest indisposition. This may be considered pushing a principle beyond its logical result, though it is doubtless effectual, and is, perhaps, no more than an Eastern form of the tenure by which many a fashionable physician holds his patients. Indeed, even accountants might find some advantage in a modification of this practice. They are accused of being the jackals who are always in at the death. They may reply, "Let the living trust to us more, and we will do much to add to the security of their existence;" let us audit and examine the books and accounts of working and existing concerns, and you will soon find that there will be fewer failures to tax to the extreme our skill and experience.

It has been, we believe, sometimes suggested as a grievance in the legal profession, and especially at the bar, that no direct pecuniary benefit is derived in proportion to the amount in value of the subject matter, and it has been intimated that a large estate may be charged with higher costs than a small one. But it is obviously a work of no greater difficulty to deal with a property of large value than a property of smaller value, except such as is caused by a greater complexity of title. A larger fee would undoubtedly be paid from the very nature of the case, but the mere mechanical labour is the same, even though every figure be multiplied by ten. But take the doctrine of payment by results. Let the counsel be paid for his successful cases only; let the costs of every suit or action be a percentage on the amount recovered as easily assessable as the commission of a broker on the Stock Exchange; what fortunes would be made by the successful, and how soon would a cry go up that these heavy charges should be cut down. But the other side of the shield is less pleasant. There are cases which no man could lose, and others which no man could win. The highest skill and the most devoted industry might be hopelessly thrown away on a case which, from some hidden flaw, might utterly break down. *Rident qui vincunt.* The winners would exult, but with a heavy joy, foreboding that the next turn of the wheel might bring disasters and loss to them, and no voice would be raised against a return to the old ways.

It is strangely at variance with human nature, if the estates which yield the largest dividends are the estates which are administered with the most skill. On the contrary, the task of the trustee has probably been as easy as gracious. It is in the too frequent cases where a scanty dividend to commence with is eked out at intervals by small additional payments that the labour results. To those commercial moralists who, proud in their conscious rectitude and solvency, fortified by the colossal fortunes that their moderate profits have resulted in, after many years of toil, have publicly sent forth the now notorious circular, we will offer a very simple means of testing the truth of our statements. We will not ask them to become trustees themselves in

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the next bankruptcy which happens to any of their customers, though it is, as they seem to forget, perfectly open to them to undertake the duties. But a trustee can always be placed under the control of a committee of inspection, who have every opportunity of checking and controlling his movements. Trustees are constantly complaining in our columns that committees of inspection will not do their work, and that it is with the greatest difficulty they are induced to meet at all. Let these gentlemen, or any who wish to test the true state of the case, place themselves on these committees, and keep a sharp look out on the trustee. They will soon learn, if they pay strict attention, a good deal of the difficulty which they at present ignore, and may form a fairer estimate of the skill and labour involved, and of the duties of a trustee. We will undertake on the part of the profession, that any accountant trustee, be he whom he may, when they are appointed to inspect, will give them every assistance towards forming an opinion, and be glad of their company. Only if they will not look after their own affairs, they must leave off finding fault with those who serve them faithfully. The man who refuses to lock up "untold gold," must not expect to find sympathy or credence if he fancies he has been robbed. The best way to check the supposed misdeeds of trustees is to have the safeguard which the act provides, and to which no accountant will object. Till this is done all criticism and captiousness is premature.

That bankruptcy in its various phases is exactly analogous with the winding-up of Joint-Stock Companies, is a truth which we have often insisted upon. Bankruptcy is in fact a compulsory winding-up, and liquidation may be compared with a voluntary winding-up. But a company has some advantages over an individual, or, to speak more correctly, the creditors of a company are sometimes at a less disadvantage. This may be illustrated by the case of the "Universal Disinfector Company (Limited)," an association which, according to a well-nigh universal law affecting its species, gravitated towards the Court of Chancery for the purpose of being wound-up. A creditor of this ill-starred body had succeeded in obtaining judgment, but had not proceeded to execution, as a petition for winding-up had been presented. This it appeared from the judgment of the Master of the Rolls, was an unnecessary piece of courtesy. The creditor might, he said, have gone on with his execution, as no injunction had been granted to restrain him from so doing; but as he had seen fit to wait till a winding-up order had been made, his opportunity had gone by, and he must now take his chance with the other creditors. The moral of this case is, that execution and other creditors should be swift to enforce their rights when dealing with a company, otherwise they may lose the advantage of their judgments. In bankruptcy the general body of the creditors are more favoured at the expense of the individual. In the first place, the proceeds of the sale of goods taken in execution are to be retained for fourteen days, and not paid over to the claimant if within that time notice is given to the sheriff of a petition either for bankruptcy or liquidation having been filed. In this event the amount realised is to be paid over to the trustee (sec. 87 of the Bankruptcy Act). Notice, too, of any prior act of bankruptcy invalidates any execution as against a trustee, and a petition for liquidation is within the meaning of these words. Companies have therefore some few more guarantees for the protection of their judgment creditors than individuals.

Correspondence.

AUDITORS AND AUDITING.

To the Editor of the Accountant.

Sir,—I have read with satisfaction the article in your paper of the 8th instant, drawing attention to the remarks which fell from the chairman at the recent meeting of the Institute of Accountants, on this subject, relating as it does, to my mind, to the most important and valuable branch of the profession at the present time, although so lightly thought of apparently by the commercial world generally that instead of being the first thing considered, it appears to be the last which presents itself to those who promote, float, and conduct the business of companies whose capital belongs to the general public.

Were the duties of auditors rightly understood and appreciated by shareholders, and the great advantage of accountancy as regards *its essence* discerned by what are termed "business people" generally, the public accountant, instead of being shunned and abused as he now is, as a "commercial undertaker," would and should, hold the position of a medical practitioner; the one, if called in before it is too late, saving the body from the clutches of death, the other, if *likewise called in* for the purpose of knowing the real state of affairs in times of prosperity, being able in most cases to prevent the necessity for services to save as much as possible to creditors from a wrecked business. Especially is this *early* appreciation of the necessity for a proper system of account being *commenced* with, and a practical auditor appointed to supervise the same,—valuable in the case of a company formed for the purpose of taking over a private concern, when, as is generally the case, the vendors are appointed

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managing directors, their colleagues on the board being frequently non-business men. But so long as the accounts are left out of consideration until the time of audit arrives, viz. at the end of the year, as is now the case, the value of that supposed check, is simply *nil*; hence the frequent collapse of companies whose balance sheets have nevertheless been approved and signed by auditors. Why? because their duty is considered to be fulfilled by a certificate to the effect that the balances as extracted from ledgers are correct, payment being made of a fee which about represents the time value of clerical labour. Such auditing is nothing more nor less than a shell without kernel, whilst what is wanted is the reverse.

What auditor could not prove by experience, how anxious are directors to keep down salaries, and auditors fees, whilst the greatest laxity has been shown in nearly every other class of expenditure, even to the absolute squandering of the shareholders' money. Of course there are exceptions, but they are I am quite sure rare.

If an auditor is to see that the shareholders (other than those forming the direction) are, as it were, represented in his person at the Board, (which to my mind is the very essential of such an officer,) it at once becomes apparent that his position is not only a very important and (honestly fulfilled) a most valuable one to the shareholders, but it is equally clear that it must in very many cases be unpleasant to a degree. I have always considered auditing under existing circumstances, to be a thorough sham, and so it always will be, until the shadow gives place to a reality, and responsibility is imposed and paid for, as it ought to be.

How often does one not notice balance sheets printed and audited, having as "assets" large amounts representing expenditure of capital ostensibly for the purpose of *extending* a business purchased at a handsome price for the goodwill, but in reality thus doubling or nearly so, and not unfrequently more than doubling,—that very price, and reducing the working capital,—the need of an increase of which was the stated reason for forming the company. In such a case as this an auditor, having the power to express an opinion on all matters of account, would surely point out that before parting with any of the capital for the purpose of extending that which was considered good enough in itself to pay a price for, it would be better to test the real value of the purchase first, and thereafter, if the result were satisfactory a judicious expenditure to be spread over three or four years, might then be reasonably decided upon, but not if it proved that the price given for the business was already excessive,— as the increased capital to work with should extend the connection paid for.

In the case also of patents being purchased, the "asset" side of a balance sheet frequently contains an item which, thoroughly investigated, would prove that the expenditure if represented ought properly to be borne by the vendor and not by the company, for perfecting that which in theory promised great things, but which in practice was found valueless until a large additional sum from capital had been expended to perfect it, thus placing in jeopardy the whole thereof, or materially reducing the dividends, if any, the patent was expected at the outset, by reliance on theory only, to produce.

Much more might be written on the subject in proof of the great importance to the public, and individuals, of *bona-fide* auditing in the true sense, but I have already taken up too much of your space, which I had hoped might be occupied on the same topic by abler pens; I trust, however, the outline I have sketched may be taken up by the profession with the view of substantiating our claim to be recognised, as solicitors are. Buyers and sellers in their vain conceit look down upon all other departments of business and pooh pooh accounts, which many say can be kept in their heads forgetting that death has a claim on their bodies of which the head, I believe, is a part, and that consequently, but for well kept accounts, much would be lost to their families. But it would not be difficult to prove that accountants are not naturally "wreckers" as they are often styled, but that on the contrary, if their services be used in time, their peculiar province is to *save the necessity* for bankruptcy proceedings by an efficient system of account and periodical audit, whilst a business is prosperous, or at any rate, solvent.

If traders and shareholders in commercial undertakings, as also directors would overcome their scepticism as to the value of proper accountancy, in due time the bankruptcy court would be very considerably relieved, whilst the labour and experience of professional accountants would become appreciated as it ought to be, thus proving mutually profitable to them and to their clients.

"A stitch in time saves nine," is an old saying worthy of practical application in the present day, and especially is it true as applying to the value of an accountant's services.

Yours truly,

A. S. A. E.

London, 11*th May*, 1875.

LAWYERS AND ACCOUNTANTS.

To the Editor of the Accountant.

SIR,—Your issue of the 8th inst. communicates to us the startling fact that a country solicitor is desirous of bringing out an original, but rather indefinite patent, to be called, probably, "the accountant-crusher." As you very properly remark "professional robbery," has assumed quite another aspect. The Comptroller's reports certainly show that accountants only get about a tenth of the costs paid under the Bankruptcy laws, the majority of the remaining nine-tenths passing into the hands of solicitors. In a previous edition you quoted a similar letter, wherein a solicitor took exception to a charge by an accountant of 1s. 8d., for writing a letter. "Oh, that mine enemy would write a book;" *he* would have charged 3s. 6d., or more than double. The country solicitor, however, unconsciously defends our cause in the following paragraph. "The judges should have power to commit *them* for contempt of court, for say three months, *persons should have remedy by actions for penalties*, and the magistrates should also have power." The amount of twaddle in this one sentence is immense! but, I take it that if actions could be brought against us, it would have to be on the ground of our having some recognised status, and all we ask is that our status may be recognised and defined, and that we may be held amenable for our acts. I was in a court of justice yesterday, when a very disgraceful case was tried, and as the evidence was being elicited, I asked which was the *pot*, and which the *kettle*. If it is iniquitous for accountants to live by their professional services, it is equally abominable for solicitors to get a living out of their profession, and as the solicitors practising in the United Kingdom, far outnumber the accountants, England would appear to be a dreadful place to live in, as being a place largely peopled

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by parasites who prey on the vitals, not only of non-professionals, but also upon each other. I could tell you some horrible tales about solicitors, who have received their clients' money, made away with it, absconded, defrauded widows and orphans, and oppressed the poor, and it is possible to find that at some time or other one solicitor has been executed for murder. I could also tell you that there are solicitors practising in this city with whom no respectable accountant would ally himself; I could tell you that I have refused business—profitable business—from solicitors, in consequence of their dishonourable conduct; but, I do not for one moment attempt to convey the idea that because some blackguards have crept into the legal profession and not been expelled therefrom, therefore, a solicitor is necessarily to be shunned like a poisonous snake: on the contrary, some of my dearest friends are lawyers, men whom I respect, both in business and in private life, who hold out the right hand of friendship to me, and put business in my way. Each of us attends to his particular duties, without encroaching on the other, and we find ourselves mutual gainers, while our clients are benefited by the joint experience. Orthodox medical practitioners are fond of making raids on unauthorised ones, and for years struggled to include homœopathic practitioners in that category; nevertheless, the homœopaths have not only held their own, but have advanced yearly in public estimation, as is proved by the handsome incomes which many of them earn, and the high manner in which they are spoken of by their patients. All thinking people recognise the fact that the hostility to homœopathic practitioners is on account of its being so much practice taken from the orthodox doctors. The lower the reputation and ability of *Doctor Orthodox*, the greater is his *animus* against men who have gone through, and passed in all the studies whereby he (doctor orthodox) obtained his degree, and probably ceased study from that day, whereas the homœopaths have had the diligence to study a second science, and honestly choose the better.

Let a country solicitor before he again rushes so frantically and irrationally into print, take the precaution of making the acquaintance of a few respectable accountants, and he will perhaps find that neither in education, business attainments, integrity, nor efficiency is he (the country solicitor) superior to the average (respectable) members of our abused profession.

I wish the gentleman in all sincerity an enlargement of his reasoning organs and better manners.

Yours truly,
J. C. U.

In the House of Lords on Saturday the Supreme Court of Judicature Act (1873) Amendment (No. 2) Bill was read a third time and passed.

At the last meeting of the Council of the Society of Accountants in England, Mr. W. Hawkins Tilston, of Wrexham, was elected an Associate.

A Railway in Bankruptcy.—A decree of bankruptcy has been issued by the Royal Court against the Jersey Railway Company, whose line runs from St. Heliers to St. Aubin. For several months it has been in possession of the Sheriff in virtue of an act of insolvency declared against it. In order to prevent great public inconvenience that would arise by stopping the running of trains, the court has granted permission for working the line until it is transferred to new proprietors.

THE SOCIETY OF ACCOUNTANTS IN ENGLAND

The Third Annual General Meeting of the Society of Accountants in England was held on Tuesday last, at the Guildhall Tavern. The following members of the Society were present at the meeting: Joseph Davies (President), John Bath (Vice-President), E. N. Harper, J. C. Bolton, Harry Brett, Francis Nicholls, E. C. Foreman, Joseph Andrews, C. Pember, L. Blake, H. P. Gould, F. Beddow, W. Short, W. J. Parry, H. Bolton, E. T. Peirson, R. Everett, F. Tendron, Henry Leatherdale, Henry Bolland, R. R. Robinson, G. E. Ladbury, D. W. Lambe, E. C. Chatterly, W. C. Harvey, J. H. Tilly, R. J. Clarke. The Secretary (Mr. Alfred C. Harper) being absent through indisposition, the President called upon Mr. E. N. Harper, who read the minutes of the previous meeting.

The report of the Council, which was taken as read, was to the following effect:—

"The Society now consists of 201 members, of which 19 " have been elected Fellows. On referring to the accounts on " the other side, it will be seen that the balance in hand, on " the 31st December, 1874, was £161 9s. 1d. The amount " of £500 on deposit account, mentioned in last year's report, " has been invested in the names of the Trustees, in Canadian " 5 per cent. bonds, and a further sum of £200, derived from " the subscriptions for the current year, in New Zealand 4½ per " cent. bonds,—making a total investment of £700. The " formation of a library has also been commenced, any pre- " sentations to which would be thankfully acknowledged by the " Council. The Council also beg to report, that, their atten- " tion having been drawn to the fact of a committee having " been appointed by the Lord Chancellor, to consider the " working of the Bankruptcy Act of 1869, they at once " memorialised his lordship, with the view of having one or " more Accountants placed on the Committee, grounding " their application on the fact that Accountants are as a rule " chosen to act as receivers, managers and trustees under the " present Act. From his Lordship's reply, there is little " reason to doubt, that if the profession had taken measures " to advance its claim to be represented on the committee " at an earlier period, his Lordship would have seen, not " merely the advisability, but the necessity, of securing the " advantage of its experience on the committee. Every day " testifies to the increasing importance of the profession to " the trading interests of the country, and to the necessity of " its being placed on a sound and more responsible basis; and " the Council are strongly of opinion, that the time cannot " long be delayed, when steps will have to be taken to secure " for it, by charter or otherwise, a recognised legal position. " The Council have, therefore, to urge upon each member of " the Society, the importance of his using his influence " amongst his friends, to procure their adhesion to the " Society, that when the time arrives, your Council may be " able to act with authority as representatives of a large and " influential portion of the Accountants in England."

The report was accompanied by a financial statement for the year ending December 31st, 1874, which showed that at the close of the year the Society had in hand and at the bank the sum of £161 9s. 1d., and the sum of £533 15s. invested.

The President, in commenting upon the leading features of the report, said the Society had made satisfactory progress as regards numbers, for they had now 202 members, of whom 19 are Fellows; and as to the pecuniary position, a total of £695 4s. 1d. stood to the good of the Society on the 31st December, 1874. Considering that the Society had only been

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three years in existence, he thought they might fairly congratulate themselves upon this state of affairs. This was all very well, as showing the stability and progress of the Society; but they would all be anxious to know what progress had been made towards the development of accountancy. (Hear.) Amongst other matters brought forward with this view, the Council had been empowered to form a library, and they had got the nucleus of one which he hoped would prove worthy of the Society. He thought the action of the Council as to the Bankruptcy Act afforded evidence of the advantage of such a Society as theirs. If the Society had not been in existence, how, he asked, could they possibly have approached the Lord Chancellor on such a question? (Hear.) This also showed the necessity of a charter, for the protection of the interests of the profession. A charter would be difficult to get, but he did not look upon the task as insurmountable. In a charter, too, he saw a way of solving the difficult question of accountants' charges. He called upon members to use their influence with the gentlemen representing their respective neighbourhoods in parliament, towards obtaining a Charter of Incorporation: and he asked them to bear in mind this point, that a Charter would have to be based, not simply upon the requirements of accountants, but upon the requirements of society generally. (Hear.) If they did not approach the matter in that spirit, they would not succeed. (Applause.) Part of the report deal with the question of students. He thought they ought to give every encouragement to students to come and study under efficient members of the profession,—to give them, in fact, every facility possible with the view to making them good accountants. (Hear.) In conclusion, the President formally moved the adoption of the report and financial statement.

Mr. HARRY BRETT seconded, and the resolution was carried *nem. dis.*

Mr. JOHN BATH then moved a resolution in regard to certain alterations of the rules as to the re-election of members of the Council. Mr. Bath's resolution was as follows:—

"That Rules 35 and 36 be struck out, and in their place the following rules be inserted:—35. At each Annual General Meeting five Members of the Council shall retire, who shall be eligible for re-election. 36. The Council may determine among themselves the five members who shall retire, and in case of difference the rota shall be determined by ballot among the members of the Council. And that the latter part of Rule 38, commencing—'And the Members,' be struck out."

He said the object was to secure and retain upon the Council gentlemen who were able and willing to devote their time and attention to the affairs of the Society.

Mr. FOREMAN seconded the resolution, which was carried after a short discussion.

The names of the gentlemen selected to retire were then read, viz.—Messrs. J. F. Arnold, G. M. Bright, T. J. Sabine, P. Triggs, and W. H. Watson. It appeared that the majority of these gentlemen had not attended at all, and the remainder only one or two meetings of the Council.

The CHAIRMAN than moved that the following gentlemen be elected to fill these vacancies:—Robert Buck, 17 Fawcett-street, Sunderland; Frederick Tendron, 105 Fenchurch-street, E.C.; William John Parry, 4 William's-court, Bethesda; Walter Newton Fisher, 13 Waterloo-street, Birmingham. He also proposed that the name of the Secretary (Mr. Alfred C. Harper) be added to the Council.

Mr. FOREMAN, in seconding the proposition, bore testimony to the satisfactory manner in which the Secretary had performed his duties.

The gentlemen named were then elected without opposition.

The next business being the election of Auditors,

Mr. H. BRETT proposed that Messrs. R. R. Robinson (London), and C. Pember (Hereford) be elected auditors in the room of Messrs. C. Cooper and William Short.

Mr. ANDREWS seconded.

Mr. TENDRON had no objection to the change proposed in the present instance, but he thought it very undesirable that a Society of this kind should lay down the principle of changing auditors every year.

It was explained that there was no object in making the change beyond the desire to infuse a little new blood into the official element, and the resolution was then passed with a few complimentary remarks from the Chairman in regard to the late auditors.

Mr. JOHN BATH then proposed, and Mr. FOREMAN seconded, the re-election of Mr. J. C. Bolton as treasurer, the proposition being carried with an expression of thanks to Mr. Bolton for his services.

Mr. E. T. PEIRSON proposed, and Mr. W. C. HARVEY seconded the election of Mr. Ebenezer Chambers Foreman, of 7 Gresham-street, as a Fellow of the Society.

Mr. JOHN BATH having said a few words in support, Mr. Foreman was unanimously elected.

Mr. H. BRETT proposed, and Mr. E. C. FOREMAN seconded, that Mr. William John Parry, of 14 William's-court, Bethesda, be elected a Fellow of the Society, the resolution being carried unanimously.

Mr. JOHN BATH thought it was desirable to extend the field of operations of the Society. At present, the title of the Society being "The Society of Accountants in England," an accountant in Scotland or Ireland might take it for granted that he was not eligible for election. He therefore asked the meeting to pass a resolution to the following effect:—

"That the Council of this Society be empowered to receive applications from, and admit as members of the Society, persons who may reside in Great Britain, or any of the dependencies of the British Crown."

Mr. Lovewell Blake seconded, and Messrs. H. Brett and J. C. Bolton spoke in support of the resolution.

Mr. F. N. HARPER remarked that the Secretary had received one application for membership from Hong Kong. (Laughter.)

The resolution was then put to the meeting and carried.

Mr. JOHN BATH next proposed the following resolution:—

"That the Council be empowered to expend such money as they may see fit, not exceeding the sum of one hundred pounds, towards the promotion of amendments and improvements in the Bankruptcy and other laws relating to debtors and creditors."

The resolution was seconded by Mr. W. J. Parry, and after expressions of approval on the part of several members, it was put to the meeting and carried without opposition.

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The proceedings at the business meeting were then brought to a close by a vote of thanks to the President, proposed by Mr. John Bath, seconded by Mr. Nicholls.

The members afterwards dined together, the chair being occupied by the President, with Messrs. John Bath and J. B. Geard in the vice-chairs.

The PRESIDENT having given the usual loyal and patriotic toasts, proposed "The Lords and Commons," to which Mr. Greenall, M.P. for Warrington, responded.

Mr. JOHN BATH, in proposing "The Legal Profession," said it used to be an idea that lawyers and accountants were opposed to each other: but, speaking from his own experience, which he believed was in accord with that of many other members, he thought that if there really was any estrangement, it was to be attributed in great measure to certain so-called "accountants," and not to the enlightened members of the legal profession. (Hear.) He could say for himself personally, and for many others, that when placed at a disadvantage, accountants had often no more strenuous supporters than the solicitors. (Hear.)

Mr. KNOTT, in responding, considered it no small compliment to hear the legal profession spoken of in such terms. When solicitors came to figures they found themselves at fault, and were very grateful for the assistance of accountants: indeed, lawyers very often got into considerable difficulty about their own accounts. (Laughter.)

Mr. EVANS, whose name was also coupled with the toast, thought the time had arrived when solicitors and accountants should understand each other. There really was no necessity for any so-called "encroachment" of accountants upon the legal profession. (Hear.)

The CHAIRMAN then addressed a few remarks to the company upon the desirability of the various accountants' societies uniting together for the universal good of the profession. There was, he said, no wish on the part of this Society to be at all backward in promoting such an object.

Mr. GEARD spoke of the necessity of such associations, arising from the fact that the commercial requirements of the present day rendered professional training indispensable for all those who were to deal with figures and accounts in the various transactions of commerce.

Mr. GREENALL, M.P., proposed the toast of the "City of London."

Mr. JOHN BATH, as a member of the corporation, responded to the toast.

Mr. H. BRETT expressed the hope that the time had arrived when accountants would see the necessity of fusing into one body, not only for the interests of the profession but for that of the public. (Hear.)

Mr. E. C. FOREMAN, in giving the health of the President, remarked that both solicitors and accountants were necessary, and they had each perfectly legitimate work to do. (Hear.)

The toast of "the Ladies" was next proposed, Mr. Henry Bolland, and Mr. G. E. Ladbury responding.

Mr. CHATTERLEY made a few remarks as to the desirability of making every effort towards securing incorporation. At present, any man, without training, could put a brass plate on his door, and announce himself as So and So, accountant; and so it came about that "accountants" not only figured in the law reports, but in the police reports. (Laughter.) He urged the necessity of getting the support of members of parliament on this point.

Mr. GREENALL, M.P. expressed his readiness to assist the Society in this respect.

The toast of the "Vice-President and Officers" was next given, Mr. John Bath, in responding, expressing regret at the absence of the Secretary.

Mr. BOLTON, the Treasurer, having responded,

Mr. ANDREWS gave "Absent Friends."

Mr. E. N. HARPER responded on behalf of his son (the Secretary).

This concluded the list of toasts.

The post-prandial speeches were agreeably relieved by the singing of Miss Dones and Miss Bessy Thorne.

WHOLESALE HOUSES, AND ACCOUNTANTS' CHARGES.

A meeting of public accountants, convened by the Council of the Society of Accountants in England, was held at the Guildhall Tavern on Wednesday afternoon last, the object being "to consider a circular issued by wholesale houses having reference to a scale of charges for accountancy work relating to liquidations and compositions." The following members of the profession were present, the firms named being also represented at the meeting: Messrs. J. Davies, J. Bath, H. Brett, Tendron, Geard, J. C. Bolton, E. N. Harper, Robert March, E. Harvey and Co., J. Killingworth, John Dyke, J. W. Kealy, F. J. T. Moore, Charles Colgrave, George Pye, Boddington, Luttman, William Short, Hill, Thomas Pickett, M. Frier, R. E. James and Co., H. J. Walter, Singleton, Fraser, Alabaster, Robert Pittman, F. Hodgson, Emdin and Robinson, J. H. Carter, Major-General C. Hill, John Champness, C. Pember, R. R. Robinson, B. Baxter, Alfred Beavis, Arthur Barron, W. Barrett, W. K. Marreco, Lovering, Thomas Meggy, C. W. Jordan, D. W. Lambe, S. D. Nix, W. G. Goodliffe, Sidney Smith, J. J. Kent, Henry Walker, Nottingham, Rutley, William B. Greening, R. W. Fleming, Benson, Seear and Dyson, Barrett, Harvey, Purday, Woodman, Turner, B. G. Austin, Bauer, F. R. Boydell, Westcott, H. S. Foster, E. P. Wilson, Parker, A. Shippey & Co., W. F. Smart, H. P. Gould, A. Smart, C. G. Carttar, W. J. Parry, T. G. Cooper, Everett, Whiffin, Schneidan, and Co., J. S. Parker, Charlton, Moore and Co., Hay, Newstead,

Mr. JOHN BATH proposed, and Mr. C. Pember seconded, that Mr. Joseph Davies, President of the Society of Accountants in England, take the chair. This receiving the approval of the meeting, Mr. Davies took the chair.

The CHAIRMAN having read the notice convening the meeting, said that they could not disguise from themselves the importance of the question they had now to consider. No doubt those who did not happen to belong to the Society of Accountants in England had in their respective societies discussed the vexed question as to a scale of Accountants' charges, and had felt the difficulty of determining what rate should be

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adopted. Hardly two cases were alike, and to draw a hard and fast line, would be to overcharge in some cases and in others to fix a sum not commensurate with the duties performed.—(Hear).—To-day he thought the matter must be discussed in rather a preliminary manner, for he did not expect this meeting to come to any determination as to the fixed rate of charges to be adopted. He thought there was sufficient in the scale to show that the gentlemen who compiled it had not given the subject the attention which it deserved. He would take the foot note which said "The following out-pockets will be in addition to the above charges, viz., possession-money, railway fare, printing and advertising, bill stamps, postages, and hotel expenses, not exceeding £10 on estates under £2,000." For a sum of £10 to be definitely laid down as quite sufficient to meet all these various items, showed on the face of it, that the scale of charges had not received the attention it deserved. But beyond the question of how far the scale might be desirable or proper, he asked, was there not a certain amount of impropriety in a scale of charges being fixed and determined by the gentlemen who have to pay those charges?—(Hear.) However, so far as he was personally concerned, he wished more to hear the opinions of others, and would therefore at once give way to any gentleman who might have a resolution to propose on the subject.

Mr. John Bath said that by way of saving time, he had drawn up a resolution, which he was prepared to submit to the meeting. In that resolution he did not propose to go into details, but simply to deal with the broad principle involved in the matter. They were all by this time pretty familiar with the difficulties of the question, which had been sufficiently evident for the last twenty years, but they had not at present been able to see their way to drawing up a complete and comprehensive scale of charges. A scale dealing simply with the question of assets would be idle and impracticable. (Hear.) The work of winding-up an estate differed as much as it was possible to conceive from any other kind of professional work, and they would in many cases be utterly baffled in attempting to arrive at a price estimate before the work was done. The resolution he intended to propose was as follows:

> "That a charge by way of commission only is not an equitable mode of remuneration, as the result may be very much out of proportion to the work done."

The meeting was called to consider a certain circular which had been issued, and he wished to state at the outset that the Chairman of the Wholesale Houses Committee had given him every facility in the way of supplying copies and information. He did not think they had any adverse feeling towards accountants. Mistaken they might be, but he thought the desire of the committee was to come to an equitable mode of remunerating accountants, although he did not think that the way they had set about it entitled them to admiration. In order to show the character of the circular he would read it over, only substituting "retail traders" for wholesale houses, and the latter for accountants. It would then read, that at a meeting of retail traders it was resolved unanimously that the maximum scale (enclosed) of the charges of wholesale houses be submitted to all the wholesale traders, who are invited to give their assent to those charges; and that a list of the houses agreeing to adopt the scale would be printed and circulated amongst the retail traders. (Laughter and applause.) What would the wholesale houses say to such a thing? But that was tantamount to the circular which had been sent to accountants. But he did not propose to treat the matter in that way. The movement would go on, and accountants themselves would be glad to see a settled scale, involving as it would a recognition of their position and of their work (Hear). As it had been remarked, if they accepted this suggestion, accountants would have only one object, viz. to get the commission in the shortest possible time and at the least possible trouble and expense. (Hear.) There would be no reason to look at proofs, no reason to take care that assets were equitably divided. It would simply be a race for assets, and that he thought was the greatest charge that could be brought against the scheme. (Hear.) He concluded by moving the resolution referred to above.

Mr. H. Brett said that as Mr. John Bath had so well touched upon the points connected with the question, it would not be necessary for him (the speaker) to say much. He would, however, refer to one point, viz., the responsibilities of accountants acting as trustees. Although the trustee might be acting with a committee of inspection, if any thing went wrong, he alone would have to bear the brunt of it. At the present time the Bankruptcy Laws were strongly in favour of fraudulent debtors, and he thought that they could not well offer a higher premium to fraud than this scale, for it compelled a trustee to accept things as he found them, and to make the shortest possible cut to the end of the business. (Hear.) As to the out-pockets, he might remark, that in a case which they recently had, the sum of £66 was paid for possession-money alone.

Mr. R. A. March said he was glad to see that accountants were at last rallying themselves together for the purpose of mutual protection. Some twenty-five years ago he called a meeting of accountants to consider an important matter, but out of the 200 or 300 accountants in the metropolis, only half-a-dozen attended. He characterised the circular as an impudent attempt to dictate to a class of men who ought to be the best judges of what their labour was worth. (Applause.) He considered the scale utterly ridiculous, and if they wished to maintain a character for honesty, he urged them not to attempt to do work under such conditions. (Hear.) A firm might require an accountant to minutely investigate certain books and papers, and could they if they worked honestly lay down a hard and fast line of payment to include such cases? (Hear).

Mr. J. C. Bolton said that because the movement had been confined to one particular trade, it might be supposed that it did not therefore greatly concern accountants who were not in that particular trade. But he looked upon it as the thin end of the wedge, and if they allowed it to be driven home, they might probably find themselves relegated to an income on which no man could live if he did his work honestly.—(Hear.) He hoped they would remember the fable of the bundle of sticks, and be united in their action. (Hear).

A member asked if it was known how many accountants this circular was sent to?

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Mr. J. Bath said it was supposed that it had been sent to all in the drapery trade, but it appeared that it had only been sent to the most respectable houses who were understood to be connected with the drapery trade.

Mr. Tendron hoped that the circular would result in more good than might appear at first sight. No doubt men sometimes felt that the charges were unreasonable, particularly in the case of small estates. But he thought such questions as these should be a matter for negotiation not denunciation. (Hear).

Mr. Cooper suggested that a committee should be appointed to meet a committee of the Institute of Accountants, so that the two bodies might be in accord in regard to the proper course to be pursued.

Mr. Bath pointed out that although the Council of the Society of Accountants in England had convened the meeting, yet it was a public one open to any accountant who cared to attend.

Mr. Short thought the subject should be taken up and dealt with in a friendly manner.

Mr. Meggy thought they should not treat the circular as addressed to the general body of accountants. It appeared to have been addressed only to a few drapery accountants, and it was a matter for them to consider whether or not they would accept the terms. If they decided to go into the general question they might ask a committee of the wholesale houses to meet a committee of the accountants.

Mr. Pember said that although country accountants were not immediately concerned, it might affect them ultimately, and therefore they ought to support their professional brethren in London He looked upon it as most difficult to lay down a general rule as to accountants' charges. (Hear.)

Mr. Barrett thought that if they were going into the question of accountants' charges, they should not confine themselves to one or two branches, but should deal with charges for auditing, and other matters. He thought it would be advisable to appoint a committee to consider the entire question.

A Member said the circular referred to accountants who could be numbered on the finger ends, and he thought they ought not to take the slightest notice of it.

The Chairman thought it was a vexed question, and that it was desirable to consider the whole matter.

The resolution moved by Mr Bath was then put to the meeting and carried unanimously.

Following up the spirit of the first resolution, Mr. Bath then moved two others. which were put separately to the meeting and carried unanimously. These were worded as follow:—

> "That a resolution as to maximum charges under all circumstances, and without any exception, is not a reasonable proposition."

> "That in considering any method of remunerating accountants, particular regard should be had to the important duties and special risks they are daily called upon to undertake in addition to the work done."

Mr. Bath then moved a resolution to appoint a committee as suggested. The resolution, which was also carried unanimously, was as follows, the members of the committee being elected individually by the meeting:—

> "That a committee comprising the following gentlemen, viz.—Joseph Davies, John Bath, James Cooper, Edward Harvey, H. Brett, Thomas Meggy, R. R. Robinson, J. C. Bolton, Henry Leatherdale, A. C. Harper (Secretary), R. A. Marsh, and J Killingworth, be appointed to confer with the several Societies of Accountants in England, in order to arrive at some satisfactory scale of charges and remuneration to accountants in relation to liquidation, composition, and bankruptcy."

Mr. Bolton suggested that the work of the committee should not be confined to charges in bankruptcy, liquidation and composition.

It was, however, understood that the work of the Committee would probably at the close of this inquiry be extended so as to include other charges.

A formal resolution to the following effect was then put and carried.

> "That the foregoing resolutions be advertised in the *Times*, *Daily News*, *Standard*, *Accountant*, and several provincial daily papers, with the statement that a report of the proceedings may be seen in the *Accountant* of Saturday 15th instant."

The Chairman said he was not sorry that the meeting had been brought about, for he hoped that accountants having been thus thrown together, they would become much more united, and work with zeal towards the attainment of a charter. (Applause).

The proceedings were then concluded with a vote of thanks to the chairman.

ROLLS' COURT, Chancery-Lane.

May 8.

(*Before the* Master *of the* Rolls.)

In re Oriental Telegram Agency Company (Limited).—Mr. Caldecott, for the petitioner in this case, said the evidence did not justify an order to wind-up the company, and submitted to have the petition dismissed with costs. Mr. Chitty, Q.C., and Mr. Bradford, for the company, said there was not the slightest excuse for the presentation of the petition, which might have been productive of irreparable injury to the company, and referred to the recent case of "Cadiz Waterworks Company v. Barnett," in which Vice-Chancellor Malins granted an injunction to restrain the defendant from presenting a winding-up petition as a means of enforcing payment of a disputed debt. The Master of the Rolls doubted whether that decision did not go too far; but if a man against whom a debtor's summons was issued might, if no debt was proved, bring an action for malicious proceedings against the person taking out the summons and recover damages, why should not a similar course be open to a company against whom a winding-up petition was presented without just cause?

In re Universal Disinfector Company (Limited).—Mr. Chitty, Q C., and Mr. H. J. Hunter appeared in support of a petition for winding-up this company, presented by the company themselves, on the ground of insolvency. Mr. Romer appeared in support of a creditor's petition with the same object. Mr. H. J. Hunter and Mr. W. C. Renshaw, for several creditors and shareholders, supported the company's petition. Mr. A. G. Langley, for holders of 460 shares, opposed; but the Master of the Rolls made the usual order, and gave the conduct of the winding-up to Mr. Romer's clients. Mr. E. Cutler, for a judgment creditor, then moved, in pursuance of leave given, for liberty to issue execution, notwithstanding the winding-up order. The Master of the Rolls asked whether there was any case in which execution had been allowed to issue after the winding-up order. It appeared there was no such case, although execution had been sometimes

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allowed to issue after the presentation of a petition on which an order to wind-up has been subsequently made. Mr. Cutler then argued that it was a case in which the Court would be justified in exercising the discretion conferred by the 87th and 163rd sections of the Companies Act, 1862. The action, which was on an unpaid bill of exchange, had been commenced as far back as the 18th of February, and but for the unwarrantable conduct of the company in defending the action he would have been in a position to issue execution before the presentation of the company's petition. The Master of the Rolls said the judgment creditor might have gone on to issue execution notwithstanding the presentation of the petition, inasmuch as no injunction had been granted to restrain him from so doing. The simple question he had to decide was, whether this was a case in which he ought to allow a judgment creditor to proceed to execution after the winding-up. The sole object of the Companies Act was to make an equitable provision in the nature of bankruptcy for the distribution of the effects of the company among the persons entitled. If a judgment creditor was entitled to no preference in the bankruptcy of an individual, why should he be entitled to any preference in the winding-up of a company? It had been argued that he was entitled to preference on the ground of hardship, because he had been misled by the company and prevented from issuing execution sooner; but whatever equity that might give him against the company, it could give him none against the other creditors, who were no parties to the alleged misconduct of the company. The motion must be refused, but he should allow the costs of the application.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

May 8.

(*Before Vice-Chancellor Sir* C. HALL.)

IN RE THE TECOMA SILVER MINING COMPANY (LIMITED).—These were two petitions to wind-up this company, which was formed in January, 1873, with a capital of £300,000, for the purpose of acquiring a mining property in Box Elder County, in the Territory of Utah, in the United States of America, and known as the Stanley, Lumsden, Orbit, and Gladstone claims; the consideration for the purchase being £280,000, £150,000 in fully paid-up shares, and £130,000 partly in cash and partly in fully paid-up shares. The petitioners were both former officers of the company in Utah, one their manager and the other their bookkeeper and accountant, and they petitioned for the winding-up of the company, as creditors for arrears of salary and other moneys. In each case the company disputed, but as the petitioners alleged without cause, the amount of the petitioning creditor's debt, and set up counter claims against them. Mr. Dickinson, Q.C., and Mr. Dawney appeared for the petitioner in the first petition; Mr. Karslake, Q.C., and Mr. Solomon for the petitioner in the second petition; Mr. Lindley, Q.C., and Mr. Alexander for a creditor; Mr. Greene, Q.C., and Mr. Grosvenor Woods for the company; and Mr. Nalder for shareholders. The Vice-Chancellor, considering that the debt of the petitioning creditor was disputed, would not make a winding-up order on either petition, but upon the company agreeing to pay each creditor £100 on account, and without prejudice, and to pay into Court the balance due in regard to their respective salaries, his Honour ordered the petitions to stand over, so that actions at law might be brought by the petitioners against the company.

IN RE THE FLAGSTAFF SILVER MINING COMPANY OF UTAH (LIMITED).—This was a petition to wind-up another company formed to work mines in Utah. Captain Forbes, the petitioning creditor, had obtained judgment against the company, but had not issued execution, because the company's solicitor had told him there was no property of the company on which he could levy, and the company having since paid the petitioner's debt, objected to paying his costs of the petition, on the ground that under the 80th section of the Act of 1862, the company could not be considered as unable to pay its debts (which was the ground of this petition), unless the judgment creditor petitioning had actually levied and failed to find assets. The Vice-Chancellor, however, held that when the judgment creditor was told by the company that they had no assets on which he could levy, that was evidence of their inability to pay, so as to relieve the judgment creditor from the necessity of actually levying; but as, in this case, the company had since the petition was presented paid the petitioner's debt, his Honour made no order except that the company should pay the costs of the petition. Mr. Lindley, Q.C., and Mr. Graham Hastings appeared for the petitioner; Mr. Greene and Mr. Grosvenor Woods for the company.

COURT OF BANKRUPTCY.

May 8.

(*Before the* HON. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE THE HON. W. F. O. O'CALLAGHAN, M.P.—This was a sitting for public examination. The bankrupt, who is member of Parliament for Tipperary, is described as of the Hôtel de Bade, Boulevard des Italiens, Paris, and of 31 Old Burlington-street. He had been adjudicated upon the petition of a firm of jewellers at the West-end, and at the first meeting debts amounting to £1,798 were proved, and Mr. Albert Marley, accountant, was appointed trustee, to act with a committee of inspection. The bankrupt did not appear to-day, and it was stated that he was unable to attend through illness. Mr. Cottman, for the bankrupt, asked for an adjournment, stating that his client was prepared to file his accounts, and to submit a proposal to the creditors under the 28th section. Mr. T. Lumley, for the trustee, consented to the application. His Honour ordered an adjournment until the 5th of June, subject to the production of an affidavit showing the cause of the bankrupt's absence.

IN RE FREDERICK FURNISS.—The debtor, a contractor, of 9 Victoria-chambers, Westminster, has filed a petition for liquidation, with debts returned at £35,000, and assets £30,000, consisting of a contract with the Justices of Kent for the erection of a lunatic asylum. Upon the application of Mr. H. R. Hodson for the debtor, and with the concurrence of creditors, his Honour appointed Mr. Charles Beckwith, accountant, 70 Aldermanbury, receiver.

May 10.

(*Before Mr. Registrar* BROUGHAM.)

IN RE WILKINSON, WATTS, & CO.—The debtors, who are steamship owners, carrying on business at 90 Leadenhall-street and 8 Billiter-square, have filed a petition for liquidation, stating their liabilities at £100,000. The assets—which consist of shares in steamships to the estimated value of £75,000; shares in public companies, £10,000; policies of insurance, cash, bills and book debts, £35,000—amount to a total value of £120,000, but this amount is subject to realisation. The affidavit of the debtors stated that the stoppage of the firm was due to the recent failure of Messrs. Richardson. Upon the application of Mr. Brough, Mr. R. Fletcher, public accountant, of Moorgate-street, was appointed receiver and manager; and his Honour granted an injunction staying the proceedings at law of several suing creditors.

MAY 11.

(*Before Mr. Registrar* KEENE.)

IN RE W. T. HENLEY.—The debtor, William Thomas Henley, described as of Plaistow, North Woolwich, the Pontnewynydd Iron Works, in Wales, and also of Fenchurch-

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street, telegraph engineer and contractor, had filed a petition for liquidation by arrangement or composition, and at the meeting of creditors recently held it was determined to liquidate by arrangement, a trustee and committee of inspection being appointed. The liabilities were returned at £212,000, the assets being of the estimated value of no less than £519,000. Mr. Millet now applied for leave to register the resolutions. The application was not opposed, but Mr. Penn, the chief clerk, called attention to the fact of notice having been omitted in the first instance to as many as 68 creditors, whose total debts were £4,199. It appearing, however, that the validity of the resolutions was not affected, the same having been carried by a statutory majority in number and value of the creditors, and that the estate would yield 20s. in the pound, his Honour gave effect to the resolutions by ordering registration.

May 12.

((*Before the Hon.* W. C. Spring-Rice.)

In re Stephen Henry Emmens.—The debtor, carrying on business as a merchant and banker in Old Jewry, under the style of Emmens Brothers and Co., has filed a petition for liquidation, estimating his liabilities at £140,000, and assets £150,000, consisting of the following particulars:—Numerous valuable interests in mines; stocks, shares, and debentures of joint-stock companies; freehold, copyhold, and leasehold properties in England and elsewhere; also chemical works at Rotherhithe and large premises at Redmoor, in Cornwall, used for the manufacture of arsenic. The Court last week appointed Mr. James Cooper, public accountant (Johnstone, Cooper, Wintle, and Co.), receiver and manager of the estate, and granted an interim injunction staying further proceedings at the suit of various creditors, and on the application of Mr. Brough, his Honour now extended the injunction until further order. Messrs. Crook and Smith, Fenchurch-street, are the solicitors in the proceedings.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

The Master of the Rolls has appointed Mr. F. B. Smart, of the firm of Frederick B. Smart, Snell and Co., to be official liquidator of the Australia Direct Steam Navigation Company (Limited).

The Master of the Rolls has appointed Mr. B. P. Daniels, Public Accountant, of No. 7 Poultry, to be official liquidator of the Bream Iron Mining Company, Limited.

CREDITORS' MEETINGS.

H. Ready (Hickling)—A meeting of the creditors of Henry Ready of Hickling, Norfolk, clerk in holy orders, was held at Messrs. Blake, Keith and Blake's, the Chantry, Norwich, on Saturday 8th May, 1875, when it was resolved to Liquidate the estate by arrangement, Mr. Lovewell Blake of Hall Quay Chambers, Great Yarmouth, public accountant, and Mr Robert Baldry, being appointed trustees, with a committee of inspection.

W. E. Taylor (Accrington).—A preliminary meeting of the creditors of Mr. W. E. Taylor, of Enfield Mills, Accrington, cotton manufacturer, was held at the Clarence Hotel, in Manchester, on Tuesday. The statement of affairs, read by Mr. Collier (Messrs. Chadwick, Adamson, and Co., accountants), showed the liabilities to be £53,000, and assets £70,000, with £27,000 owing to secured creditors. It was resolved to carry on the business under inspection, Mr. Collier to continue to act as receiver.

E. Hopwood (Huddersfield.)—A meeting of the creditors in the affairs of Edwin Hopwood, Lower Aspley, Huddersfield, wine and spirit merchant, was held at the office of Messrs. Craven and Sunderland, King-street, Huddersfield, solicitors, on the 6th instant. The statement read to the meeting showed liabilities amounting altogether to £2605 11s. 5d., and the assets amounting to £888 3s. 9d. The debtor offered a composition of 5s. in the pound, payable in three equal instalments at two, four, and six months, but the creditors would not accept the offer, and they resolved to liquidate the estate by arrangement. Mr. G. P. Cotton, accountant, Huddersfield, was appointed trustee, and Messrs. Craven and Sunderland were appointed to register the resolution.

Mills & Heywood (Manchester.)—At a meeting of the creditors of Messrs. Mills and Heywood, cotton spinners and doublers, held at Manchester on the 6th instant, the liabilities were stated at £26,349, and assets at £5,951. It was resolved to liquidate by arrangement.

Bennett & Glave (Leeds).—A meeting of the creditors of Messrs. Bennett and Glave, woollen manufacturer and merchants, of King-street, Leeds, and Potterdale Mills, Dewsbury-road, was held on the 8th instant, The statement of affairs showed liabilities amounting to £25,610, and assets amounting to £18,548. It was resolved that the estate should liquidated under the liquidation clauses of the Bankruptcy Act.

G. Pulford (Yarmouth).—A first meeting of creditors under the bankruptcy of George Pulford the younger, of Martham, was held on Tuesday, May 11th, 1875, when Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, was elected trustee. Mr. Charles Henry Wiltshire is solicitor in the proceedings.

W. W. Batty (Yarmouth).—A first meeting of creditors under the bankruptcy of William Waddingham Batty, Great Yarmouth, oil and color merchant, was held on May 10th, 1875, when Mr. Lovewell Blake, of Hall Quay-chambers, Great Yarmouth, public accountant, was elected trustee. Mr. C. H. Wiltshire is solicitor in the proceedings.

Alfred Bowes (London)—This was a meeting on the 5th instant for proofs of debt and the choice of a trustee. The statement of affairs by Messrs. Browne, Stanley, and Co., public accountants, 35 Old Jewry, E.C., disclosed total debts £22,715 10s. 6d., against assets £6692 16s. 0d. Proofs to a large amount were admitted. Mr. Robert Hough, a creditor, and Mr. W. L. C. Browne, public accountant, (C. Browne, Stanley and Co), were appointed trustees to act with a committee of inspection. Mr. Baker (Lawrence Plews, and Co.) was concerned for the petitioning creditor. Mr. Finlay Knight (instructed by Messrs. Lumley and Lumley) represented the bankrupt and creditors; Messrs. Ashurst, Morris, and Co., Mr. Barrand, Mr. R. Gole and Mr. W. H. Roberts represented creditors.

J. Drake (Halifax).—The first statutory meeting of the creditors of Joseph Drake, of Derby-street, Woodland-terrace, Halifax, was held at the Talbot Hotel, on Tuesday. The statement of affairs, read by Mr. S. J. Beswick, showed the liabilities to be as follows:—Unsecured creditors, £506 14s.; creditors fully secured by mortgages, £1,237 5s.; estimated value of securities held by mortgagees, £1,490; surplus to contra, £252 15s. The assets consist of stock-in-trade and working tools, £92; book debts, £15; furniture, fixtures, and fittings, £20; amount to be received from works on various contracts, £166 10s.; and surplus from securities in the hands of creditors fully secured, £252 15s.; making a total of £546 5s.; from which, deducting £21 1s. 1d. payable to creditors in full, leaves the total assets £525 3s. 7d. The debtor made no offer of composition, and after a lengthened discussion, it was resolved to wind up the estate in liquidation, Mr. Beswick, of the firm of Messrs. Beswick and Co., accountants, being appointed trustee, with a committee of inspection consisting of three of the principal creditors. Mr. C. H. Leeming, solicitor, Halifax, was intrusted with the registration of the resolutions.

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B. WOOD (DUDLEY).—On Monday afternoon Mr. Benjamin Wood's creditors met at Dudley. The liabilities were £35,354; assets, £910. The debtor said he had lost £61,000 in four years by contracts made for coke, just before coal doubled in price. An informal offer of 2s. in the pound was made but not accepted, and a committee of investigation was appointed.

J. H. & A. BELL (DUNDEE).—A meeting of the creditors of the firm of Messrs. J. H. and A. Bell, export linen and jute merchants, Dundee, who suspended payment last week, was held in the chambers of Messrs. W. and D. Inglis, accountants: a statement of the affairs was submitted, showing liabilities amounting to £100,220, which includes about £30,000 of reclamation on foreign consignment accounts, and £1,050 of preferable debts. The assets amount in all to £32,390, and consist of assets of the firm, £24,706; assets of Mr. J. H. Bell, £3,300; and assets of Mr. Alexander Bell, £4,300. The state of affairs also showed a probable dividend of 6s. 3d. in the pound. A committee was appointed to investigate the statement of affairs. At a meeting of the creditors of Messrs. J. H. & A. Bell, export merchants, Dundee, who failed a fortnight ago with £100,000 of liabilities, a composition of 6s. per pound was accepted.

JESSE MORSMAN (LONDON).—At a meeting of the creditors of Mr. Jesse Morsman, 4 Grove-terrace, Lisson-grove, builder and contractor, a statement of affairs was presented showing liabilities £6,082 7s. 8d. and assets £2,401 0s. 5d. It was resolved to liquidate by arrangement, and Mr. E. C. Chatterley (Browne, Stanley and Co.), public accountant, 25 Old Jewry, E. C., was appointed trustee, with a committee of inspection.

B. WOODS (DUDLEY).—On Thursday the creditors of Mr. Benjamin Woods met at Dudley. His liabilities were stated to be £32,354, and assets £910. The debtor said he had lost £71,000 in four years by contracts made for coke just before coal doubled in price. An informal offer of 2s. was refused, and a committee of investigation was appointed.

H. CRAWSHAW (FARNWORTH).—A meeting of the creditors of Mr. H. Crawshaw, Farnworth, cotton spinner, which had been convened by Messrs. Hulton and Son, solicitors, Bolton, was held on Thursday. The statement submitted showed liabilities £2,128, and assets £2,223. It was resolved to liquidate by arrangement.

FAILURES.

ENGLAND.—At the Sheffield County Court, on Monday, a petition was filed on behalf of Joseph Radford, cutlery manufacturer, Boston Works, Milton-street. The liabilities are estimated at £1,200.—A petition has been filed in the Sheffield Bankruptcy Court by Mr. Joseph Radford, manufacturer, of Boston Works, Milton-street, Sheffield. The liabilities amount to about £1200.

SCOTLAND.—The *Dundee Advertiser* says it is understood that in consequence of his funds being locked up in America, Mr. Robert Mackenzie, merchant, is not able to meet his liabilities, which amount to about £30,000. Matters are complicated by Mr. Mackenzie being at present on the other side of the Atlantic, where he recently proceeded with the view of realising means to forward remittances. Misunderstandings with an American house regarding transactions extending over a considerable period and of large aggregate amount are spoken of as the cause of the difficulty.

IRELAND.—The failure is reported of Messrs. Neil and Shaw, in the provision trade, and of Messrs. Alexander Guild & Co., linen merchants, both of Belfast. The liabilities in the former case amount to £40,000 and in the latter to £25,000.

IRELAND.—The estate of Messrs. Magill, Riddel, & Co., of Belfast, whose failure was announced ten days ago, is expected to turn out very badly. A large portion of the assets are in Havana, and cannot be profitably realised. Their liabilities amount to £59,000.—*North British Daily Mail.*

AMERICA.—American advices report the suspension of Messrs. J. B. Fry and Co., in the shoe trade, Lynn, Mass., with liabilities of £8,000; and of Messrs. Brown Brothers, in the same trade and place, with liabilities close on £16,000. Mr. M'Murray, butter dealer, Delhi, N.Y., had also failed, with liabilities at £8,000. Mr. A. K. Forbes, flax-spinner, Hatton-mill, near Arbroath, suspended payment on Saturday. The state of his affairs is not yet known.—New York advices report the suspension of Messrs. Brown Brothers, in the shoe trade, Lynn, Massachusetts, with liabilities close on £16,000.

WINDING-UP.—Vice-Chancellor Malins has made an order for the compulsory winding-up of the Cornish Consolidated Iron Mines Corporation (Limited).—A petition for the winding-up of the Tynemouth (Borough) Tramways Company (Limited) is to be heard before Vice-Chancellor Malins on the 28th inst.—A petition to wind up the Ifton Rhyn Collieries, (Limited) has been presented to the Court of Chancery.

LANDED ESTATES.—Mr. E. J. Wilson, the secretary of the Estate Exchange, has published the following return of Landed Estates, &c., from the 1st of January to the 30th of April, as compared with the three preceeding years:—Return of landed estates, &c., registered as sold by public auction and and by private contract at the Estate Exchange, Tokenhouse-yard, E.C.:—January 1 to April 30—1872, £1,560,394; 1873 £1,378,492; 1874, £1,600,727; 1875, £1,979,488.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Ashton, Frost, and Co.—Capital £30,000, in £5 shares.
Automaton Block Signal—Capital £25,000, in £1 shares.
Bahia Central Railway—Capital £1,462,500 in £20 shares.
Colonial, European, and American Telegram — Capital £6,000, in £6 shares.
Cyclops Iron—Capital £30,000, in £10 shares.
Eastby Mills—Capital £20,000, in £5 shares.
Freehold Villas Trust—Capital £100,000, in £10 shares.
Henry and Edward N. Levy and Co.—Capital £200,000, in £100 shares.
Heap-bridge Paper—Capital £32,500, in £5 shares.
Indo-Australasian Telegraph—Capital £2,000,000, in £10 shares.
Liverpool Property—Capital £20,000, in £10 shares.
London Charcoal Iron—Capital £21,000, in £10 shares.
Peterborough Coal Consumers—Capital £25,000, in £10 shares.
Pilworth Bleach and Dye Works—Capital £40,000, in £10 shares.
Saint Bride's Club—Capital £500, in £5 shares.
Tonge Vale Spinning—Capital £70,000, in £5 shares.
Victoria Cab—Capital £125,0 00, in £5 and £1 shares.
West Prince Patrick and Old Silver Rake Silverlead Mining —Capital £20,000, in £2 shares.
West Prussian Mining—Capital £210,000, in £10 shares.
Workmen's Dwellings Improvement—Capital £60,000, in £4 shares.
Yarmouth Aquarium Society—Capital £100,000, in £5 shares.

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Bankers' Clearing House.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, May 12th:—

Thursday, May 6	£15,322,000
Friday, May 7	16,197,000
Saturday, May 8	15,441,000
Monday, May 10	13,415,000
Tuesday, May 11	16,498,000
Wednesday, May 12	17,179,000
	£94,052,000

The total at the corresponding period of last year, was £102,340,000.

LATE ADVERTISEMENTS.

The Bankruptcy Act, 1869.

In the COUNTY COURT of YORKSHIRE holden at HALIFAX.

A DIVIDEND is intended to be declared in the matter of THOMAS HANSON, WILLIAM PICKLES, JOHN JAGGER, JAMES HELLIWELL, LEVI BOTTOMLEY, and SAMUEL WOODHEAD, of Halifax in the county of York, stuff manufacturers, carrying on business in co-partnership at West Grove Mill and Bailey Hall Works in Halifax aforesaid under the style or firm of "HANSON, PICKLES and Co." Bankrupts, adjudicated bankrupts on the first day of April 1875. Creditors who have not proved their debts by the 26th day of May 1875, will be excluded.

Dated this 13th day of May 1875.

C. T. RHODES, } *Accountants,*
J. I. LEAROYD, } Halifax.

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WHITE'S MOC-MAIN LEVER TRUSS is allowed by upwards of 500 Medical Men to be the most effective invention in the curative treatment of Hernia. The use of a steel spring, so hurtful in its effects, is here avoided, a soft bandage being worn round the body, while the requisite resisting power is supplied by the MOC-MAIN PAD and PATENT LEVER, fitting with so much ease and closeness that it cannot be detected and may be worn during sleep. A descriptive circular may be had, and the Truss (which cannot fail to fit), forwarded by post, on the circumference of the body two inches below the hips being sent to the manufacturer, Mr. John White, 228, Piccadilly, London. Price of a single Truss, 16s., 21s., 26s. 6d., 31s. 6d, Postage Free. Double Truss, 31s. 6d., 42s., and 52s. 6d. Postage free. An Umbilical Truss, 42s., and 52s. 6d. Postage free. P.O.O. to be made payable to John White, Post-office, Piccadilly.

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Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
Claims Paid	1,140,151	1	8

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 24.] SATURDAY, MAY 22, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

A DIVIDEND is intended to be declared in the matter of ALFRED THOMAS PITCHFORD, of the Island Lead Mills, Limehouse, in the County of Middlesex, Lead Manufacturer, who, with EDWARD BEAUMONT PITCHFORD, of the same place, his co-partner, was adjudicated Bankrupt on the Sixteenth day of February, 1874.
Creditors who have not proved their debts by the Fifth day of June, 1875, will be excluded.
Dated this Eighteenth day of May, 1875.

C. F. KEMP,
Trustee.

8 Walbrook, London.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

A DIVIDEND is intended to be declared in the matter of EDWARD BEAUMONT PITCHFORD, of the Island Lead Mills, Limehouse, in the County of Middlesex, Lead Manufacturer, who, with ALFRED THOMAS PITCHFORD, of the same place, his co-partner, was adjudicated a Bankrupt on the Sixteenth day of February, 1874.
Creditors who have not proved their debts by the Fifth day of June, 1875, will be excluded.
Dated this Eighteenth day of May, 1875.

C. F. KEMP,
Trustee.

8 Walbrook, London.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT BRADFORD.

IN the matter of a Special Resolution for Liquidation by Arrangement of the Affairs of ROBERT UMPLEBY BARKER, of North Parade, Bradford, in the County of York, Painter and Paper Hanger.
A First Dividend of Ten Shillings in the pound has been declared in the matter of the above Liquidation, and will be paid by me, the undersigned ALEXANDER ATKINSON, Accountant, at my Offices, No. 15 Kirkgate, Bradford, aforesaid, on and after the 7th day of June, 1875.
Bills and Securities must be produced before payment of dividend.
Dated the Twelfth day of May, 1875.

ALEXANDER ATKINSON,
Trustee herein.
TERRY & ROBINSON,
Bradford, Solicitors to the Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT BRADFORD.

IN the matter of a Special Resolution for Liquidation by Arrangement of the Affairs of KERSHAW JOWETT, of Tyersal, near Bradford, in the County of York, Innkeeper.
A First Dividend of Two Shillings in the Pound has been declared in the matter of the above Liquidation, and will be paid by me, the undersigned ALEXANDER ATKINSON, Accountant, at my Offices, No. 15 Kirkgate, Bradford, aforesaid, on and after the 14th day of June, 1875, to those Creditors who have proved their debts.
Bills and Securities must be produced before payment of dividend.
Dated the Tenth day of May, 1875.

ALEXANDER ATKINSON,
Trustee herein.
TERRY & ROBINSON,
Bradford, Solicitors to the Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT WAKEFIELD.

IN the matter of a Special Resolution for Liquidation by Arrangement of the Affairs of WILLIAM POSKITT, of South Bailey Gate, Pontefract, in the County of York, Common Brewer.
A First Dividend of Four Shillings and Sixpence in the Pound has been declared in the above matter, and will be paid by me at my Offices, situate and being at No. 15 Kirkgate, in Bradford, in the County of York, on and after Thursday, the Twenty-seventh day of May instant, to those Creditors who have proved their debts.
Bills and Securities must be produced before dividend can be paid.
Dated this 13th day of May, 1875.

ALEXANDER ATKINSON,
Accountant, one of the Trustees.
W. E. CARTER,
Of Pontefract, Solicitor to the Trustee.

MR. J. C. BOLTON,

PUBLIC ACCOUNTANT, OFFICIAL AND MERCHANTS' AUDITOR,

Notifies that the Business heretofore carried on by him at 122 Leadenhall Street, and 2 St. Mary Axe, will now be conducted at 26 GREAT ST. HELENS, under the title of BOLTON & SON, he having taken into partnership his eldest son, Mr. A. C. M. Bolton.

AT A MEETING OF PUBLIC ACCOUNTANTS

CONVENED BY THE

COUNCIL OF THE SOCIETY OF ACCOUNTANTS IN ENGLAND,

Held at the GUILDHALL TAVERN, on Wednesday, the 12th inst.,

"TO consider a Circular issued by Wholesale Houses, having reference to a Scale of Charges for Accountancy Work relating to Liquidations and Compositions." MR. JOSEPH DAVIES, PRESIDENT S.A.E., in the Chair, the following Resolutions, moved by MR. JOHN BATH VICE-PRESIDENT, S.A.E., were carried unanimously, viz.:—

(1.) That a charge by way of commission only, is not an equitable mode of remuneration, as the result may be very much out of proportion to the work done.

(2.) That a resolution as to maximum charges under all circumstances and without any exception, is not a reasonable proposition.

(3.) That, in considering any method of remunerating Accountants, particular regard should be had to the important duties and special risks they are called upon to undertake in addition to the work done.

(4.) That a Committee, comprising the following gentlemen:—Joseph Davies, John Bath, James Cooper, Edward Harvey, H. Brett, Thomas Meggy, R. R. Robinson, J. C. Bolton, Henry Leatherdale, A. C. Harper (Sec.), R. A. March, and J. Killingworth, be appointed to confer with the several Societies of Accountants in England, in order to arrive at some satisfactory scale of charges and remuneration to Accountants in relation to Liquidation, Composition, and Bankruptcy.

(5.) That the foregoing resolutions be advertised in the *Times*, *Daily News*, *Standard*, *Accountant*, and several Provincial Daily Papers, with the statement that a report of the proceedings may be seen in the *Accountant* newspaper of Saturday, 15th instant.

ALFRED C. HARPER,
Secretary.

Offices,
2 Cowper's Court,
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Vice-President, WILLIAM TURQUAND.

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Under RULE 16, applicants for admission as Associate up to 1st of July, 1878 (save as provided by RULE 19) must be twenty-one years of age, and must have served for not less than five years as clerk, either articled or otherwise, to a member of this Institute or of some other Institute or Society of Accountants, or else must have been in Partnership with such a person for not less than four years, or have been in practice as a Professional Accountant for the five consecutive years preceding the date of application.

RULE 10 is to the effect that Fellows shall (except as provided by RULE 19) for the future be elected from among the Associates only; RULE 19 enacts that it shall be competent to *the Institute*, in special cases, to admit persons either as Fellows or Associates who may not be eligible under the foregoing regulations, provided such persons have made application to the Council, accompanied by the proper written recommendation according to the Rules, and have received the recommendation of three-fourths at least of the Council.

Applicants for admission as Associate must be recommended to the Council by at least one Fellow of the Institute in the terms prescribed.

Applicants for admission as Fellow must be recommended in like manner by at least three Fellows.

The Membership of the Institute is by RULE 53 restricted to persons who are not engaged in any other pursuit than that of a Professional Accountant.

THOMAS A. WELTON, SECRETARY.

30 Moorgate-street, E.C., 18th February, 1875.

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THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF WARWICKSHIRE, HOLDEN AT BIRMINGHAM.

IN the matter of a Special Resolution for Liquidation by Arrangement of the affairs of WILLIAM JAMES, of No. 12 Eaign-street, in the City of Hereford, in the County of Hereford, Wine and Spirit Merchant, and Licensed Victualler, trading under the style or Firm of JAMES AND SON.

The Creditors of the above-named William James who have not already proved their debts, are required, on or before the thirty-first day of May instant, to send their names and addresses, and the particulars of their debts or claims to me the undersigned, CHARLES PEMBER, of the City of Hereford, Accountant, the Trustee under the Liquidation, or in default thereof they will be excluded from the benefit of the Dividend proposed to be declared.

Dated this Eleventh day of May, 1875.

CHARLES PEMBER, *Trustee.*

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The Accountant.

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relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

MAY 22, 1875.

We make no apology to our readers for returning to the subject of the important meeting at the Guildhall Tavern, which we can but regard as one likely to have the greatest possible influence on the future of the profession in many ways, and especially in one perhaps the most important of all. For a long time, the calling of accountant has been one holding no particular position, and accountants themselves have been but little alive to the necessity of organization. There has been want of mutual sympathy, and want of cohesion. The great city firms have looked down upon their provincial brethren, and have left the name of accountant to be usurped by the nondescript fry whose doings have given such offence to our grave legal contemporaries, and against whose invasion of the province of other professions, we have been not the least strenuous in protesting. It is only within the last few years that the various societies have been formed; and even now there are still divisions and disunion in the ranks. That these societies should be united,—that accountants should be governed by common rules and regulations, and, as far as possible, assimilated in details of order and governance to other professional bodies, is what we have often insisted upon. But what friendly counsel and willing advice have hitherto failed to do, may yet be brought about by external pressure. The instinct of self-defence seems likely to consolidate the various atoms. The question that has been raised by the "Warehousemen's Circular" affects Manchester and Liverpool, as well as London, and necessitates that community of action which is sure to bring about a closer and more complete alliance. If it terminates in incorporation by charter, in a strict system of examination for aspirants to membership,—in the maintenance of a rigid professional etiquette, by which the honour of the profession may be jealously guarded,—and in the establishment of a fair and equitable scale of charges,—accountants may be grateful for the hostile movement, out of which so much good has come.

We have on various occasions dealt with the system of accountants' charges, and pointed out the difficulties of duly regulating them. Our observations have been addressed to the public at large, as well as to the profession, and we should have been glad to have the opinion of our lay readers on the matter in question. It is beyond dispute that the uncertainty of charge is viewed with general disfavour, and that the charge by time employed is one which may readily lead to abuse in unscrupulous hands, and is, in addition, very unsatisfactory to the employer. An accountant is called in to exercise his craft, and sends in a claim based upon work of so many hours. This is often viewed unfavourably. The accountant produces his diary and vouchers, and shows that he has actually expended the time for which he charges. And very possibly his account is true and exact, erring more on the side of liberality than that of stringency. But still there remains the fact that this work may have been merely the occupation of leisure

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moments, or that time has often been unduly wasted. And again, there is a positive premium on slowness. A quick, keen-witted man does more in an hour than another in two; and yet the same rate of pay is expected for each man's work. It is not our province to suggest a remedy. To find the due solution of the equation between time and labour, is the problem set. We can only invite attention to it.

Uncertainty of charge is equally difficult to meet. An accountant's labours may result in a statement which bears no marks on its face of the trouble which it has cost its author. A solicitor preparing a draft, knows that he will have something to show for his pains. The time it has taken him to prepare will be roughly estimated by the number of folios which it contains, and is remunerated according to a fixed scale. A barrister may write a short and apparently simple opinion, which may have cost him the most intense labour to prepare. But then the value of his work is estimated for him by a professional judge. The solicitor by whom the case has been prepared can form some notion of the difficulty of the task that has been set, and apportion the *honorarium* accordingly. But the accountant labours under the peculiar difficulty of working for an employer who may not be able to judge his merits adequately. It is impossible to fix a price beforehand; it is equally difficult to fix a scale which shall be applicable to all and every transaction. But on this point we may take a hint from the practitioners of the law. The aggrieved client has his remedy against extortion and overcharge. He can have the bill taxed by an officer specially appointed for that duty, wary in the devices of the attorneys, keen to detect error, and erring more on the side of judicial severity than of leaning towards the profession of which he has been a member. The client may be dissatisfied with the result; but he must at any rate own that the arm of the law has been reached out for his protection, and set in motion in a very simple manner. Let us, then, have a taxing master for accountants. If the charge is for so many hours, let him make due investigation, and say how many hours a man of reasonable skill would have employed. Let him work by a fixed scale, and on principles as clearly defined as those which regulate an ordinary taxing-master. This would gradually produce uniformity of charge; and though it might take some time before the effects were perceptibly felt, the benefit would be very decided. Of course, it would still be open for any accountant to make any bargain he liked for his services, independent of the powers that be. It might be very seldom that the assistance of taxation would be required. But the knowledge that this power of regulation and moderation existed would soon have its effect.

Our suggestions and remarks have been intended to apply to what we may term the non-contentious branch of an accountant's business. As regards bankruptcy and liquidations, to which the circular has drawn special attention, we have frequently stated our views, which we may here briefly recapitulate. An official liquidator is an official of the Court of Chancery, and as such amenable to the stringent jurisdiction of that Court; a sufficient safeguard against any overcharge by him. But we would frame a scale for bankruptcy business, giving power to the trustee to apply to the Court of Bankruptcy for the sanction of an extra payment on the ground of heavy labour. And we would meet the admitted difficulty of those cases in which the assets will not bear the burden of any charges or costs which would adequately remunerate any professional man, by restoring as an alternative the class of official assignees to whom such cases could be allotted; leaving it to creditors to appoint one of their own body trustee, or to make any other arrangements they liked.

We shall await with much interest the various replies which may be sent to the Society of Accountants, and the report of the committee of conference, and we shall also be glad to receive any expressions of opinion from our readers, both lay and professional. We feel satisfied that the present is an auspicious moment for the settlement of the question, for which accountants are as anxious as any one else. To frame a just and proper scale, is a task of admitted difficulty; but we have every confidence in the ability of the committee to grapple with it. But they must bring united action to bear. We do not advocate the formation of a close union, pledged to maintain high charges, and to put aside any suggestions of reform or moderation. Such a movement would most certainly fail. But to regulate charges so that all interests would be guarded, to protect the client from overcharge, and the accountant from undue parsimony,—is a task worthy of the best men of the profession; and we look to them to accomplish it.

"C. B. N." raises a somewhat novel point of practice, but we confess we do not see much difficulty in it. The case is governed by the 140th and 141st sections of

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the Companies' Act, 1862, which provides that a "general meeting for the purpose of filling up such vacancy may be convened by the continuing liquidators (if any), or by any contributory of the company;" and in the case of a sole liquidator dying, the Court of Chancery may, on the application of any contributory, fill the vacancy. We apprehend, therefore, that it would be the duty of the continuing liquidator to call such meeting. But if not, as the office is joint, he would have full power of acting alone. The case is analogous to the common one of trustees, in which property vested in several passes to the survivors by virtue of such survivorship. If "C. B. N." is stating a case of actual experience, we should advise him to call a meeting to elect a colleague; otherwise, any contributory may do so. But he is not actually *bound* to call such meeting, and can act safely till it is held, or if it is not held at all.

LAWYERS AND ACCOUNTANTS.—A legal contemporary places before its readers two cases in which unauthorised persons have been punished for performing legal work. In the first case, the *Law Times* informs us that "a Bristol tradesman has been fined £10 for illegally practising as a solicitor, by preparing a deed:"—although our contemporary remarks at the close, "We believe the offender styled himself an accountant." The two statements are hardly in harmony, but we presume our contemporary had good reasons for this belief. The second case was that of an "accountant and agent in Manchester," who "was convicted of felony, in having served a document falsely purporting to be a copy of a writ of summons of the Salford Hundred Court of Record, and was sentenced to four months' imprisonment, with hard labour." In the first instance no name is given, and we cannot therefore test the accuracy of the statement; but the name of John Kitto, the offender in the Manchester case, does not, we are happy to say, appear in the published lists of accountants. We can only repeat, that we have as much interest, and shall feel as little hesitation as the *Law Times*, in exposing cases in which persons are found "poaching upon the rights of the legal profession."

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

Vice-Chancellor Sir Richard Malins has appointed Mr. James Cooper, of the firm of Johnstone, Cooper, Wintle, & Co., official liquidator of the National Mutual Shipping Assurance Association (Limited), in place of Mr. George Whiffin (late official liquidator), who has resigned.

Correspondence.

To the Editor of the Accountant.

Dear Sir,—It is sometimes a rather difficult matter to harmonise the different parts of the *lex scripta* of bankruptcy—the law of the "bankruptcy rules" —with that of the "bankruptcy act." But I confess myself entirely at sea on the subject of the *lex non scripta* of bankruptcy—the law as promulgated by the various Registrars of the London Bankruptcy Court. The rules of practice laid down by these officers for the guidance of the profession and public on points supposed to be outside the purview of the act and rules, are certainly puzzling and sometimes conflicting. One of the latest of these unwritten laws is, that in cases of liquidation petitions, no receiver shall be appointed by the court until after notice of the application for the appointment has been served upon the *debtor*. Any one conversant with the manner in which these things are worked, will see at once that such a rule as this must give undue facilities to the debtor for influencing the appointment of receiver; in fact, it must place the appointment practically in the debtor's hands. The Act of Parliament treats the property of a person unable to meet his engagements as belonging to his creditors. This being so, the sooner that property is protected, in the interests of the creditors, by the appointment of a receiver nominated by the creditors, the better. The system of allowing a debtor to nominate the receiver, which office is often a stepping-stone to that of trustee, has led to many abuses, and is responsible for much of the evil complained of in regard to proxies.

A somewhat extraordinary case, bearing on this question, recently came before the court. A liquidation petition having been filed by a large firm in the city, an application was made to one of the Registrars on behalf of large *creditors* for the appointment of a receiver. The Registrar required notice of the application to be given to the debtors before making the order, and adjourned the matter till a subsequent day. Later in the day on which the above mentioned application was made, the *debtors* applied for the appointment of a receiver; and the application was at once acceded to by *the same Registrar*, and the debtor's accountant was appointed receiver. This appointment appears to have been made, notwithstanding the prior application, and without notice to the prior applicants before making the order.

I make no suggestion that the gentleman proposed as receiver under the first application was better qualified for the office than the one who has been appointed. I can have no reason to doubt that the receiver appointed, being as he is a member of a firm of most unquestioned respectability, will carry out the duties of his office fairly and impartially. Still, this does not affect the principle at issue, which is, that if a bankrupt's property belongs to his creditors, it is *their* agent who should have the management of it, and not the *debtor's*. And although, in the present instance, the interests of the creditors may not suffer, yet it cannot but be a matter of frequent occurrence that they do suffer under the present system.

For myself, I confess that, rather than see that system continue, I should prefer to have an impartial person, such as an officer of the Court, appointed receiver in all cases. The creditors would then have a much better chance of being unfettered in the selection of the person whom they

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might desire to have as their trustee. If the services of an accountant are required to prepare a statement, or investigate accounts prior to the first meeting, he should be appointed by the Court upon the application of a certain proportion in value of the creditors; but the office and duties of accountant should be distinct from those of receiver. For the latter office a certain number of accountants might be registered on the Rolls of the Court, from whom the Court might appoint receivers, as occasion required. They would then act as officers of the Court, and presumably impartially, being accountable to the Court for their conduct. Then, in all cases, the *first* applicant for the appointment of a receiver should, subject to the approval of the Court, select the receiver from the list, and obtain the appointment. Trusting that the whole question of appointment, duties, and remuneration of receivers will be satisfactorily dealt with when the Act and Rules are amended,

I am, yours truly,
RECEIVER.

LONDON, *May* 11, 1875.

To the Editor of the Accountant.

SIR,—I am induced to ask for some information from yourself and correspondents, on a "point of law and practice in liquidations," and I have in view "the Companies Act, 1862." I will briefly state the facts.

A joint stock company went into liquidation, and at an extraordinary meeting of the Shareholders, as it was supposed it would be prudent to appoint more than one liquidator, two were appointed.

Just as the liquidators are ready to render their final accounts of the winding-up, one of the liquidators dies. In the Act, under the winding-up clauses, it names several times, both with respect to official and voluntary liquidations, that if any vacancy occurs in the office of such liquidators, the company *may* fill up such vacancy. But, if there is no command to fill up such vacancy, can the remaining liquidator exercise all the powers of the former joint liquidators, without being specially appointed at an extraordinary meeting, to be summoned by him or the shareholders: and further, suppose money is banked in the names of such joint liquidators, (on proof being produced of the death of one liquidator) can the bank authorities raise any obstacle to the use of the funds by such remaining liquidator?

I cannot obtain an experience of a similar case. I should be glad of an insertion as early as possible of the query as above stated.

Yours faithfully,
C. B. N.

THE JUDICATURE BILL.—A deputation from the Liverpool Law Society and the Liverpool Chamber of Commerce waited upon the Right Hon. R. A. Cross on Tuesday, at the residence of Mr. Gilbert W. Moss, Aigburth, with regard to the Judicature Bill. The deputation urged the necessity of retaining in the bill the "vested rights of the County Palatine of Lancaster," namely, the Court of Common Pleas of Lancaster and its district registrars. They represented the partial promise to this effect which they had received, and handed to Mr. Cross printed statements of their case. Mr. Cross, in reply, said he could do but little in the matter himself, but he would present the documents to the Lord Chancellor.

BILL OF SALE ACT AMENDMENT BILL.

At a meeting of the manufacturers, &c., of the borough of Northampton, on Thursday last, as convened by Messrs. Beswick & Co., Accountants, Stationers' Hall Buildings, Ludgate Hill, London, the following resolutions were adopted, viz.:—

1. That the bill entitled a bill to amend the act of the 17th, 18th Vic., cap. 36, relating to bills of sale, will not only not prevent the evils complained of in the preamble, but facilitate the perpetration of fraud by dishonestly inclined retail dealers and others upon trade creditors.
2. That in order to evade the 1st part of the 2nd section of the bill fictitious claims will be created, and, in the shape of cheques, bills, I.O.U.'s and other documents, brought up in the event of bankruptcy or liquidation, to carry the trusteeship.
3. That the last clause of the same section is impracticable.
4. That a petition in the following terms be signed and presented to the House of Commons:—

"*To the Honourable the Commons of the United Kingdom of Great Britain and Ireland.*

THE HUMBLE PETITION OF MANUFACTURERS, WHOLESALE MERCHANTS AND DEALERS OF THE UNITED KINGDOM.

SHEWETH,—

That your Petitioners who supply goods have been frequently defrauded by the holders of unregistered and secret bills of sale, notwithstanding the 17th and 18th Victoria, chapter 36.

Your Petitioners humbly beg leave to express their fear that the second section of the bill before your Honourable House, entitled a bill to amend the act of the 17th and 18th Victoria, chapter 36, relating to bills of sale, will not prevent the evils complained of in the preamble.

Your Petitioners therefore humbly pray your Honourable House to take into consideration the following suggestions:—

1. That no unregistered bill of sale, shall give the holder a preference over the grantor's other creditors, or any manner of right to the chattels conveyed, whilst they remain in the apparent possession, or use of, or on the premises of, the grantor.
2. That all bills of sale shall be registered within forty-eight hours of their execution.
3. That no bill of sale shall operate as a bar to *bonâ-fide* execution creditors who had prior to the registration of said bill of sale obtained judgment against the grantor in any court of law or equity."

A copy of the petition lies at Messrs. Beswick and Co.'s office for signature. The following are among the firms in the City of London who have already signed:—Messrs. Leaf, Sons & Co., John Howell & Co. (Limited), Vyse, Sons & Co., D. Dewar, Son & Sons (Limited), Smith & Lister, Fownes Brothers & Co., Rylands & Sons (Limited), Hutton & Co., Hitchcock, Williams & Co, Silber & Fleming, Olney, Amsden & Co., John Kynaston & Sons, W. I. Barron & Sons, Foster, Porter & Co. (Limited), Welch, Margetson & Co., Caldicott & Co., Charles Candy & Co., Milligan, Forbes & Co., Taddy & Co., Thomas Brankston & Co., Bevington & Morris, Huxley & Co., London Warehouse Company, George Brettle & Co., Allan & French, Ward, Sturt, & Sharp, Sturt & Sharp, Devas, Routledge & Co., J. & C. Boyd & Co., Lloyd, Attree & Smith, Cowden & Garror, Wisdom, Mart & Co., Bollen & Tidswell, Thomas Tapling & Co., Ellington, Ridley & Co., Gregory, Cubitt & Sons, Bradbury, Greatorex & Co. (Limited), Higgins, Eagle & Co., Adkins & Sons, Sales, Pollard, Lloyd & Co., Woolley, Sanders & Co., B. Hyam & Son.

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A COUNTY COURT HIGH BAILIFF ON BANKRUPTCY REFORM.

[Although we cannot endorse a good many of our correspondent's opinions, we readily give insertion to the following communication, as treating the subject of Bankruptcy Reform from a point of view different from that taken by either bankruptcy lawyers or accountants.—ED. *Accountant.*]

SIR,—With your permission, and through the medium of your columns, I shall be glad, as one having had some practical experience in the working of the details of the law in its present form, to give the result of my experience to the bankruptcy reform committee, and from a stand-point which I believe has not hitherto been taken.

Both the Act and the rules are so very vague and indefinite, that the practice differs at almost every court in the kingdom, which, of course, is very undesirable, and is only accounted for by there being, in my opinion, too much of the permissive character about them. The intention of the Act in cases of bankruptcy proper, appears to have been to vest bankrupts' estates in the court and its permanent officials (sec. 17) until the creditors have had an opportunity of meeting together and deciding what course to adopt. This practice is pursued at many courts, but not at all; and it would be well, therefore, to say what *shall be*, instead of what *may be* done in these, and in fact in all other cases (sec. 13, rule 33). At some courts the appointment of a receiver is refused on the filing of a petition, although good grounds may be shown; but on an adjudication being made, a receiver is either appointed, or the property is left to take care of itself, instead of the proper officer being directed to take possession (table B, &c.); and all this confusion and indecision caused by "may" this, and "may" that. The main provisions of the present Act, in cases of bankruptcy, are, I think, on the whole good, and ought to be extended to liquidation proceedings if debtors' estates are to be protected from the shoals of land sharks styling themselves professional trustees, most of whom are as ignorant of figures and accounts as they are of the law, and who, strange to say, are allowed at many courts to copy the lists of creditors filed with the proceedings merely on payment of a one shilling stamp for search, and who then go "fishing" from one end of the country to the other in search of proxies from the creditors, promising eternal fidelity to their interests, but in reality seeking their own gain in the prospective trusteeship, which being secured, all interests save their own are thrown aside. There are, of course, many honourable and straightforward accountants who act as trustees, but who would scorn to stoop to such a practice, and who, having made a specialty of bankruptcy matters, are well qualified for the business they undertake. I would suggest that no search whatever, at any rate as a matter of course, of the proceedings filed at the court should be allowed, but under very exceptional circumstances, and then only on an affidavit setting forth the "object" of the search, which should be satisfactory to the Registrar, who ought to have power to allow or refuse the same in his discretion. Proxies, and, if possible (?), canvassing for trusteeships, should be done away with entirely; they are the source of most of the evils of the present system.

As a matter of cost—which seems to be the greatest defect of the present Act in the eyes of the public—I think the practice under the Act of 1861, of filing a list of creditors with the petition at the court, and the high bailiff preparing and despatching the notices to creditors, at fourpence each, including stamp, will compare favourably with the present practice of solicitors charging 2s. 9d. each, besides postage, and 3d. each for the registrar posting same, making a total of 3s. 1d. each notice for the first twenty, and 1s. 7d. each afterwards, besides other incidental charges! The high bailiff, even under the present Act, is allowed 4s. 6d., including agent's charges, for preparing, sealing, and gazetting a notice—say of the appointment of a trustee in liquidation—obtaining copy *Gazette*, and filing same, &c.; but although there is no rule either "directing" or "permitting" a solicitor to insert the notice, yet the scale of attorney's costs attached to the rules of 1871, allows him, for a clerk filling up form of advertisement and copy, 6s. 8d.; sending office lad to court to get same sealed, 6s. 8d.; ditto, folding and posting to *Gazette* office or agent, 6s. 8d.; sending lad with copy advertisement to file at court, 6s. 8d.; total, £1 6s 8d.! and this, besides costs of advertisements, &c.; out of pocket, and often other charges not in the scale, but usually allowed by registrars. Of course this is one item in a solicitor's bill of costs only. Under the old Act high bailiffs prepared and inserted all advertisements—surely this is a sufficient reason why they should still do so. If a notice, say of an intention to register resolutions where same objected to is served, the high bailiff does it for 4s. 6d., including affidavit of service, a 1s. stamp and filing, &c.; whereas a solicitor is allowed for his clerk or office lad—although there is no rule authorising either—serving notice, 5s.; drawing affidavit of service and copy, 6s. 8d.; oath and stamp, 2s. 6d.; attending to be sworn to affidavit and filing, 6s. 8d.; total, 20s. 10d.!

I have authority for stating that under the 1861 Act, taking about 400 small bankruptcies, the total average cost did not reach £20 each, including the solicitor, registrar, and high bailiff, or messenger as he was then called. The dividends occasionally reached 20s. in the pound. *Then* there was no appointment of a receiver—which now alone costs from £3 to £10, and £15, according to the ability of the solicitor's bill clerk—and consequently there were no receiver's charges, varying now from £5 to £150. The high bailiffs were already appointed, prepared their own warrants, took possession as a matter of course—(without making a costly application to the court), made inventories if necessary, prepared the notices for, and sent them to the creditors, prepared the advertisements for the *Gazette* and newspapers, and filed the same, superintended the realisation of the estates and many other minor matters, without ever a complaint of any kind, to my knowledge, being preferred against one of their number—the charge rarely exceeding £5; whereas the same result is scarcely ever now obtained for less than £50! In cases of composition under the present Act it is a reckless waste of money to require a second meeting, merely for the purpose of confirming what has been done at a first meeting. The creditors at a first meeting ought to be fully competent to finally decide as to the course to adopt; besides it is an extraordinary circumstance for a creditor who was not present at the first meeting, to "turn up" at a second, and where such has been the case, I have never known such an one object to what had been decided by the creditors at a first meeting; but suppose he did, in 999 cases out of every 1000 he would be powerless.

Whilst creditors have no opportunity of protecting themselves, all estates of insolvents should be protected by some official and responsible person—say the high bailiff,—who should take possession of the estate immediately on a petition being filed, bankruptcy or otherwise, and hold same until he can call a meeting by preparing and sending a notice to each creditor mentioned in the list which should be filed with the petition, and by preparing and inserting the necessary advertisments (which should be more clearly defined), and at a reasonable cost. All meetings should be held at the courts in which the proceedings are instituted, and be presided over by the registrar in person, with power to examine debtors, bankrupts, creditors, and witnesses on oath, according to a prescribed form, which would prevent creditors being misled and imposed upon by unprincipled persons, as at present. If creditors will send travellers into the country soliciting orders I cannot see any injustice, nor yet ought they to complain, if they are suddenly called upon to attend a meeting of creditors, also in the country, where they have literally "swarmed" about an unfortunate debtor so long as he "paid up" to time, and have not failed to "put it on" in cases of suspicion that all was not right, just to cover the extra risk and the expenses of the journey, &c. The creditors present personally at the meeting, or such agents only as are in their permanent and

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exclusive employ (but not these unless they are the only persons who can prove the debt, and have the general authority of their employers to transact all or any business in their names), should of course resolve what to do, whether to let the estate be distributed by the registrar or the high bailiff, or some outside properly qualified and substantial person as trustee, who should also have power to swear the bankrupt and examine him upon oath—that is, if the public examinations of bankrupts are to be conducted as at present—they being a perfect farce, and no examination at all. *Once* this was considered a wholesome terror to bankrupts, *now* the trustee is merely asked if he is satisfied with the bankrupt's (generally untruthful) statements, and this is called a "public examination," and the bankrupt is allowed to pass! ! Solicitors—many of them being also fond of pocketing a testament and touting for proxies—should not be allowed to act at any meeting, but as advisers only to their clients, who ought to be present personally at the meeting In no case should a creditor, if a tradesman, be appointed to the office of trustee, the practice of appointing "novices" having proved one means of increasing the cost; the work, in such cases, having to be done by the solicitor, for which, of course, he has charged "professional charges," meaning thereby about three or four times the amount that would be allowed to some other and more competent person; for as a rule solicitors are notoriously but poor men of business, and worse accountants, and therefore totally unfitted to act as trustees. Providing solicitors' costs being apparently the main object of the present Act, *that* may be said to have been eminently successful, solicitors themselves agreeing that nothing more could be desired! Why on earth should such an item as the following be introduced into an attorney's bill of costs? "Instructions and attending on debtor, drawing statement of affairs at 1s. per folio, and fair copy thereof at 4d., and attendances on debtor, and obtaining his signature thereto." Who have growled more than solicitors at the encroachments on their "rights?" Accountants, look to yours! (if any persons but solicitors have any.) In the event of no creditors being present at the first meeting, and the proper notices having been given, the property should then vest in the court official as trustee, preferably the high bailiff, who should at once proceed to realise and distribute the estate. Registrars should not be allowed to act in the quintuple capacity of judge, registrar, high bailiff, trustee, and taxing master, it sometimes happening that the duties of these parties lie in very opposite directions; besides, it is unwise, to say the least, to allow a man to be judge in his own cause. At some courts, the registrar, in addition to his registrarship, now acts as high bailiff, and, where such a court has bankruptcy jurisdiction, also as judge, under delegated powers. Suppose a case: A registrar, first acting as the "court," adjudicates a man a bankrupt, then orders himself, acting as high bailiff, to take possession of the estate. At the first meeting, the solicitor (knowing who is the taxing master) uses his influence, and procures the appointment of the registrar (or one of his clerks who receives a fixed salary) as trustee. Is it right that in such a case the registrar or his clerk, acting as taxing master, should tax his own bill of costs? The answer is perfectly clear, "One man cannot serve two masters." Some few people (accountants) object to high bailiffs acting as trustees. A short time ago, on an objection being taken by some accountant to the high bailiff of a County Court acting as a trustee, the judge expressed his opinion that the high bailiff of a county court was the very best person whom the creditors could select.

The high bailiffs proper, are at present being slowly but surely diminished in number, and got rid of as "expensive luxuries;" but if county courts are to exist, so surely must high bailiffs—the error made in displacing them having already shown itself in many and varied forms. No creditor ought to be bound by the proceedings whose name has not been inserted in the list filed at the court. The costs of a thoroughly competent and respectable accountant in assisting, to prepare a statement of affairs for the first meeting in difficult cases, might be allowed; but there is no necessity for the hundred and one charges usually made by accountants when acting as receivers. Restraining orders are also a mistake, and ought to be dispensed with; they are of no use whatever, and are very expensive. The fact of possession being taken by the officer of the court, or a petition being filed, ought in itself to be a "restraining order," and the notice of meeting to the suing creditors sufficient to prevent them incurring any further costs except at their own risk.

The rules relating to the close of a bankruptcy, release of a trustee, &c. might be simplified very much, and with great pecuniary benefit to bankrupt estates, the substitution of the word "shall" for "may" in the concluding paragraph of sect. 47 would also be an improvement, for this simple word "may," I believe, has caused more dissension than all the other words in the Act put together.

The failure to pay a dividend of less than 5s. in the pound being made, *per se*, a criminal offence, might have a tendency to induce debtors to "bring matters to a crisis" before all hope of a dividend has disappeared.

One great drawback in the working of the present system is the want of a provision for "foreign service," as in equity and ordinary County Court cases. The concurrent jurisdiction of County Courts cannot be too highly appreciated, and the "unlimited" jurisdiction now awarded these courts in bankruptcy matters, seems to have given almost universal satisfaction. It would be well, therefore, to assimilate the practice as to service and duration of process. Costs too in bankruptcy and liquidation proceedings would be very materially reduced byproviding that *all* notices and process *shall* be served, and *all* advertisements *shall* be prepared and inserted, by the high bailiffs of the courts, whether in a "home" or a "foreign" district, without exception. It would be cheaper by from five to twenty times to allow double fees, that is to the "home" bailiff for dispatching, and the "foreign" one for serving, than to continue the present practice of sending a man from north to south to serve a summons, as implied by Table B, there being no provision to the contrary, as in cases of attorneys acting by agent. What could be more simple or more effective in ordinary cases than for the "home" bailiff to re-issue the process to the "foreign" one, as in the case of County Courts' warrants or executions. Of course, in special cases special leave might be obtained for the home bailiff to travel personally into a "foreign" district, as in County Court matters. I have occasionally, in order to avoid expense in cases of great distance, sent process into a "foreign" district for service. Of course the "foreign" bailiff has claimed the 3s. 6d. and mileage (if any), and I have had all my trouble in the matter for nothing, such as writing with process, and again with fees, filing, &c., &c., besides being actually out of pocket for the postage. Where a solicitor has sent the process, in many cases the cost has been as much as the journey. As the rules at present stand relating to advertising the service of process, &c., they are anything but satisfactory, and if they are to be taken as the ground-work for the "rules to come," it may be well to note a few objections. Rule 50, for instance, states that a notice of motion shall be served; it does not say whether personally or otherwise, and may therefore come under Rule 14 or 58. The same remark applies to Rule 51. Rule 52 says: "In cases in which personal service is *required*," &c.—required by whom? To be served by whom, when required? There is an item in the scale of attorney's costs for "service," yet there is no rule which says that an attorney either "shall" or "may" serve the notice. Rule 58 says "Unless otherwise directed or permitted by these rules," &c. If the "direction" or "permission" of the court is intended it would be much better to say so, but it would prevent much wrangling and confusion and save a "lot" of costs, if the first eight words of this rule were omitted altogether, and the latter part made more definite. It would be well too, to define more clearly what are "sittings of the court." Rule 61 says, that "a debtor's summons or a petition shall be served by an officer

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of the court (Query: Who are officers of the court? I presume a receiver now is one?) or by the creditor or his attorney. There is no mention of an attorney's "clerk," as in sect. 2 of the County Courts Amendment Act, yet these are the persons who do serve these processes, and many of whom are "here to-day and gone to-morrow." There is no provision in any Act of Parliament that I am aware of, that an "attorney" shall include his "clerk," as there is with respect to "high bailiff," which does include his "assistants," and who, as a rule, are "fixtures." It is within my own knowledge that an attorney's office lad made an affidavit that he had served one of these sect. 2 summonses personally, whereas there had not been any service at all! One County Court Judge decided that "attorney" did not include "attorney's clerk" and I think very properly so too, though I know that others have allowed the service (?) to pass. The idea entertained by some solicitors that their clerks and office lads take more pains to serve process than the bailiffs, or are better informed as to the whereabouts of the parties to be served, &c., is a delusion: such being by no means the fact, but quite the reverse. Rule 3 states that the appointment of a trustee shall be gazetted and inserted in one local paper by the trustee, &c. Does this mean that the trustee shall attend personally at the *Gazette* office? or does it mean that he shall be responsible for its being done, and that he "must" or "may" employ an agent, and if so, must that agent be the high bailiff (Rule 58) or the solicitor. (Rule —, Sect. 125, sub-sect. 7, states that "all the provisions of this Act shall, so far as the same are applicable, apply to the case of a liquidation by arrangement in the same manner, &c." I know that the appointment of a trustee in liquidation is often advertised under this provision and in connection with the scale of attorney's cost in the rules of '71, although many in high authority are of opinion that this and other advertisements are not required. Would it not be well to say what is, or what is not, required in plain and unmistakeable language? The high bailiffs at most courts claim, and the registrars at some courts allow the claim, especially where the offices are combined, to advertise all notices and serve all process, &c., under Rule 58; the attorneys in many cases preparing and charging for the notices, but inserting them through the high bailiff, thereby incurring two sets of costs. It may even be implied by the present rules that this "may" be done, and possibly it "may" be the correct thing to do; but I cannot find any excuse for the registrars allowing the solicitor 4d. per folio for a "fair copy," and then charging the 2d. per folio for sealing same, and calling it an office copy. Office copies, I think it was intended, should be made and sealed as such by the registrar at the 2d. per folio. (Rule 12). There are many quite useless advertisements inserted, especially in the *London Gazette*, which might very easily be dispensed with, or, at any rate, they might be inserted if required, at one sixth the present cost, "as of old." Rule 168 states "service of a subpœna shall, where required, be proved by affidavit." When is it to be required, and who is to require it? Service of process ought in all cases to be proved by affidavit, which would be filed forthwith after service.

Rule 312 requires a trustee in liquidation to reserve dividends for all creditors whose names are inserted in the debtor's statement of affairs, &c., whether they have proved their debts or not. It would be interesting to know what has become of all the unclaimed "dividends" and "funds reserved" for dividends under this rule? I think that it would give more satisfaction to creditors generally if, instead of unclaimed "dividends" in bankruptcy being "vested" in the "Crown," and the "funds reserved" in liquidation being "pocketed" by trustees, they were divided amongst those creditors who had proved their debts, in pursuance of notice. Were I to attempt to point out all the defects in the Bankruptcy Act and rules of 1869-70, I am afraid that I should have to "write a book," and even then could not by any means succeed. I have, therefore merely taken a cursory glance at such defects as have come more especially before my own notice; and should you consider my remarks worthy of a place in your journal, I shall feel amply repaid for the little trouble I have taken.

HIGH BAILIFF.

THE WORK AND PAY OF COUNTY COURT JUDGES.

A County Court Judge writing in the *Times* says:—"The County Court Judges at present administer almost every branch of civil jurisdiction, and in this respect have a special, and I may say unique, claim on the consideration of Parliament. They have (1) a Common Law jurisdiction in personal actions up to £50, and by consent to any amount, besides jurisdiction in several special matters, such as the Charitable Trusts Act (1853), the Friendly Societies Act (1855), and the Probate Act (1857)—which may be considered their original statutory jurisdiction; (2) an equitable jurisdiction (1865) up to £500; (3) actions as to real esate (1867) up to the annual value of £20—which is more than £500 capital value; (4) actions referred to them by the Superior Courts (1867) of any amount, and almost of any description; (5) an Admiralty jurisdiction (1868) varying, under different circumstances, from £300 to £1,000 in amount; and (6) a Bankruptcy jurisdiction (1869), without any limit, and extending to any question whatever, either of Law or Equity. In 1865 the salaries of the Judges were fixed at £1,500, and since then there has been the immense addition to their labours and responsibilities referred to under the above second, third, fourth, and fifth heads, without any increase of their remuneration, while at the same time the cost of living has notoriously increased in a very considerable proportion—perhaps one-third. In the year 1867, when a Bankruptcy Bill was introduced into Parliament, Mr. Hibbert, the member for Oldham, and afterwards Secretary to the Poor Law Board, gave notice of his intention to move the insertion of a clause giving an increase of salary of £300 to all the County Court Judges, inasmuch as the Bill proposed to give all of them Bankruptcy jurisdiction; but the Bill did not pass. In 1868 Mr. Norwood, the member for Hull, introduced the Admiralty Jurisdiction Bill, and proposed an increase of salary of £500 for such of the Judges as had jurisdiction under the Act, but withdrew this clause on Mr. Hibbert giving notice of a clause in the Bankruptcy Bill giving £300 to those Judges who had jurisdiction given to them either in Bankruptcy or Admiralty; but again the Bankruptcy Bill did not pass, although the Admiralty Bill did pass.

"In 1869 the present Bankruptcy Act passed, and Mr. Hibbert moved the above clause, which was seconded by Mr. Cross, M.P. for South Lancashire (now Secretary for the Home Department), and met with considerable support from both sides of the House, but was held by the majority to be premature—a conclusion to which the sitting of the Judicature Commission doubtless greatly contributed.

"In 1872, when it was attempted to reduce the County Court Judges' incomes by an impracticable scheme with regard to their travelling expenses, the House of Commons unmistakably testified its opinion that the County Court Judges were underpaid, and by a resolution, proposed by Mr. Henry James, and seconded by Mr. Cross, stigmatized the conduct of the Government as 'inequitable and unjust.' Now in 1875 it is proposed, by the Agricultural Holdings Bill and the Pollution of Rivers Bill, to impose upon the County Court Judges new, extensive, and most difficult jurisdictions, without as yet providing any compensation to them for the same or for the additional labours already imposed upon them since 1865 by Act of Parliament, and to which must also be added the work of no less than four Circuits, which have been absorbed since 1869.

"While the country has received the benefit of the services of the County Court Judges in the various additional fields of labour which have thus been thrown open to them since 1865, it has also received direct pecuniary advantage from such services in several ways, and, at all events, in the following respects:—

1. Saving of abolished District Courts of Bankruptcy and Insolvency	£56,447
2. Surplus fees in Bankruptcy (say)	15,000
3. Saving in salaries of Judges of four absorbed Circuits	6,000
	£77,447

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The second item requires some explanation. The Bankruptcy Act, 1869, empowers the Treasury to exact certain fees in Bankruptcy, out of which certain remuneration is given to the Registrars and High Bailiffs, the balance remaining in the hands of the Treasury. What that balance is I have been unable to find out from any Parliamentary papers or otherwise, but I understand from good authority that it has exceeded in one year the amount I have mentioned; and here I must remark that for every additional jurisdiction given to the County Courts, additional remuneration has invariably been provided for the Registrars and High Bailiffs. I submit that it is time for Parliament to "improve the position" of County Court Judges in respect of the increased work thrown upon them, for which the savings, and even the fees, arising through their performance of such work seem to provide a fund. It is quite true that the Judges have not all got the same claims; for instance, the Metropolitan Judges have no Bankruptcy, Admiralty, or travelling; but, on the other hand, they have more cases referred to them from the Superior Courts, and also heavier Courts than the average of County Judges; and I submit that any distinction between the County Court Judges in point of salary would be invidious, and that any irregularity in their labours might be gradually removed by the absorption of Circuits now in progress."

COURT OF BANKRUPTCY.

May 15.

(*Before Mr. Registrar* BROUGHAM, *sitting as Chief Judge.*)

IN RE JOHN GREAVES.—In this case a petition for liquidation was presented by the debtor in November last, and a composition of 5s. in the pound was accepted, payable by certain instalments. The debtor was a boot and shoe manufacturer, of Hackney-road, and Norwich. He paid the first instalment of the composition, but made default in payment of the second instalment; thereupon an action was commenced by Messrs. Egan and Grimsdell for recovery of £424, the balance of their claim. The court, however, granted an interim injunction staying further proceedings in the action, subject to the payment of costs, it appearing that the debtor had called a special meeting in pursuance of the sixth paragraph of the 126th section, with a view to the modification of the terms of the original resolution. Mr. Cock now applied for an extension of the injunction, the creditors having resolved to accept 1s. 9d. in the pound in cash in discharge of their claims; and the 22nd instant had been appointed for the confirmation of the resolution. After hearing Mr. Lucas on behalf of Messrs. Egan and Grimsdell, his Honour, without at present deciding any question respecting the rights of Messrs. Egan and Grimsdell, held that the injunction must be extended until after the meeting appointed for confirmation of the resolution.

May 18.

(*Before Mr. Registrar* BROUGHAM.)

IN RE WILKINSON, WATT, & CO.—The debtors, trading as steamship owners in Leadenhall-street, and previously in Billiter-street, had presented a petition for liquidation, and the court last week appointed a receiver and manager, and granted an interim order staying proceedings at the suit of creditors. Mr. Robertson Griffiths now applied for the continuance of the injunction, and the order was made without opposition. The liabilities are about £100,000, and the assets consist of shares in steamships, £75,000, shares in public companies £10,000, policies of insurance, cash, bills, and book debts £35,000, besides office furniture and fittings.

May 20.

(*Before Mr. Registrar* BROUGHAM, *sitting as Chief Judge.*)

IN RE W., G., AND H. WOODS.—Mr. A. G. Ditton applied under proceedings for liquidation by an arrangement or composition, instituted by Messrs. William, George, and Henry Woods, described as proprietors of the City United Club, Ludgate-circus, that Mr. Chatteris, accountant, should be appointed receiver of the property, and for an interim injunction to restrain actions by creditors. It appeared that the liabilities were estimated at £9,000, with assets £12,000, consisting of furniture, stock, and effects, together with the lease and goodwill of the premises. The court granted the application.

COURT OF BANKRUPTCY, DUBLIN.

(*Before Judge* HARRISON.)

IN THE MATTER OF SIR CHARLES COMPTON DOMVILE, BART.—This case came before the court on charge and discharge, with the object of setting aside a lease executed by Sir Charles C. Domvile to his steward, Mr. Robert Roberts, shortly before he left the country. He executed a lease of the mansion house of Santry Court, with the demesne, containing over 200 acres, for £60 a year, whereas it was sworn its letting value was £700 a year. Sir Charles Domvile was adjudicated a bankrupt on the 16th June, '74, and his liabilities then amounted to £30,000, and his unsecured liabilities to £25,000. The assignees impeached the lease on the ground of want of *bona fides*, that it was executed in contemplation of bankruptcy, and with a view to defeat and delay his creditors. On the other side it was submitted that £60 a year was not an extravagantly low rent, considering the expenditure which Mr. Roberts would have to incur in keeping the house in repair, &c. His lordship reviewed the evidence respecting the circumstances under which the lease was executed. He considered it conclusively established that it was executed as a cover, and with the intention of defeating and delaying the creditors, and he decided that the lease should be set aside, Mr. Roberts to pay the costs. Counsel for the assignees—Mr. Jackson, Q.C., and Mr. Carton (instructed by Messrs. Findlater and Blood). For Mr. Roberts—Mr. Purcell, Q.C., Mr. Andrews, Q.C., and Mr. Price (instructed by Mr. Froste).

COMMITTAL OF A BANKRUPT.—Judge Miller held a further investigation in the Court of Bankruptcy in reference to the fraud alleged to have been practised on the court in the case of George Meares, a bankrupt, who had carried on business as a stay manufacturer, at 2 Crampton-quay, in this city. The bankrupt had carried a composition after bankruptcy, and undertook to have payment of the last instalment secured by promissory notes from his mother, who was also to execute a mortgage to the official assignee of a small property in which she had a life interest. Notes and mortgage were executed, but the signatures were afterwards repudiated by Mrs. Meares, senior, and the witnesses examined on a former day denied all knowledge of the person who had signed the notes and mortgage. Mrs. Meares was now examined by Mr. Monroe, instructed by Messrs. Casey and Clay, on behalf of the assignees, and she positively denied ever having signed any of the documents. She also denied having ever signed the letter of retainer sent by the bankrupt to Mr. Rynd, solicitor. The bankrupt was also examined, but his evidence did not afford any new information. At the conclusion of his examination, Mr. Monroe applied to his lordship to commit both the bankrupt and his clerk, the witness O'Healy, on the evidence given. Judge Miller directed the bankrupt to stand forward, and, addressing him, said he was bound to ask had he any further explanation to make. The bankrupt replied that he had not. His Lordship then explained the circumstances of the imposition to him, and asked would he give any further information. The bankrupt—I have given all the information in my power. His Lordship—What is the amount of it? The Bankrupt—The amount of it is this, that I was not present when the deed was signed. I deputed parties to go to my

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mother's house and get her signature, and she was misrepresented on the occasion, and I know nothing about who misrepresented her. It is the same case with the bills, and it is the only thing I can tell you in reference to it. The witness O'Healy was then examined, and adhered to the evidence he had previously given. The Bankrupt—I wish to say, my lord, that the estate will realise 20s. in the pound; and if you like to commit me, I am willing. I am blameless in the case. His Lordship—You are an arranging trader here, and you undertook to secure your creditors by your mother's notes? I did. His Lordship—And on the files of this court there is an undertaking by Anne Meares which purports to be the signature of your mother. There are three documents now on the files of this court that are forgeries, and you are the person who procured them. I ask you again, have you any further explanation to give? The Bankrupt—I have no more than this, that I know nothing whatever of the person who misrepresented my mother, and I acted in no way disrespectful to this honourable court. I sent the documents out by three parties—Mr. Clay's Clerk, Mr. Rynd, and my own clerk—and if a personation took place, it is hard that I am to suffer for what I had neither hand, act, nor part in. I leave it to your lordship's discretion. His Lordship said he would commit them forthwith, and as soon as they refreshed their memories and intimated that they would make a full disclosure he would give them an opportunity of doing so. His Lordship then directed the shorthand writers to transcribe the evidence at once, so as the witnesses might sign their depositions. While the shorthand writers were transcribing their notes, his Lordship pointed out to the bankrupt the folly of the course he was pursuing. In the result his Lordship committed the bankrupt and his clerk O'Healy, who were sent to Kilmainham Prison.

BIRKENHEAD COUNTY COURT.

May 11.

(Before Mr. Mather, Deputy Registrar.)

Mr. Walton, barrister, instructed by Mr. Thomas Goffey, solicitor, Liverpool, made an application to set aside the resolution of a meeting of the creditors of Mr. John Brearley Wood, of Chesnut-grove, Tranmere, formerly carrying on business as an African merchant. The resolution was one accepting 1d. in the pound. Mr. Walton said the meetings had been held at the offices of Mr. Downham, solicitor, who was solicitor to the debtor and to several of the creditors. The liabilities were £4,923, and some friend of the debtor had deposited £5 with Mr. Downham for the purpose of securing a composition of a penny in the pound. At the meeting in question Mr. Downham voted himself to the chair, and having some proxies in his pocket, he thought he was entitled to do anything and vote what resolutions he liked. The resolution submitted to the meeting was the acceptance of a composition of a penny in the pound in full satisfaction of all debts the debtor might owe, and the composition to be payable on demand at the expiration of three calendar months from that date. At an adjourned second meeting the resolution was confirmed, all the creditors who took the trouble to attend voting against it, and the only creditors who voted for it were those who did so by proxy through Mr. Downham. No doubt they had adopted such a resolution out of motives of kindness to the debtor, and although there had been no moral fraud, yet there had been a legal fraud. Under those circumstances he objected, on behalf of several creditors to the registration of the resolutions.—A claim on the debtor's estate to the amount of £250, by the debtor's wife, Mrs. Wood, who voted by proxy in favour of the composition, was also objected to. It was stated that the bankrupt was indebted to her deceased mother's estate, of which she was the administratrix. The bankrupt was then placed in the box, and swore that he was indebted to the amount of £250 to his wife in respect to her deceased mother's estate, to which she administered. Mr. Downham, in reply, said that it did not matter what the composition was, whether it was a penny or a farthing in the pound, there was nothing in the Bankruptcy Act to prevent the creditors accepting it if they chose. He (Mr. Downham) represented the bulk of the creditors, who could not be termed friendly creditors. He never knew the debtor until he consulted him in the matter, and he filed his petition in consequence of several creditors putting him in the County Court, and sending him to Chester Castle for debt. He (Mr. Downham) found that the man was in a state of absolute bankruptcy, and had scarcely a shirt to his back. Under these circumstances he thought it was his duty, representing various creditors, to accept the smallest composition he could. Had he not accepted it he would not have done his duty to those persons who entrusted their proxies to him. Mr. G. W. Wood, shipbroker, of Fenwick-street, Liverpool, was put into the box, and swore that the debtor, who was his brother, was indebted to him for £2,644. On being pressed by Mr. Walton, he said that the debt was contracted on account of general transactions connected with his business. He could not give a detailed account of them, as his books had been taken possession of by the Court of Chancery. It had been very unfortunate for him, as he had been obliged to file a petition in consequence of the debt. There was over £3,000 owing to him by his brother. Mr. Walton pointed out that a proof of debt for £46 was not included in the list of creditors assembled at the first meeting, although it was filed with the other proofs and papers. Mr. Downham stated that it was not presented at the meeting of creditors in time, before the resolutions were signed. Mr. Rogers of Liverpool, accountant, swore that he handed in the claim just as Mr. Downham was beginning to sign the resolutions. Mr. Downham denied upon oath that the claim was handed to him before the resolutions were signed. He signed the resolutions while Mr. Rogers was cross-examining the debtor. His (Mr. Downham's) practice was to get rid of the meeting as soon as he could, and if he knew he had the majority of proxies in his pocket he got the resolutions ready and signed them, and let the other creditors talk as long as they liked. (Laughter.) Had the proof been handed to him in time nothing would have induced him to leave it out, but it was not. Mr. Walton pointed out that the bulk of the creditors which Mr. Downham represented were relatives of the debtor. Mr. G. W. Wood claimed £2,644; Mrs. Wood, the debtor's wife, £250; and Messrs. G. W. and J. H. Wood, a joint debt of £187, thus making £3,081 out of the £3,906 which Mr. Downham represented. After considerable discussion, the Deputy-Registrar ruled that the tradesman's claim referred to had not been put in early enough, and therefore he was relieved from the necessity of considering whether the debtor's wife had proved. He doubted how far he could go into the question as to the *bona fides* of the resolution. What he had to see was whether it complied with the requirements of the statute, and being of opinion that it did, he would register it.

CREDITORS' MEETINGS.

J. Graham and Co. (Manchester).—A meeting has been held of the creditors of James Graham, trading as James Graham and Co., shipping agents, Manchester. The statement of accounts showed liabilities £8,750 17s. 4d., liable to be increased by reclamations on consignments, and assets £3,629 8s. The debtor making no offer of composition, it was resolved to wind up the estate in liquidation.

W. Page.—In this matter, in which the liabilities were estimated at £2,122 14s. 9d., and assets, £493 5s., on the application of Mr. George Castle, solicitor, of Cheapside, put before Mr. Registrar Spring-Rice, his Honour appointed Mr. Edmund Charles Chatterley, public accountant, (C. Browne, Stanley & Co.) receiver and manager to the estate.

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G. SWAINSTON (SUNDERLAND).—At a meeting of the creditors of Mr. G. Swainston, shipowner and shipbuilder, Sunderland, held on the 11th, it was resolved to proceed by liquidation. In addition to secured creditors, there are unsecured creditors to the amount of £15,000, and the available assets are about £3,000. The trustees of the estate of Mr. Watson, shipbuilder, who had put in a claim for £5,000, protested against the decision of the meeting.

W. E. TAYLOR (ACCRINGTON).—A preliminary meeting of the creditors of Mr. W. E. Taylor, Enfield Mills, Accrington, was held on the 12th inst. The statement showed liabilities about £53,000, and assets £70,000; unsecured creditors, £27,000. It was resolved to carry on the business under inspection.

R. MACKENZIE (DUNDEE).—At a meeting yesterday of the creditors of Mr. Robert Mackenzie, merchant, of Dundee, a committee of investigation was appointed. The liabilities amount to £33,000, and assets to £5,500.

FAILURES.

The *Daily Telegraph* says: It was announced this (Tuesday) morning that cheques drawn on the City and County Bank, a small concern in Abchurch-lane, had been refused payment. A notice was also posted on the doors that the business had been transferred to Messrs. Brown, Janson, and Co., but this arrangement, it appears, was not carried out. The total liabilities of the bank are supposed to be under £100,000, and the amount of its capital subscribed was £62,200. In case any importance should be attached to this incident by persons at a distance, it is right to mention that the bank is in no way connected with the well-known and old-established institutions of a somewhat similar name.

ENGLAND.—A petition for liquidation by arrangement or composition has been filed in the Bradford County Court by Mr. Joseph Leech, worsted manufacturer, Home Top Mill, Bradford. The liabilities are estimated at £12,000. Mr. James Wigglesworth, of Bradford, has been appointed receiver in the estate.

IRELAND.—The failure is reported of Messrs. Hupenden and Runge, of Belfast, a German export house in the linen trade, with liabilities variously estimated at from £40,000 to £100,000.

AMERICA.—American advices state that Mr. H. G. Morris, of Philadelphia, had made an assignment. He did a large business in Cuba in shipping sugar machines, for which he had been obliged to accept in payment Cuban notes worth from 40 to 50 cents on the dollar. He had consequently been in difficulties, and some of his creditors were pushing him. It is claimed that his assets will reach £120,000 to £160,000, while his liabilities will not amount to over £50,000.

The Rangoon Times announces heavy failures in that town amongst the Chinese merchants, and that more were expected.

The *National Zeitung* states that several firms in the corn trade have stopped payment at Leipsic, including Rudolph and Henkmann, L. Marx, Weber and Co., and Glass and Luders. The embarrassments are chiefly due to heavy speculations in grain and the fall in prices.

COURT OF CHANCERY.—The Court of Chancery will commence its sittings for Trinity Term on Saturday next. The Court of Appeal will sit at Lincoln-inn on the first day of Term and throughout sittings, which end on Saturday, June 12. Bankruptcy appeals will be taken on the following dates:—Before the Court of Appeal, Thursdays, May 27th, June 3rd, and 10th.

Mr. J. C. Bolton, public accountant, announces that he has taken into partnership his eldest son, Mr. A. C. M. Bolton. The title of the firm will be Bolton and Son, and the business will in future be conducted at 26 Great St. Helens.

WINDING-UP.—At an extraordinary general meeting of the shareholders of the Crenver and Wheal Abraham United Mines Company, a resolution for winding up voluntarily was passed unanimously, and Mr. Alfred Good, public accountant, Mr. George Stratton, and Captain Edwards, two of the directors, were appointed liquidators.—A petition has been presented to the Court of Chancery for the winding-up of the Wernpistill Colliery Company (Limited).—A petition to wind up the City and County Banking Company (Limited) has been presented to the Court of Chancery.—A petition for the winding-up of the Peat, Coal, and Charcoal Company (Limited), is to be heard before Vice-Chancellor Malins on the 28th inst.

Mr. Wynne Foulkes, the newly appointed judge of the Birkenhead County Court, took his seat for the first time on Tuesday. In reply to the congratulations of the bar, the learned gentleman observed that there seemed to be no limits to the duties which the law now imposed upon those tribunals.

VICE-CHANCELLORS' COURTS.—Bankruptcy business will be taken at the following sittings in Trinity Term: Before Vice-Chancellor Malins at Lincoln's-inn, Monday, June 7. County Court appeals: Before Sir C. Bacon, Mondays, May 24th and 31st; and June 7th, sittings in Bankruptcy.

BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, May 19th:—

Thursday, May 13	£14,591,000
Friday, May 14	41,258,000
Saturday, May 15	21,481,000
Monday, May 17, Bank Holiday....	——
Tuesday, May 18	24,542,000
Wednesday, May 19	17,631,000
	£119,503,000

The total at the corresponding period of last year, was £141,751,000.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Brunswick Rock Asphalt—Capital £10,000, in £10 shares.

Commercial Bank of Manchester—Capital £500,000, in £10 shares.

Dudley Colliery—Capital £250,000, in £500 shares.

Fairholm and Co.—Capital £50,000, in £10 shares.

General Spanish and Spanish American Agency—Capital £50,000, in £1 shares.

Godalming Gas and Coke—Capital £15,000, in shares of £5, £10, and £20 each.

Hollinwood Estate—Capital £20,000, in £5 shares.

London and Provincial Co-operation Brewery—Capital £50,000, in £5 shares.

Middlesborough Freehold Land—Capital £40,000, in £10 shares.

Thames Wharf—Capital £25,000, in £10 shares.

Victoria Bowling Club—Capital £450, in £3 shares.

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CONSOLIDATION OF STATUTES.—Some further proceedings have been recently taken with a view to the consolidation of Statutes. About a year ago the Lord Chancellor summoned a meeting of the Statute Law Committee to confer with him on the subject of the expurgation of the Statutes of the present reign, and the expediency and practicability of a systematic consolidation of groups of those Statutes. The meeting was attended by Sir J. Lefevre, Sir T. Erskine May, Sir H. Thring, and Mr. Reilly, with Mr. Rickards and Mr. Wood. The result was that on the 4th June, after consideration, the committee presented to the Lord Chancellor a memorandum recommending that the Statutes requiring consolidation should be arranged in classes according to the extent of alteration or redrawing required, and that it would be expedient to begin with the easiest class, in which all that has to be done is to incorporate subsequent amending Acts with the original Act, making little or no alteration. Mr. Rickards was thereupon instructed to report upon these Statutes; and in January last he made his report, in which he gives a list of more than a hundred subjects on which there has been a succession of enactments, for which one Statute might be advantageously substituted. In many of these cases the work to be done would include wholly or partially redrawing; but he selects, for a beginning, 20 subjects of the easiest class, stating that the consolidation could be effected without any change in substance or effect, and without any alteration except such as are formal only—a statement which might be verified, if necessary, by showing in the margin of the Consolidation Bill, by diversity of type or otherwise, the actual alterations verbatim. From these 20 subjects the Statute Law Committee, in a memorandum of the 1st of March, selected for consolidation in the first instance the following 10:—Alkali works; chain cables and anchors; the House of Commons (issue of writs in recess); the summoning of Parliament; powers of Parliamentary Committees, oaths, costs, &c.; leases and sales of settled estates; naturalization; pharmacy (chymists and druggists); relief of trustees; and the Trustee Act of 1850, with the amending Act of 1852. On each of these subjects more than one Act has been passed, and it is not likely that there would be any material difficulty in passing a Consolidation Bill. The Committee suggest also that it would be very convenient to those who are practically engaged in the administration of the public schools if the seven Acts relating to these were consolidated; and that, although the consolidation would require a more extensive process of recasting than in the above ten cases, it could be performed without difficulty, and without involving any change in legal effect. Finally, the Committee recommended that these Consolidation Bills be prepared, under their superintendence, by Mr. Rickards, with the aid of the experienced assistants. The Treasury granted 200 guineas for the work, and we may expect soon to behold the result.

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S. D. Waddy, Esq., Q.C., M.P.

Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
Claims Paid	1,140,151	1	8

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W. W. BAYNES, Secretary.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 25.] SATURDAY, MAY 29, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

IN the Matter of a Special Resolution for Liquidation by Arrangement of the Affairs of JOHN CLARK, of No. 7 Weymouth-street, Hackney-road, of No. 434 Hackney-road, and of No. 79 Curtain-road, all in the County of Middlesex, Timber Merchant, Cabinet Manufacturer, and Glass Factor.

The Creditors of the above named JOHN CLARK, who have not already proved their debts are required on or before the 10th day of June, 1875, to send their names and addresses, and the particulars of their debts or claims, to me, the undersigned EBENEZER CHAMBERS FOREMAN, of No. 7 Gresham-street, in the City of London, Accountant, the Trustee under the Liquidation, or in default thereof they will be excluded from the benefit of the dividend proposed to be declared.

Dated this 21st day of May, 1875.

EBENEZER CHAMBERS FOREMAN,
Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF DORSETSHIRE, HOLDEN AT POOLE.

IN the Matter of proceedings for Liquidation by Arrangement, instituted by HENRY BARTLETT and JOHN BARTLETT, of Bournemouth, in the County of Hants, Cabinet-makers, trading as "Bartlett Brothers."

A 2nd Dividend of 1s 6d. in the Pound, payable at the offices of FOREMAN AND COOPER, 7 Gresham-street.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

IN the Matter of Composition Arrangement by, and in the matter of a Deed of Assignment for the benefit of Creditors, dated the 4th day of September, 1874, executed by John Hoskins, of 6 Market-place, and of 3 Union-street, Leicester, Milliner.

A 1st Dividend of 3s. in the Pound, payable at the offices of FOREMAN AND COOPER, 7 Gresham-street.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

INCIDENTAL to, and in the Matter of, Composition arrangement by Benjamin Reeves, of 4 and 5 Upper Tachbrook-street, Pimlico, Upholsterer, and deed relating thereto, a 1st dividend of 1s. 3d in the pound, payable at the offices of FOREMAN & COOPER, 7 Gresham-street.

THE BANKRUPTCY ACT, 1869.

Re LEWIS WELLS, 3 Islingwood-road, Brighton.

SECOND Instalment of Two Shillings and Sixpence in the Pound of Composition, at the rate of Five Shillings in the Pound, payable at the offices of FOREMAN AND COOPER, 7 Gresham-street.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE HOLDEN AT BRADFORD.

IN the Matter of a Special Resolution for Liquidation by Arrangement of the Affairs of ROBERT UMBLEBY BARKER, of North-parade, Bradford, in the County of York, Painter and Paper Hanger,

A General Meeting of the Creditors of the above-named ROBERT UMPLEBY BARKER is hereby summoned to be held at my Offices, No. 15 Kirkgate, Bradford, aforesaid on Saturday, the Fifth day of June next, at Ten o'clock in the forenoon precisely. The purposes for which this meeting is summoned are:—1. To direct the Trustee as to the course to be pursued respecting a certain piano. 2 To audit the Accounts of the Trustee. 3. To fix the close of the Liquidation. 4 To consider the question of the Debtor's discharge, and to pass any resolution thereon. 5. To consider the remuneration of the Trustee.

Dated the 12th day of May, 1875,

ALEXANDER ATKINSON,
Trustee.

TERRY & ROBINSON,
Solicitors of the Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF NORTHUMBERLAND, HOLDEN AT NEWCASTLE-UPON-TYNE.

IN a Matter of a Special Resolution for Liquidation by Arrangement of the affairs of JOSEPH TIPLADY, formerly of No. 24 Bigg-market, in the Borough and County of Newcastle-upon-Tyne, and now of Hebburn New Town, in the County of Durham, Ale and Porter Merchant.

A General Meeting of the Creditors of the abovenamed JOSEPH TIPLADY is hereby summoned to be held at the offices of Messrs. Hoyle, Shipley, & Hoyle, Solicitors, Newcastle-upon-Tyne aforesaid, on Thursday, the Third day of June next, 1875, at Twelve o'clock at noon precisely. The purposes for which this meeting is summoned are:—1 To audit the Accounts of the Trustee. 2. To direct the Trustee as to the disposal of a quantity of Furniture. 3. To fix the date for the release of the Trustee.

Dated the 26th day of May, 1875.

ALEXANDER ATKINSON,
Trustee herein.

15 Kirkgate, Bradford.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF WARWICKSHIRE, HOLDEN AT BIRMINGHAM.

IN the matter of a Special Resolution for Liquidation by Arrangement of the affairs of WILLIAM JAMES, of No. 12 Eaign-street, in the City of Hereford, in the County of Hereford, Wine and Spirit Merchant, and Licensed Victualler, trading under the style or Firm of JAMES AND SON.

The Creditors of the above-named William James who have not already proved their debts, are required, on or before the thirty-first day of May instant, to send their names and addresses, and the particulars of their debts or claims to me the undersigned, CHARLES PEMBER, of the City of Hereford, Accountant, the Trustee under the Liquidation, or in default thereof they will be excluded from the benefit of the Dividend proposed to be declared.

Dated this Eleventh day of May, 1875.

CHARLES PEMBER,
Trustee.

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The Accountant.

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N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

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Accountant, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

MAY 29, 1875.

There is no more dangerous doctrine in the present day, out of the numbers that are preached to the many, and held firmly by the few, than the doctrine of the right of the Englishman to do as he pleases, utterly unrestrained by any force other than his own self-interest. There is something very humiliating to a philosophic observer in the way in which this independent spirit is fostered by the press, and allowed to degenerate into a thoroughly selfish line of conduct. The individual is to be considered in every thing, the State in nothing. Legislation must consist in permitting people to do what is right; but to apply compulsion is out of all keeping with our notions of sturdy British independence. Perhaps our national characteristic is best shown in the way in which we compare the numerous institutions which individuals have founded with their state-aided equivalents in other countries. With us the individual leads the way, and the State only steps in to give him due support when the work is done. It is in this way that our great empire has been built up. Why, then, should we ever alter this line of action? Let the State still exist as a regulating power; let it collect our taxes, and govern mildly, so long as the individual is not interfered with. But yet private crotchets and foolish whims must not be interfered with; and above all, the one sacred principle of modern England—that of free trade—must be held inviolable. Let our tradesmen sell us what articles they will; let our railways prefer a small extra dividend to the safety of their passengers; let every mode of rascality and trickery flourish undisturbed, unless the victim resorts to the uncertain protection of the courts of law, and the capricious justice of an English jury. We are a nation of shopkeepers, and we are proud of the title; and if there is one thing more abhorrent to us than another, it is to have any attempt made at extending government supervision over private enterprise. To do business is the first duty of every Englishman, and the less he is harassed by "spy legislation" the better.

A change is, however, gradually coming over public opinion in this respect. Recent events have shown that liberty very often degenerates into anarchy, and that free trade, when it means trade carried on free from any restrictions imposed by morality or conscience, is far from the unmixed blessing it was once supposed to be. On every side complaints pour in. The sturdily honest merchant of olden days, is but scantily represented in our own times. Under the plausible term of "usage of trade," a system of deception and misrepresentation has gradually grown up, which requires to be strongly repressed by law. But these evils are dwarfed by the huge catastrophes that we have seen of late years. The principle of limited liability has proved a valuable instrument in the hands of speculators, and the list of utterly hopeless companies receives daily additions. Exposure follows exposure, but still the sanguine and the gullible persist in rushing to their ruin, and new financial arts are used to lure the wary and cautious. Till the State comes boldly forward to assert the paramount obligation of seeing that its members act with fidelity to their undertakings, not only by the severe punishment of fraud, but by enforcing every available mode of prevention, we may expect to see no diminution in the number of rotten concerns which are converted into companies in order, mainly, that a few worthless adventurers may become public men.

Some few regulations are certainly enforced, by which people may learn the position of a company; but generally, the statements of the prospectus and the reports of the directors are all that there is to rely on. The insurance companies have been the means of calling attention to a better state of things. No more wide-spread misery could possibly be inflicted than has occurred through the failure of some of these associations. Their peculiar composition is such, that the wisest and best-informed man can gain but little by his knowledge. He may be able to decide whether he shall make a greater or a less sacrifice, but that is all. Let the depositor in a bank learn the insecurity of the company which holds his money, and he profits by the intelligence to withdraw it. If he is in time, he has lost nothing. But prove to the man that the company in which he has insured his life, to which he has been transferred against his will, has from sudden losses, reckless amalgamations, or a too keen desire to do business without first counting the cost, become unsafe, and what can he do?

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He can surrender his policy for a tithe of its value; or forfeit his previous payments, and commence anew at an enhanced rate in another office; or he may take his chance of an unexpected turn of fortune, and differ only from his unsuspecting fellows in having foreseen the blow which must fall, and which he was utterly unable to avert. Here the legislature has rightly stepped in, and by compelling all companies to publish their accounts, given some slight assistance to expectant insurers. The principle may well be extended to all companies, but even then creditors and shareholders alike could hardly know with sufficient certainty whom they may trust; for a mere statement of figures is no sufficient evidence of the existence of valuable assets, without the certificate of an independent auditor, who has examined and can judge of their soundness.

We have in our columns frequently urged the necessity of a strict system of independent auditing being made imperative upon all companies, and our correspondent "N" sends us an extract from the City of London Gas Act, defining and prescribing the duties of the official auditor, which he rightly thinks affords the true solution of the problem. First, we have a continuous audit and examination of the company's accounts, so that there can be nothing which will escape a practised eye. Then comes the most valuable suggestion, which enables, and, in fact, expressly directs the auditor to stop payment of any dividend if the accounts of the company are incorrect. This direction goes to the very root of the matter. The amount of the dividend is looked upon as the true test of a company's stability. The shares of a company may be purchased to pay a dividend of from 6 to 8 per cent., and in the case of a railway an average dividend of from 4 to 5. To produce this dividend is the great aim of directors and managers. If it can be fairly earned, the company is in a flourishing condition, and no auditor, however strict, would refuse his certificate of approval. But many companies succeed in declaring a dividend who have no right to do so. What is income, what is profit, and what is surplus, are subtleties of account which may be studied by political readers in the budget debates. It is possible that the larger proportion of the dividends of joint-stock companies, in their earlier stages of existence, are paid out of capital; and to these an auditor would be bound to refuse his sanction.

To take so decided a step as this, would be proof of a very high and very honourable devotion to duty. Independent as the class of men who are generally chosen as auditors may be, they cannot but feel that to assert their independence in so striking a manner would be in the outset a direct professional loss. With the support of their professional brethren, much of this might be averted. The Protean gentlemen who direct so many varied undertakings, with such a skilful adaptation of their duty towards their neighbours to their interests towards themselves, would be helpless in the face of an association so determined to support the independence and integrity of their members; and though the final victory would be won but by slow and painful engagements, it would be none the less decisive. A government official, with the full prestige of his position, would not be of greater power than the man who knew that if his fearlessness led to his dismissal, not one of his own profession would accept the vacant post. The tribe of speculators, fearful of the exposure of the hollowness of their schemes, would shrink from following too eagerly their dishonest course, and the many fraudulent financial undertakings would soon fall to the ground. The refusal to authorise a dividend would tell its own tale to investors who had studied the prospects of the undertaking, and who would be sure that they were not being misled by false signals; while shareholders would know that the dividends paid had been fairly and honestly earned. The air of the City is so tainted by speculation and trickery, that it is time that some steps should be taken towards its purification. The system of auditing cannot be made too searching. The sound and genuine undertakings will have much to gain and nothing to lose, the weak and unstable will be checked in their downward rush to ruin. That official auditing will ever be required by parliament, in the case of joint-stock companies, is doubtful; and its adoption will much depend on the course of events during the next few years. But it will be a grand boast for a profession to be able to say, "By our action we obviated the intervention of parliament; and while preserving in their integrity the rights of private enterprise, we have given security to all." To bring this about; to check fraud; to introduce the principle of absolute accuracy and truth into the affairs of companies; to make the certificate of an auditor as much respected and regarded as it is now suspected and despised,—is the task whose fulfilment is in the hands of our profession.

The case of Mr. John Brearley Wood so aptly illustrates some of the defects of our bankruptcy law, that

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we must again refer to it, especially as it involves a curious point of law as to the true construction of the Act. The strict and literal meaning of the words used in relation to the duties of the registrar, confirms the view which the deputy registrar of the Birkenhead County Court seems to have taken. Certain formalities as to sending notices, holding meetings and passing resolutions, are required to be observed; and the registrar, on receiving the resolution, has only to inquire if these have been duly complied with. He is not to make any inquiry as to the adequacy of the composition, or into what is best for the interests of the creditors; he sits merely as an expert, to examine into the technical accuracy of certain proceedings; and on being satisfied as to this, he is bound to perform the ministerial function of registration. It is impossible to read the Act without seeing that this is clearly what is laid down therein, and that those London registrars who indignantly refuse to allow the court to become a medium for "whitewashing debtors," are placing a construction of their own upon the plain words of the Act which they will not warrant. It is true that, thanks to the Lords Justices, the broader view now prevails, and that registrars are bound to use their discretion as to the propriety of the transaction, having in view the interest of the creditors. But it is also true, that this has been brought about by importing into the Act of 1869 some of the spirit of the Act of 1861, and by doing violence to ordinary principles of interpretation. The world at large will, however, look upon this with a lenient eye, if not with hearty approval; and any doubts that may linger in the mind of any legal precisian will be soon removed by a study of the memorable *cause célèbre* of Mr. John Brearley Wood.

We spoke a few weeks since of the difference between the position of an accountant and a solicitor in a case of bankruptcy. We pointed out that the accountant who is appointed to hold the place of trustee, and thus represents creditors as well as debtor, must have widely different interests from the solicitor, who represents only the interests of his client. That an advocate is bound to do his best for his client is a truism of the law, but we were scarcely prepared to hear it avowed with such cynical frankness as it was by Mr. Downham, who acted as solicitor for Mr. Wood. For this gentleman's remarks we must refer our readers to the report itself, and to the letter of "A. A.;" but we would venture to suggest to Mr. Downham, that such candour, though it might be admired in the mouth of Prince Bismarck, is scarcely likely to be viewed with favour by a world which, in its capacity of creditor, likes to get as much of its money as possible, and as a debtor would rather get rid of all financial difficulties with as little publicity as it reasonably can. Seriously, the whole case is a simple disgrace to the law, and Mr. Downham is lucky in having fixed his lines in a district where the letter of the law is so much regarded by its administrators. A London Registrar would, we strongly suspect, have made short work with the resolution, and cut still shorter the facetious candour of the attorney.

Bills of Sale have been a fruitful source of hindrance to creditors for some time, and have given rise to many ingenious devices on the part of debtors. Their registration is certainly a slight check, imposed in the interests of credit; and the judges have shown an inclination to mete out but a small share of favour to them. Still further strictness may be shown with advantage, and this, we think, will be brought about by the adoption of the suggestions set forth in the Northampton petition, which we printed last week. Three weeks is a long time in which to register; and by the clever contrivance of cancelling the old bill of sale and giving a fresh one before the lapse of the time for registration, many frauds were committed, whereby, to use the expressive words of the preamble to the Bills of Sale Act, "persons are enabled to keep up the appearance of being in good circumstances and possessed of property." This will be checked by the act which Mr. Charley has introduced this session, and which provides that a second Bill of Sale as security for the same debt will be void unless the first has been registered. But still we think the time within which registration can be effected is too extended, and might be contracted. There seems no valid reason why the limit of forty-eight hours should not be chosen, as suggested. The sooner creditors know of the charge the better, and the few instances of hardship which might arise would be of little importance compared with the general advantage. The third section, which gives priority to creditors who had obtained judgment previous to registration, is, we think, too harsh, if a shorter time for registration is adopted. After all, some bills of sale are not fraudulent; and, within reasonable limits, their holders have a right to be protected.

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LAWYERS AND ACCOUNTANTS.

From the *Law Times* of the 22nd instant, we learn some further particulars of the case referred to in our last issue, in which an unauthorised person, resident in Bristol, had been compelled to pay a penalty of £10 for preparing a deed of partnership. We now find that the offending party is a Mr. C. J. Coates; and it is very satisfactory to know that, as in the Manchester case, which was coupled with this by the *Law Times*—the name of the offender does not appear in the published list of accountants. There appears to be as much anxiety amongst certain nondescripts to be written down "accountants," as agitated the breast of that most sagacious of fools, Dogberry, when he cried, "Oh, that I had been writ down an ass"; and our contemporary has got into the not particularly ingenuous habit of taking these persons at their own estimate, and writing them down "accountants" without the least qualification. We, therefore, commend to the consideration ot the *Law Times* the example set by the hon. secretaries of the Bristol Law Society, who, in taking up the case of Mr. Coates, write to complain—with much more of both justice and literal exactness—of the practices of "persons *calling themselves* accountants, *and others*."

Wholesale Warehousemen and Accountants' Charges.—A correspondent, referring to a leading article on the above subject in our last issue, says: —"The pressure now existing is not such as will consolidate all accountants. The action of the Manchester Houses is hardly of the least consequence to the majority of accountants. The task of taxing accountants' charges is one which has never been attempted; and the more it is considered, the more difficult it will appear. Had any "scale" been feasible, the Institute of Accountants would no doubt have been proud to have promulgated one; but no *one* scale will meet all cases, and any complex set of provisions would invite endless criticisms and disputes. Your attention should be given to the fact that the scale propounded by the warehousemen is only relative to *shopkeepers'* accounts, the least complex of any kind of liquidations, as the stocks are usually got rid of at once by tender, and there are but few creditors."

The Society of Accountants in England.—The monthly meeting of the Council of the Society of Accountants in England was held at the Society's offices, 2 Cowper's-court, Cornhill, on Monday last. Present—Messrs. John Bath (Vice-president), in the chair, J. C. Bolton, H. Brett, E. N. Harper, J. Beddow, E. C. Foreman, J. H. Tilly, F. Tendron, and A. C. Harper (Secretary). This being the first meeting of the Council after the annual meeting, part of the business was to elect the President and Vice-president for the ensuing year. Accordingly Mr. Joseph Davies (Warrington) was re-elected President, and Mr. John Bath (London) Vice-president of the Society.—At a meeting of the Council on the 11th instant, the following accountants were admitted as associates of the Society, viz.:—George Whitt, 64 Lower King-street, Manchester; Joseph Lunt, 57 King-street, Manchester; and Edward Saville Foster, 11 St. James's-row, Sheffield.

The Institute of Accountants.—In the advertisement of the Institute of Accountants which appeared in our last issue, the name of Mr. Samuel Barrow (Barrow and Gates) should have been substituted for that of Mr. Henry Chatteris, one of the auditors who resigned at the recent annual meeting.

Solicitors' Benevolent Association.—On Tuesday evening, the members of this institution, which was set on foot about 17 years ago, celebrated their anniversary by a dinner at the Freemason's Tavern. The association was instituted in 1858, and has for its principal objects the relief of poor and necessitous attorneys, solicitors, and proctors, in England and Wales, and their wives, widows, and families. The right hon. the Lord Mayor, David Henry Stone, himself long an eminent solicitor in the city of London, and a member of the association from its commencement, occupied the chair on the occasion, supported by, among other persons of consideration, Mr. Alderman and Sheriff Ellis, the Mayor of Peterborough, Mr. Monckton, Town Clerk of London; the respective Presidents of the Kent and Wakefield Law Societies, the Clerks of the Cutlers', Farriers', and Poulterers' Companies, Mr. F. H. Janson, and many other eminent members of the profession both in the metropolis and several of the large provincial cities and towns. It was stated, on authority, during the entertainment, that the association dispensed £1,366 in relief during the year, and that the number of solicitors enrolled as members was 2,373. The directors expressed a hope that solicitors who were not already members of the association would embrace the festival as a fit occasion to join it; the general object being, in the common interest of that branch of the profession, to relieve such poor and necessitous members as may be incapacitated for business through bodily or mental infirmity, or other inevitable calamity, and their wives and families, and the poor and necessitous widows and families of deceased members; in special cases also to relieve the parents or collateral relations of deceased members, and where the state of the funds and the circumstances appeared to justify it, to render pecuniary assistance to the widows and families of deceased attorneys, solicitors or proctors, who were members at the time of death. The Lord Mayor, in the course of the evening, said he thought the legal profession, consisting, as it did, of over 10,000 members, should never be reduced to the condition of seeking eleesmosynary aid, and, that it ought rather to inaugurate a movement by which—not merely one-fifth, as now, of the members of that association, but a very large proportion of the profession should become members. In such a case, they would be a very large and prosperous society indeed. Last year he found the sum spent in connection with it was £1,360, and there were investments amounting to something over £30,000. He thought that such a fund might be so raised, as to have sufficient amount in hand to enable the society to grant permanent annuities, and so to dissipate all anxiety as to future wants. He knew there was a disinclination on the part of members of the profession against any one thinking that any member of their body was in want, and he thought, if the society had a considerable amount of funded property it might be enabled to grant aid in bringing up the children of their poorer brethren. The institution, however, had determined to rely on itself, and the sooner the general body of practitioners put their shoulders to the wheel the better. Mr. Eiffe, the secretary, announced that the subscriptions during the evening amounted to rather over £500.

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Correspondence.

"A PENNY IN THE POUND."

To the Editor of the Accountant.

SIR,—The case of John Brearley Wood, which came before the Deputy Registrar of the Birkenhead County Court on the 11th instant, and a report of which appears in your paper of the 22nd, seems to me to deserve a little ventilation in your columns. No case could more clearly illustrate the defects of the composition clauses of the Bankruptcy Act of 1869; in fact, it should of itself be quite sufficient to condemn those clauses to immediate repeal. Any thing more flagrantly unjust than to allow a majority of family creditors to ride roughshod over a minority of trade creditors, and compel them to accept such a contemptible composition as *one penny* in the pound, can hardly be conceived. Surely, minorities have *some* rights? If not, it is high time they should. For my part, I cannot believe it was the intention of the legislature to permit a majority of creditors, however large, to dispose of the rights of dissentient creditors in the extraordinary manner in which the rights of those creditors of Mr. Wood, who voted against the resolution, appear to have been summarily disposed of. It would be a good thing if this case could be fully reported in every newspaper in the kingdom. It might have some effect in dispersing the apathy with which the public seem to treat this question, and tend to pave the way for a speedy repeal of an Act of Parliament which permits so palpable an injustice with respect to the rights of individuals. It is all very well for a majority of the creditors to determine how the estate of an insolvent shall be administered, but it is quite another thing to give that majority the power to compel the minority to discharge their debtor without, practically, any payment whatever. Strictly speaking, it is the same in law whether the composition which the majority compels the minority to accept be a farthing or ten shillings in the pound: but it does, nevertheless, appear a much greater injustice to the minority to be compelled to take a penny in the pound, than to be obliged to take ten shillings. I suppose creditors would hardly grumble at all if they could always secure the latter dividend from insolvent estates. I know nothing of Mr. Wood's case but what I gather from your report of it, but I should imagine from the remarks of Mr. Downham, the attorney for the debtor, that he must be somewhat of a cynic. I am scarcely disposed to treat his remarks seriously, as I cannot fancy a lawyer *gravely* asserting that he "thought it, his duty, representing various creditors, to accept the *smallest* composition he could, and that had he not accepted it he would not have done his duty to those persons who intrusted their proxies to him." Surely, Mr. Downham must have been joking, or else having a little facetious fling at the absurdities of our bankruptcy law. It would perhaps be well if a few more persons attending meetings with proxies in their pockets would make a point of accepting the *smallest* composition they could; it might have the effect of facilitating a much-needed reform. Then, again, Mr. Downham's statement of his conduct, as chairman of the meeting, throws a little light on the manner in which these meetings are conducted. To call such an assembly a "meeting of creditors" is absurd. The solicitor comes to the meeting armed with what he knows to be a majority of proxies sufficient for his purpose, and votes himself into the chair. What does he then do? Let him speak for himself,—"His practice was to get rid of the meeting as soon as he could, and if he knew he had the majority of proxies in his pocket he got the resolutions ready and signed them, and let the other creditors talk as long as they liked." Well might such a candid statement as this provoke "laughter." Still, to my mind, such a proceeding is humiliating. Is it any wonder, that a creditor attending such a "meeting" once, is careful not to attend a second? How far the Registrar was right or wrong in ruling that the creditor's proof, which was handed to the chairman after he had signed the resolutions but before he left the chair, was not tendered in time to be reckoned in the voting, is not for me to consider—but I should like to see the point settled by a higher authority. Perhaps the next time Mr. Downham is in the happy position of holding a sufficient majority of proxies "in his pocket," it will be as well for him to draw up and sign the resolutions before he goes to the meeting. The hostile proofs will then be excluded immediately the chair is taken, and the meeting will be purely formal. Every thing Mr. Downham did was no doubt legally done, and in accordance with the Act of Parliament; at least I must assume so as the Registrar was of that opinion, as shown by his consenting to register the resolutions—such registration being the finishing link in the chain which binds the poor dissentient creditors to accept the magnificent composition offered by Mr. Wood. I ought not to occupy your space in drawing attention to this case, without making some suggestions for reforming the present procedure in the direction of preventing a recurrence of such a flagrant abuse of the powers given to creditors by the Act of Parliament. The Registrar assumes his duties to be simply ministerial—that he has not to look at the *bona fides* of the resolutions, but only to satisfy himself that the requirements of the statute and rules have been complied with. Looking at such cases as those of *Sidney* and *Wiggins*, and *Sir William Russell* decided by the London court, and affirmed on appeal, it is certainly a questionable matter whether the Registrar was right in his view of his duty. But presuming the Registrar has no discretionary power, it should be one of the first points of reform to give him, or the court, such a power, and a wide one too. Under the Act of 1861, where the creditors wished to supersede a bankruptcy and accept an arrangement or composition under section 185, the court required to be satisfied that the proposed arrangement or composition was calculated to benefit the general body of the creditors under the estate; and if not so satisfied, it refused to sanction the arrangement. Also under section 28 of the present Act, in order to complete a composition arrangement after bankruptcy, the resolution of the creditors requires the confirmation of the court in order to make it binding on dissentients. If the court is satisfied, upon the representation of any creditor, that his rights are prejudicially affected by the resolution, it has the power to veto the arrangement. I would give the power to the court in *all* cases of composition, and make it imperative on the majority carrying the resolutions to satisfy the court, even without any representation from a dissentient, that the proposed composition was reasonable, and calculated to benefit the general body of the creditors. I would also require an officer of the court to preside at all meetings of creditors, and thus prevent the possibility of the proofs of *bona-fide* creditors being excluded by partial chairmen, acting in the interests of debtors and their family creditors. The debtor's attorney ought not to act as proxy for

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the creditors. How can he serve two masters? His duty to his client, the debtor, may very likely be to pay as *small* a composition as possible; but I should think that very few solicitors would seriously assert, as Mr. Downham does, that his duty to the *creditors* is to accept the smallest composition possible. Nor, if the court possessed the power, could it gravely order the confirmation of a resolution to accept *a penny* in the pound, on the ground of its being reasonable, or calculated to benefit the general body of the creditors. Such a composition could not possibly benefit any one except the debtor, and, perhaps, indirectly his attorney.

The importance of this subject must be my excuse for trespassing at this length on your valuable space.

I am, yours truly,
A. A.

London, *May* 25th, 1875.

OFFICIAL AUDITING.

To the Editor of the Accountant.

Sir,—Several letters having appeared in your paper with reference to the necessity which exists for an improvement in the mode of auditing the accounts of public companies, and for vesting further powers in the hands of those charged with the performance of this responsible and important duty, so as to free them from the undue influence of those from whom they receive their appointments, I beg to call your attention to a letter which appeared in the *Times* of the 22nd instant, in which the duties of the auditor appointed by the Board of Trade, under the 81st section of the City of London Gas Act, 1868, are thus set out:—

"The official auditor is to prescribe the form in which the accounts of the company are to be kept, and to *continuously* examine, audit, and certify the same.

"He is not only empowered, but required, to stop the payment of a dividend to the shareholders, if 'he finds the accounts of the Company incorrect in principle or in detail.'"

It appears to me that an audit conducted under such conditions, and with such powers, affords the only real guarantee that the interests of the shareholders and of intending investors will receive due protection.

I remain, your obedient Servant,
N.

County Court Changes.—The following alterations in the arrangement of the holdings of the County Courts will come into effect (by an Order of the Queen in Council, dated the 13th day of May) on and after the 30th of June next:—The County Court of Lancashire, holden at Ormskirk, shall be holden at Southport as well as at Ormskirk; the County Court of Hampshire, holden at Christchurch, shall be holden at Bournemouth as well as at Christchurch; and the County Court of Norfolk, holden at Little Walsingham, shall be holden at Fakenham as well as at Little Walsingham.

Revenue—The receipts on account of revenue from the 1st April, 1875, when there was a balance of £6,265,322, to the 22nd instant, were £10,776,068, against £10,120,032 in the corresponding period of the preceding financial year, which began with a balance of £7,442,854. The net expenditure was £12,488,112, against £11,932,952 to the same date in the previous year. The Treasury balances on the 22nd instant amounted to £4,214,119, and at the same date in 1874 to £5,132,521.

COURT OF QUEEN'S BENCH, Westminster.

May 24.

(*Sittings in Banco, before the* Lord Chief Justice, *Mr. Justice* Blackburn, *Mr. Justice* Mellor, *and Mr. Justice* Field.)

Smart v. Cannon and others.—This case had arisen out of the disputes of two conflicting bodies of the London United District Funeral and Widows' and Orphans' Fund of the Ancient Order of Foresters' Friendly Society, with reference to the prosecution of their secretary for defalcation. Early in 1868 the secretary was found to be in default to the amount of nearly £2,000; a prosecution was threatened, and he absconded. An offer was made on the part of some friends of his to make a payment in satisfaction, but nothing came of it. As the secretary had absconded, proceedings against him were suspended. In July, 1868, the society resolved that the legal proceedings be placed in the hands of the board of management and trustees, and Mr. Beard was employed; but still nothing was done. In January, 1869, another offer of compensation was made by friends of the secretary—£1,000 to be paid in cash, and a bond to be given for the payment of £700, and the balance, if any remained due, after the accounts were gone into. Mr. Beard, the attorney, however, advised that the compensation could not legally be accepted, as it would be a "compromise of felony." Thereupon, many of the society being in favour of accepting the offer, Messrs. Shaen and Roscoe were consulted, who gave an opinion in favour of the acceptance of the offer. The trustees, however, still declining to carry out the compromise, were deposed by a meeting of the society, which resolved to accept it. The members of the society, however, who were in favour of a prosecution, and had formed themselves into a committee for the purpose, persisted in pressing on the prosecution, and employed the attorney, Mr. Beard, and also employed the plaintiff as an accountant to examine the accounts with a view to evidence at the trial, and the bills of both the attorney and the plaintiff appeared in the accounts of the committee, only one of whom was a trustee. The society in the mean time, early in 1869, received the £1,000 in pursuance of the arrangement, and took the bond for £700, and any further balance which might be due. The prosecution was carried to trial by the committee and failed, from its appearing that the money had been received. The society then sued upon the bond, and failed on the ground of its illegality. The plaintiff then sued the society by its trustees for the amount of his bill, nearly £130. At the trial before Mr. Justice Mellor the defence set up was that he was not employed by the society but by the committee, and the learned judge was of that opinion, and a verdict was taken for the plaintiff, subject to the point of law as to the liability of the society. Mr. Gates, Q.C., and Mr. Kemp were for the plaintiff; Mr. Herschell, Q.C., and Mr. Charles were for the society. After hearing the counsel for the plaintiff fully, the counsel for the society had not long been heard when the Court determined in favour of the society, on the ground that the prosecution had not been carried on by the society, and the plaintiff had not been retained by them, but by a self-appointed committee, who disapproved the compromise and desired the prosecution to be carried on. The society, therefore, were not liable for the expenses of the accountant, and this action could not be maintained. Judgment for the society.

COURT OF CHANCERY.

May 27.

(*Before Lord Justice* James.)

Ex parte Innes—in re Nelson.—This was an appeal from the dismissal by Mr. Registrar Hazlitt of a debtor's summons issued by Mr. Charles Innes against Mr. Marsh Nelson, the architect to Drury-lane Theatre. On the 21st of July, 1874,

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Mr. Innes recovered judgment in an action in the Queen's Bench against Mr. Nelson for £1,169. The judgment was not satisfied, and on the 9th of October Mr. Innes obtained a garnishee order *nisi*, attaching the salary accruing due to Mr. Nelson from the proprietors of the theatre. On the 18th of November Mr. Innes issued a summons under the Debtor's Act, 1869, against Mr. Nelson, requiring him to attend for examination, and to show cause why he should not be committed to prison for non-payment of the judgment debt. This summons was on the 18th of December heard by Baron Amphlett, and an order was made that Nelson should pay the £1,169, with interest at 4 per cent., by assigning to Innes the balance that might be coming to him in a Chancery suit of "Innes v. Nelson," as security for the debt, and that upon the assignment being executed the attachment of Nelson's salary should be withdrawn. It was also ordered that Nelson should pay the debt by monthly instalments of £3. Innes accepted the assignment, and the attachment was withdrawn. Afterwards he issued a debtor's summons against Nelson, which the Registrar dismissed. Innes appealed. Mr. Edward Clarke was for the appellant; Mr. Bagley was for Mr. Nelson. Lord Justice James thought that the Registrar's decision was right. If it had been intended to preserve the creditor's right to proceed in Bankruptcy after the order obtained from Baron Amphlett, this ought to have been expressed. The order was really a matter of arrangement between the parties, and the creditor having accepted the assignment of what appeared to be a valuable property, it would be contrary to good faith that he should now take proceedings in bankruptcy against the debtor. The order of the Registrar must be confirmed, and the appeal dismissed with costs.

ROLLS' COURT, CHANCERY-LANE.

May 26.

(*Before the* MASTER *of the* ROLLS.)

IN RE CITY AND COUNTY BANK (LIMITED).—An application for the appointment of a provisional liquidator of this concern, for the winding-up of which petitions are pending before this and other branches of the Court, came on by adjournment from Saturday last. Mr. Roxburgh, Q.C. (with whom was Mr. W. Latham), for the applicant, a creditor petitioner, stated that the application had been forestalled by another party who had obtained the appointment of a provisional liquidator from Vice-Chancellor Bacon on Monday. After a short discussion, the Master of the Rolls, with the consent of the bank, appointed Messrs. Hodges and Price joint provisional liquidators, with a direction that they shall not act without the permission of the Vice-chancellor. Mr. Bagshawe, Q.C., and Mr. E. Chitty appeared for the bank, which has no connection, otherwise than by similarity of name, either with the City Bank or the London and County Bank; Mr. Graham Hastings for Messrs. Brown, Jansen, and Co., who are said to have entered into some arrangement for taking over the business of the concern; Mr. M. Cookson for nearly all the depositors, about 200 in number; Mr. Whitehome for a party who has a winding-up petition pending before Vice-Chancellor Malins; and Mr. E. C. Willis for some creditors.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

May 22.

(*Before Vice-Chancellor Sir* JAMES BACON.)

IN RE THE LONDON, BELGIUM, BRAZIL, AND RIVER PLATE ROYAL STEAMSHIP COMPANY.—TAIT'S CLAIM.—This was a claim by the trustees of the estate of Sir Peter Tait and Co. to be allowed to prove in the winding-up of the above company for a sum of £1,236 17s. 4d. on the balance of accounts. Whether the balance was in favour of one party or the other depended on the right of Messrs. Tait to a certain sum of £5,000 in dispute. In the year 1868 Messrs. Tait and Co. had established a line of steamers between Europe and South America, and obtained a concession from the Belgian Government for the carriage of mails. The company was formed in that year, and a contract entered into between Messrs. Tait and a promoter, which was set out in the articles of association. Under this contract the company purchased four steamships at an ascertainable price, and Messrs. Tait agreed to transfer the concession and any future concession they should obtain for £10,000 and a further sum of £5,000 contingent on the company making a profit of £9 per cent. within the first two years. Messrs. Tait obtained a further concession from the Belgian Government, and at a meeting of the company held on the 18th June, 1869, the shareholders authorised the directors to pay a certain instead of a contingent sum of £5,000 to Messrs. Tait as part of the price of the concessions, and to take the ships subject to mortgages with a proportionate abatement of the purchase money. It was found that the Belgian Government would not consent to the transfer of the concessions, and ultimately the company obtained a concession direct to themselves. The company did not prosper, and was wound up, and the concession sold. Messrs. Tait declared themselves insolvent, and executed an inspectorship deed. The directors had not acted on the authority to pay the £5,000, but they took transfers of the ships subject to mortgages. Mr. H. M. Jackson, Q.C., and Mr. F. Thompson appeared in support of the claim; Mr. Kay, Q.C., and Mr. Davey, in opposition, were not called on. The Vice-Chancellor said there were no dealings which amounted to a contract by the company to pay the £5,000. The contract, so far as it related to the purchase of the ships, was entirely distinct from the transfer of concessions, and the authority given to the directors to take transfer of ships subject to mortgage was distinct from the authority to pay £5,000 certain; nor was the modification of the contract relating to the ships a benefit to the company, but rather to Messrs. Tait. It was not, then, true that they took a benefit while they repudiated a burden tied up with it. The payment of the £5,000 was authorised on a mistake that Messrs. Tait had obtained an advantage for the company by their new concession. When the directors found they had themselves to obtain a new concession on less favourable terms, they were right in refusing to pay the £5,000. His Honour rejected the claim, with costs.

May 27.

(*Before Vice-Chancellor Sir* R. MALINS.)

RE THE MARIA ANNA AND STEINBANK COAL AND COKE COMPANY (LIMITED).—The point which arose in this matter was said to be a novel one, and to be at present uncovered by any decision. The above-named company was formed in 1857, with articles of association under the Companies' Acts, 1856, with which that of 1862 was subsequently incorporated. In 1861 William Hargreaves and William Hill took 286 £10 shares in this company. This amount of the shares had been fully paid-up, and they were registered in the books of the company in the joint names of the two holders. William Hill died on the 9th of September, 1861. On the 6th of February, 1863, letters of administration were granted to his widow. William Hargreaves is still living. About two years ago an order was made to wind-up the company, and the official liquidator placed the name of William Hill on the list of contributories. An order was afterwards made, in chambers, for the placing of Mrs. Hill's name on the list in respect of the shares in question. She applied on the 24th of March last to have her name removed from the list; but no other order was made on that application beyond this, that the costs of the official liquidator were to be paid out of the assets of the company. The matter now came on upon a

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motion on behalf of Mrs. Hill to discharge that order. Mrs. Hill's right to have her name removed from the list depended on the question whether William Hill's liability on the shares was a several one, or whether he and William Hargreaves were jointly responsible for them. In the latter case the liability would survive to William Hargreaves alone. Mr. Glasse, Q.C., and Mr. Freeling supported the motion; Mr. J. Napier Higgins, Q.C., and Mr. Ford North, for the official liquidator, opposed it. The Vice-Chancellor was of opinion that, having regard to the provisions of the Companies' Acts, the liability of William Hill and William Hargreaves was joint, and that, consequently, that of William Hill ceased on his death in 1861. He therefore made an order to remove the name of Mrs. Hill from the list of contributories, and directed the costs of all parties to be paid out of the estate of the company.

COURT OF BANKRUPTCY.

May 22.

This being the first day of Trinity Term, the sittings at the Court in Lincoln's-inn-fields were resumed.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE J. J. FRIEDLANDER.—The debtor, a commission merchant and dealer in diamonds, carrying on business in Bloomfield-street, London-wall, recently filed a petition for liquidation, and at the first meeting an offer was made of a composition of 19s. 6d. in the pound, payable in two years; but, upon the resolution being carried into the office, registration was refused, on the ground that the necessary majority of the creditors had not assented to the proposal. The statement of affairs disclosed liabilities amounting to £15,273, with assets £12,857. Mr. Goldberg, for the debtor, asked that a new first meeting might be convened, on the ground that the creditors would now probably assent to the intended arrangement. His Honour held, that having regard to the decision of the Lords Justices in the case of "*Ex parte* Cobb, *re* Sedley" ("Law Reports" 8, Chancery Appeals, p. 727), he could not allow a new first meeting; and he therefore refused the application, without prejudice to any right which the debtor might have to file a fresh petition.

IN RE WILLIAM M'ARTHUR.—The debtor was an iron merchant, carrying on a very extensive business in Cannon-street, and at Greenwich and Millwall. He recently presented a petition under the 125th and 126th sections of the Act, with liabilities returned at £268,880 (of which a considerable portion will probably run off), and property value unascertained. It appeared that previously to the filing of the petition two executions had been levied upon the stock-in-trade and effects, and the debtor now applied, with a view to the saving of expense, that there should be an immediate sale by the receiver, the proceeds, after deducting expenses, to be paid to a separate account. Notice of the application had been given to the execution creditors, and they did not oppose. His Honour granted the application.

May 24.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE COLE AMBROSE, RE LEONARD.—This was an appeal from an order of the Bury St. Edmund's County Court, declaring a transfer by the bankrupt, a farmer at Soham, in Cambridgeshire, of certain cattle to the appellant, also a farmer, at Stuntney, in the same county, to be a fraudulent preference under the 92nd section, and an Act of Bankruptcy. Mr De Gex, Q.C., and Mr. R. Griffiths were counsel for the appellant; Mr. Winslow, Q.C., and Mr. G. W. Lawrance for the respondent. His Lordship reversed the decision of the Court below.

EX PARTE ROBERTSON RE MORTON.—This was an appeal from the decision of the County Court Judge of Newcastle-upon-Tyne, who ordered that a Mr. Donald Robertson, of Mayfield, Cupar Fife, should pay to Messrs. Greener and Benson, the trustees of the debtor's estate, two sums of £120 and £36 12s. respectively—one sum being the amount of a cheque paid to him shortly before the liquidation, and the other being the value of a certain quantity of potatoes. Mr. De Gex, Q.C., appeared on behalf of the appellant, and Mr. Little, Q.C., for the respondent. Mr. De Gex, in opening the case, said that this very important question was involved in the appeal—namely, as to whether a Scotchman domiciled in Scotland, and being a creditor of a bankrupt in England, was under the jurisdiction of the Bankruptcy Act of 1869, which exempted Scotland and Ireland. Before going into the merits of the case he intended to submit a preliminary point to his Lordship, and that was as to whether there was jurisdiction over a Scotch creditor at all. When any claim was opposed, notice of motion had to be personally served on the creditor, and it was not disputed that Mr. Donald Robertson had been personally served in Scotland. It was a proceeding that could not have been done under the former Bankruptcy Law, and Ireland and Scotland were expressly exempted from the operation of the English Courts by the Common Law Procedure Act and the Chancery Amendment Act; and unless it could be brought within the 72nd section—the jurisdiction having been extended by the 65th section, that of the Court of Chancery and Common Law being given to it, and thereby granting it a legal as well as equitable jurisdiction—it could not be brought within the cognisance of the Court. The creditor did not live in England at all, and having appeared to object to the jurisdiction—which objection, however, was overruled—the question that now arose, as he thought for the first time, was as to the power of an English Court to make any order whatever against a Scotchman. He should refer to a case somewhat similar to the present case—that of O'Loghlan—which was the case of the service of a debtor's summons upon O'Loghlan, then living in Ireland. He did not always reside in Ireland, because, being a member of the Imperial Parliament, he was at times compelled to come and live in London. The order, however, was made for service upon him in Ireland of the debtor summons, and this was done personally, as it had been in the present case. It was rendered imperative by the 50th rule that any claim should be by motion supported by affidavit, upon hearing which the Court would make such order as might be just. The case of O'Loghlan was reported in the 6th Chancery Appeals, page 406, and it was there laid down by the Lords-Justices that attendance of Sir Colman in Parliament was not a residence of a domiciled Irishman any more than the Court of Chancery could be said to be the residence of the Lord-Justices. It was argued in that case that it was just as open to serve a Frenchman or any foreign resident in his own country, as it was to serve an Irishman with a debtor summons in Ireland. Lord-Justice James had expressed that opinion, and it was concurred in by Lord-Justice Mellish, who observed that the main question was an important one in dealing with Acts of Parliament intended only for a particular part of the United Kingdom, and that the true principle of construction in such cases should be that the acts that are to be brought within its jurisdiction must be acts done within the jurisdiction and contemplation of such acts of Parliament. Now, that rule precisely applied to this case, and it must be supposed that the notice of motion must be taken according to that diction. The Chief Judge said it would appear to be so, and before proceeding further with the case he had better hear what the other side had to say. Mr. Little, Q.C., said he must call his Lordship's attention to a few remarks he should have to make. His Lordship called Mr. Little's attention to the order, which stated that Mr. Robertson was understood to appear without prejudice, and retired from the case before the evidence was heard. Mr. Little said his attention had been called to that statement in the order, but he was certain that his Lordship would not grasp the point of the case unless he mentioned a

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few facts, unless he was possessed of miraculous power. The case was shortly this. Morton & Son carried on business at Newcastle, and failed in 1874. Robertson was a potatoe salesman living in Scotland, and claimed not only as a creditor, but had received a dividend under that failure. Two matters had to be inquired into—first, that Robertson had received a cheque for £120 on the day the petition was filed; and secondly, that having a quantity of potatoes belonging to the debtor, to whom by law there had been a complete delivery, he wrongfully reclaimed the goods, according to the trustees' view, and caused their delivery to his own agents. He was not entitled to the whole value of these potatoes, but only to an aliquot part. The commencement of the litigation was this. The trustees on the 5th March personally served Robertson with a notice that on the 12th an application would be made by the trustees to the effect that he should repay the cheque of £120, and also that he should refund the value of the two truck-loads of potatoes sent to the debtor on the 17th of February, but which he had afterwards obtained and sold. On the hearing of the case on the 12th March an order was made postponing the case for fourteen days after hearing Mr. Phillipson on behalf of Mr. Robertson, who applied for the adjournment on the ground that he was unprepared to go into the case. Mr. Robertson was required to pay the receiver £100 to abide the result of the hearing of the motion, and also to pay the costs. His Lordship would observe that this order was made after hearing Mr. Robertson's solicitors. Although it was true that Mr. Phillipson did object to the jurisdiction in the court below, it was upon totally different grounds to those stated in the affidavit. He did not object on the ground of service, because he was there to respond; but upon larger and higher grounds. The ground taken by Robertson's counsel was that Scotland was the land of freedom from any invasion of the laws of England. The question of irregular service was answered by the fact of the man who was said to be irregularly served having gone to the County Court and asked for further time. He could read Mr. Robertson's affidavit in reply to Mr. Greener's (the trustee), whose affidavit stated that the petition was filed on the 18th of February, 1874, and on the 13th March following it was resolved at a meeting of the creditors to liquidate by arrangement; and the trustee, finding that the debtor had on the 17th February, the day previous to the filing of the petition, but the day on which it was signed, given a cheque for £120 to Donald Robertson, immediately applied to him for the return of the cheque. The statement of affairs showed that the debtor was in the habit of purchasing potatoes from Robertson, and the accounts filed showed that on the 17th of February, Morton owed Robertson a considerable sum for potatoes. Morton kept an account at Lambton & Co.'s, bankers, of Newcastle, and on the day on which the cheque was drawn the amount of money owing to Robertson was £247 18s. 11d. The affidavit also stated that Robertson, having sent the quantity of potatoes to the debtor (he subsequently obtained possession of them), had sold them and retained the proceeds. The affidavit of Robertson stated that he was served with notice of the motion on the 6th of March at Mayfield in Scotland; that he was a domiciled Scotchman, and as such the Court had no jurisdiction over him, or to make the order it had done. It went on to show that on the 14th February, the debtor owed him £367 2s. 11d. for goods sold and delivered, and on the 17th he received a cheque for £120 from the debtor, which was paid to his bankers and was duly honoured. He was not aware at the time he received it that the Mortons were in difficulties, nor had he pressed them or brought an action against them. That reduced his debt to £247 2s. 11d. for which sum he had proved, and had subsequently received a dividend at the rate of 4s. 6d. in the £. The affidavit went on to state that on the 16th he sent to the North-Eastern Railway two trucks of potatoes, and invoiced them to Mortons; but he had not made any claim for them against the estate, and on the following day he received notice that they did not require any potatoes, and immediately thereupon, before delivery could be made to any one, he telegraphed to the North-Eastern Railway Company not to deliver them to any one except by his express instructions. The learned Judge here intimated that after what had fallen from Mr. De Gex he call edupon the other side, because he was willing to decide the question upon the objection raised as to jurisdiction; but in consequence of what had fallen from the learned counsel for the respondent, he felt that he must hear the case upon its merits. The case was accordingly adjourned to Monday next.

(Before Mr. Registrar HAZLITT.)

IN RE A. E. WESTBEACH.—Mr. Baker applied, under proceedings for liquidation instituted by the debtor, that Mr. W. C. Cooper, accountant, Gresham-street, should be appointed receiver and manager, and for an interim injunction to restrain actions. The debtor had carried on business at 38 Fenchurch-street, as a general merchant, and at Brighton, under the style of "The Celestial Works of Art Company." His liabilities were estimated at £75,000, more than one half of which will probably run off; with assets about £20,000. His Honour granted the application.

May 25.

(Before Mr. Registrar KEENE.)

IN RE JOHN MORISON.—Registration was allowed of a resolution to liquidate by arrangement passed by creditors in this case. The debtor had carried on business at 21 Billiter-street, and also in the Minories, as a merchant and manufacturer, shipowner, and ship and insurance broker. His balance sheet returns unsecured debts of £24,563, and secured debts, £191,202; the assets show a surplus, subject to realisation. Mr. R. Fletcher, accountant, Moorgate-street, is the trustee.

IN RE SIORDET AND CO.—The creditors of these debtors, who were merchants, of Mark-lane, and lately failed for £400,000, have unanimously agreed to accept a composition of 12s. 6d. in the pound, payable in three instalments. The resolution to that effect has been duly registered by Mr. Registrar Keene. Messrs. Nicholson, Nicol, and Co. have the conduct of the proceedings.

May 26.

(Before Mr. Registrar MURRAY, *sitting as Chief Judge.)*

IN RE GEORGE LONGLEY.—The bankrupt, described as late of 60 Prince's-gate, then of Devonshire Lodge, Maidenhead, and elsewhere, Lieutenant-Colonel in the Royal Engineers on half-pay, applied to pass his examination. The adjudication had been obtained in the Berkshire County Court, and the proceedings were transferred by resolution of creditors. A statement of affairs disclosed debts of £11,375, with assets £1,756. The bankrupt passed without opposition. Mr. Morley, solicitor, appeared for the trustee.

(Before Mr. Registrar BROUGHAM.)

IN RE W., G., AND H. WOODS.—The debtors, William, George, and Henry Woods, proprietors of the City United Club, Ludgate-circus, recently filed their petition for liquidation, and the Court last week appointed a receiver, and granted an interim order staying further proceedings, at the suit of several creditors. The debts were about £9,000, and assets estimated at £12,000, subject to realisation. Upon the application of Mr. Cock, on behalf of the receiver, his Honour, in the absence of opposition, now made an order continuing the injunction.

In the House of Commons, on Tuesday, Sir E. Watkin brought in Bills for facilitating the establishment of Provident Savings Banks, and for providing Compensation for Accidents to Workpeople.

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IPSWICH COUNTY COURT.

MAY 21.

Before J. WORLLEDGE, Esq., *Judge*.

EX PARTE GEARD, TRUSTEE, IN RE WALTER NUNN, LIQUIDATING DEBTOR.—An application for an order to prosecute Nunn upon the ground that he has been guilty of offences under the Debtor's Act, 1869.—Mr. W. B. Jackaman appeared for the trustee in support of the application; Mr. Hill for the debtor. Mr. Jackaman stated that Nunn had been a cattle dealer, and from the 2nd of March to the 10th of March he purchased at various auctions cattle to the value of £1,418 6s., and never paid a farthing of that amount. On the 16th of March Mr. R. Bond, auctioneer, filed a petition of bankruptcy against Nunn, who was in his debt to the amount of £553 11s., and alleged certain acts of bankruptcy. Nunn disputed the acts of bankruptcy, and the Registrar reserved his decision on the point. On the following day Nunn filed his petition of liquidation, and Mr. Bond was appointed receiver. Not having time for the duties of receiver, Mr. Bond appointed Mr. Geard. On the 25th of March Nunn told Mr. Geard that he had paid from £100 to £200 to Mr. Wainrabe, jeweller, Commercial-street, London; Mr. Whitehead, Woodbridge-road, £100; and his brother, Frederick Nunn, shipbuilder, London, £400; all of which sums he owed. £72 10s. he had in hand he gave up to Mr. Geard. Application was made to the parties named by Nunn as having received money. Frederick Nunn distinctly denied that the debtor had paid him a farthing, or that he ever owed him such a sum as £400. Mr. Whitehead also swore positively that he received no such sum as £100 from the debtor. As to Wainrabe, who was described as a jeweller, but who attended races, they had not yet been able to find him. Nunn had admitted that he had received £500, but his man Trenter had sworn that from the 2nd March to the 10th March he had paid Nunn £1,100. These actions, Mr. Jackaman contended, were offences under the Debtors' Act of 1869, and quoted the sections of the Act under which he based his application. He also referred to an affidavit made by Mr. Geard, but Mr. Hill objected to that affidavit, as it was sworn before Mr. H. M. Jackaman, a partner of the trustee's solicitor, as commissioner. It was sworn and filed only on the preceding day, and he had not received a copy of it. As to the statements made to Mr. Geard, at that time that gentleman was not trustee, and therefore, the sections upon which Mr. Jackman based his application did not apply. After a long legal argument, his Honour refused Mr. Geard's affidavit, as it was not sworn before a proper commissioner. As to the statements made by the debtor, he held that they must be made to a trustee to bring the debtor under the Act, and Mr. Geard not being at the time trustee, he refused the application, as he did not think there was reasonable grounds for supposing that the debtor would be convicted. His Honour ordered each party to pay his own costs.

CREDITORS' MEETINGS.

LEEK, COWAN, AND CO. (DALMARNOCK).—At a meeting of the creditors of Messrs. Leek, Cowan, and Co., turkey-red dyers, Strathclyde Works, Dalmarnock, Mr. J. R. Strong, accountant, was elected trustee. The liabilities amount to £13,640 3s. 10d.

DAVID LANGHAM (IPSWICH).—A first meeting of creditors was held on Tuesday, the 25th instant, at the offices of Mr. F. B. Jennings, solicitor, 7 Falcon-street, Ipswich. It was resolved to wind up the estate in liquidation, Mr. George Wright, accountant, being appointed trustee, and Mr. F. B. Jennings being intrusted with the registration of the resolutions.

W. W. GARNHAM (LOWESTOFT).—A meeting of the creditors of William Woolner Garnham, of Lowestoft, newspaper proprietor, was held at the office of Mr. H. K. Moseley, solicitor, Yarmouth, on Tuesday, 25th May, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, being appointed trustee. Messrs. Worship and Rising are solicitors to the trustee.

WALTER WILLIAM KEMP (IPSWICH).—This was a first meeting of creditors, the debtor, a steam sawyer and miller, having filed his petition on the 7th instant. The meeting was held at the offices of Mr. F. B. Jennings, solicitor, 7 Falcon-street, Ipswich. It was resolved to liquidate by arrangement, Mr. George Wright being appointed trustee, and Mr. F. B. Jennings being instructed to register the resolutions.

CITY AND COUNTY BANK.—On Monday, the adjourned meeting of the creditors and depositors in the City and County Bank was held at the City Terminus Hotel, Cannon-street, Mr. E. Utten Brown in the chair; but, upon the meeting being constituted, Mr. Roberts, at the request of the chairman, stated that the negotiations with Messrs. Brown, Janson, and Co. had been, to a certain extent, concluded, inasmuch as the draught agreement for the transfer of the business to them had been drawn up, and the result had been submitted to counsel. He believed that by the following Thursday some definite proposal would be submitted to the creditors and depositors. He was also instructed to say that by the arrangement the whole of the depositors would be paid in full. In reply to a creditor, Mr. Roberts said that the customers would be treated the same as the depositors, and be paid in full. He strongly advised the meeting to await the result of the agreement, and to adjourn till Thursday. There were several petitions before the Vice-Chancellor, and he had every reasonable hope they they would be stopped and the parties made to pay their own costs, and he hoped to have the co-operation of every shareholder as well as every creditor and depositor. The meeting was again adjourned. At the adjourned meeting, Mr. Godden, upon being called upon by the chairman, stated that the agreement for taking over the business of the bank which was under negotiation had been decided upon, and not only had the terms been arranged and approved by counsel, but the agreement itself signed, sealed, and delivered. It provided for the payment of all debts and liabilities of the bank by Messrs. Brown, Janson, and Co., according to the schedule annexed to the agreement. The gross liabilities as certified amounted to £96,000, but a great proportion of those would, of course, run off, as many of them were bills which would be met at maturity. But the agreement could not come into force until after the meeting called for the 8th of June, at which it must be approved. Messrs. Brown, Janson, and Co. were to appoint a liquidator, and the bank was to consent to a winding-up order. He therefore hoped that every creditor and shareholder would support the carrying out of the agreement. Some conversation then ensued. In reply to a question put by Mr. Chatterley, Mr. Godden said that there had been three provisional liquidators appointed, but they had no power beyond that of being mere receivers. In reply to a question, Mr. Crowe, the manager of the bank, stated that the schedule annexed to the agreement contained the whole of the bank's liabilities, excepting of course the paid-up capital of the bank. The deposit and current accounts were, of course, dead liabilities, which would have to be paid in full; but the acceptances which were included would, he had every reason to believe, be met in full. Upon the motion of Mr. Beaumont, seconded by Mr. Wicks, it was unanimously resolved :—"That Mr. W. H. Roberts be, and is hereby, instructed to continue to oppose any order being made upon any hostile petition that is or may be presented against the City and County Bank, and to use every effort to carry into effect the terms of the agreement dated this day, and made between the City and County Bank of the one part, and Messrs. Brown, Janson, and Co. of the other part."

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S. H. EMMENS (LONDON).—A meeting of the creditors of Stephen Henry Emmens, of 8 Old Jewry, merchant and banker, trading as 'Emmens Brothers and Co.,' was held on Thursday at the Cannon-street Hotel, when a statement of his affairs was submitted and read by Mr. James Cooper, of the firm of Johnstone, Cooper, Wintle, and Co., public accountants. The liabilities were stated at £89,000, with assets, principally in mines and shares (subject to realisation), amounting to £109,000. Liquidation by arrangement was resolved upon, and Mr. Cooper was appointed trustee to act with a committee of inspection chosen from the general body of creditors, Messrs. Crook and Smith being the solicitors to the proceedings.

W. E. TAYLOR (ACCRINGTON).—A meeting of the creditors of W. E. Taylor, Enfield Mills, Accrington, was held at the Offices of Messrs. Stevenson, Lycett and Co., on Tuesday, at 12 o'clock, when a statement of affairs prepared by Mr. Edwin Collier, of 64 Cross-street, Manchester, was read to the meeting. The statement showed gross assets including property held by creditors £72,912 8s. 1d., and gross liabilities £53,606 14s., leaving an estimated surplus of £19,305 14s. 1d. Resolutions were passed that the works should be carried on under the supervision of a committee of inspection, with Mr. Collier as trustee.

FAILURES.

ENGLAND.—The failure of Mr. James Hewett, gentleman, of Dormer-villa, Leamington, was on Friday before Mr. Brabazon Campbell, the registrar of the Warwick County Court. The estimated liabilities are about £50,000. The liabilities to unsecured creditors amount to nearly £10,000—The suspension is announced of Mr. Alfred E. Westbeech, of 38 Fenchurch-street, merchant, with liabilities amounting to £75,000, of which it is expected about £40,000 will run off or be covered by securities. The value of the assets cannot yet be ascertained. The business has been in existence 17 years. The failure is occasioned by the severe and rapid fall in prices in China. The books have been placed in the hands of Messrs. Foreman and Cooper, of 7, Gresham-street. A petition for liquidation was on Tuesday filed in the Sheffield Bankruptcy Court by Mr. Isaiah Danki Waddy, auctioneer and valuer, of Sheffield, whose liabilities are about £10,000, with assets estimated to be worth very little more than a shilling in the pound. The stoppage is said to result from stock and share broking transactions.

IRELAND.—We are informed that the liabilities of Messrs. Husseden & Runge, of Belfast, whose failure was announced last week, amount to £100,000, and that the assets will turn out to be very small. The liabilities fall chiefly on Belfast manufacturers, but some of them hold securities.

The *Scotsman* reports the failure of Messrs. Smith and Davidson, grain merchants, of Greenock, with liabilities amounting to £50,000, and large assets.

The stoppage was announced on Saturday last of the Deutsche Braziliansche Bank of Hamburg, whose difficulties have been the subject of comment for some days past. The institution has only been in existence about two years, and has a branch at Rio, where the present embarrassments have arisen. It was hoped that some assistance would have been rendered on account of the wealthy connections of the bank. The liabilities are expected to be very large, and will probably fall upon German houses chiefly. With regard to the failure of the Deutsche-Brazilianische Bank, advices from Hamburg state that a meeting of the shareholders has been called for the 22nd June next. An official notification of the suspension of the bank has also been issued, in which it is stated that the difficulties and embarrassments have arisen through the breach of instructions committed by the former manager of the bank at Rio, Herr Rieke, which led to the despatch some time ago to Rio of a delegate, Herr Brunn, in whom the company had complete confidence. The first information of the arrival of Herr Brunn in Rio reached the company in Hamburg with not unfavourable communications on the 11th of this month; but later, on the 17th, a telegraphic advice was received that Herr Rieke had disappeared, and had left behind him important engagements of unknown amount. Next day followed a farther telegram, which allowed it to be concluded that improper credits of large amount had been given, and later information still further increased the sum of doubtful assets of the concern. In these circumstances the directors had thought it advisable to stop the course of current payments to single creditors pending a farther clearing up of the position.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

The Master of the Rolls has appointed Mr. B. P. Daniels (Good, Daniels, and Co.) official liquidator of the Bronfloyd Company, Limited.

Vice-Chancellor Bacon has appointed Mr. Edward Hart (Hart Brothers, Tibbetts, and Co.) provisional official liquidator of the City and County Bank (Limited).

Vice-Chancellor Sir Richard Malins has appointed Mr. Alfred Good, of 7 Poultry, official liquidator of the Great National Fire Insurance Company (Limited).

Mr. Harry Brett, of the firm of Harry Brett, Milford, Pattinson, and Co., of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed trustee of the estate of James Hogg, of 3 Printing-house lane, in the City of London, publisher, a bankrupt. Mr. H. Montague, of 5 and 6 Bucklersbury, solicitor to the trustee.

Mr. John Pattinson (of the firm of Harry Brett, Milford, Pattinson and Co.), of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, and Henry Brown, of 7 Westminster Chambers, Victoria-street, Westminster, public accountant, have been appointed trustees of the estate of Daniel Henry Doherty Waterhouse, of No. 5 Hertford-street, May-fair, in the county of Middlesex, of no occupation. Messrs. Lumley and Lumley, of 22 Conduit-street, Bo nd-street, solicitors to the trustees.

WINDING UP.—An extraordinary general meeting of the shareholders of the City and County Bank (Limited) is convened for Tuesday, the 8th day of June next, for the purpose of passing a resolution for the voluntary liquidation of the company, and for appointing a liquidator.—A petition to wind up "The Fibre Association (Limited)" has been presented to the Court of Chancery.—In the Rolls Court, on Monday, an order was made to continue the voluntary winding-up of the "Swiss Times" Company, Limited, under the supervision of the Court, on the petition of a creditor and contributary.—A petition for the winding-up of the Seal, Lock, and Registering Pressure Gauge Company, Limited, is to be heard before Vice-Chancellor Malins on the 4th June.—At a meeting of the Deer Park Mining Company on Wednesday, a voluntary liquidation was resolved upon, and Mr. Wilde, the secretary, and Mr. Hughes (R. Eaton, James, and Co.) were appointed joint liquidators.

SUPREME COURT OF JUDICATURE ACT AMENDMENT BILL.—In the House of Commons, on Tuesday, Mr Watkin Williams gave notice that on the motion for the second reading of this Bill he would move that it be read a second time that day six months.

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NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Arrowsmith and Co.—Capital £50,000, in £5 shares.
City Conveyance—Capital £15,000, in £1 shares.
Dominion of Canada Plumbago—Capital £100,000, in £10 shares.
Great Grimsby Alpha Building — Capital £10,000, in £10 shares.
Globe Brick and Tile—Capital £10,000, in £5 shares.
Groome Company—Capital £42,000, in £1 shares.
Heyford Iron—Capital £50,000, in £10 shares.
Improved Electric Telegraph—Capital £200,000, in £10 shares.
New Appletreewick Mining—Capital £10,000, in £10 shares.
New Crickheath Lead and Copper—Capital £16,000, in £2 shares.
New Silkstone Colliery - Capital £100,000, in £20 shares.
Sawney and Co.—Capital £15,000, in £5 shares.
Southport and West Lancashire Banking—Capital £300,000, in £10 shares.
T. Oakes Condliff Beer and Aerated Water — Capital £2,000, in £5 shares.
United Irish Newspaper—Capital £5,000, in £1 shares.
Wear Ironworks—Capital £150,000, in £5 shares.

LATE ADVERTISEMENTS.

THE BANKRUPTCY ACT, 1869.

A THIRD and FINAL DIVIDEND of 1⅞d. making altogether 4s. 1⅞d. in the pound, on the Estate of JOHN CLARK, of 7 Weymouth-street, Hackney-road, and of 434 Hackney-road, in the County of Middlesex, Cabinet Maker, will be paid at the offices of Messrs. Foreman and Cooper, No. 7 Gresham-street, in the City of London, on and after the first day of June next.

Dated this 28th day of May, 1875.

EBENEZER CHAMBERS FOREMAN,
Trustee.

IN LIQUIDATION.—All persons having claims against Mr. J. J. NEWTON, of No. 4 Paxton-terrace, Anerley-road, Norwood, Draper, are requested to send particulars of the amount thereof to us, on or before the Twentieth of June next, or they will be excluded from participation in the division of Assets.—FOREMAN AND COOPER, Public Accountants, 7 Gresham street, E.C.

IN LIQUIDATION.—All persons having claims against Mr. E. N. FORD, of 270 Bethnal Green road, Linen Draper, are requested to send particulars of the amount thereof to us, on or before the Tenth of June next, or they will be excluded from participation in the division of Assets.—FOREMAN AND COOPER, Public Accountants, 7 Gresham-street, E.C.

OLD FALCON HOTEL, GRAVESEND.
Proprietor—W. SKILLETER.

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The Accountant.

JUNE 5, 1875.

In our last impression we alluded to the importance of an efficient audit of the accounts of every public company, and to the advantage which might be gained if certain particulars were required by law to be shown in the published balance sheets of such companies. Not only would it be convenient that comparisons should be facilitated between the leading facts relating to different concerns which are of like character, and between the successive balance sheets of the same concern, but other advantages would be found to attend a well-judged scheme for the preparation of uniform accounts.

A careful study of the modes in which various kinds of fraud and error can be masked, would be a desirable preliminary step, before determining the shape in which the law should require accounts to be presented. It would probably be found that the classification and description of assets would in many cases be a matter demanding special attention. Few boards of directors are willing, perhaps, to disclose the existence of doubtful items until concealment has become impossible. This tendency towards secrecy is not always indefensible—for it may be better not to disclose to the whole world, including, of course, rivals in business, the exact nature of the difficulties with which one has to contend. A favourable liquidation of such doubtful matters may even be hindered by too much publicity. On the other hand, it is certain that any concealment whatever is an injustice towards those who, upon the faith of the published accounts, may become purchasers of shares. And in very many cases, the rivals and opponents whom it is most desirable to keep in the dark, have unsuspected means of information, and are perfectly acquainted with all the facts which directors are most anxious to conceal. On the whole, and giving full weight to the obligation of loyalty towards existing shareholders, we believe it will rarely be found that the reasons in favour of publicity are overbalanced by other considerations.

If, then, the assets of companies were divided in such a manner as to distinguish what is tainted with doubt, what is overdue and out of course, and what is incapable of immediate realisation, from current debts and bills and thoroughly convertible investments, the creditor and shareholder would alike gain much useful information. The vigilance and activity of the whole staff would be taxed, in order that unfavourable comment might not be excited by the existence in undue amount of uncollected rents or other periodical receipts. And here, too, it might be an easy matter of comparison between, for instance, two gas companies'

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accounts, to determine whether from the amount of apparent arrears, there was room to suspect a fraud like the well-known case of Higgs; or, on the contrary the moral certainty that no such thing was possible. Every self-acting contrivance like this is of assistance to a well-intentioned board of directors, and is an impediment to rogues.

The case of a less honourable direction, which disasters daily occurring show is not infrequent, is hard to meet. If we assume that there is a resolute determination on the part of a board to pay dividends for a time, and to conceal any unsoundness which might stand in the way of their policy of representing every thing to be *couleur de rose*, then we may rely upon means being found for evading the strictness of any Statute ever framed. Unproductive investments can often be recast, debts of a desperate character represented by renewals, in such style as to give the impression that old loans have been paid off with interest, old investments realised with profit, and new transactions, presumably safe, entered into with the same parties. A mining company, not long since, was enabled to pay dividends because the vendor entered into a contract to pay a fixed sum per month, for a limited period, for deliveries of ore, and for his own purpose went on with his payments without reference to the delivery or non-delivery of the ore he had purchased. In like manner, a railway contractor, by becoming the lessee of his own lines, can conceal the actual net earnings, (as the accounts would only show the sums paid by him in virtue of the lease,) until he has got rid of the shares which he holds. All these are temporary expedients; but such contrivances generally serve the purpose of unscrupulous promoters, who can often in one or two years at most work out their schemes sufficiently to enrich themselves and cause enormous losses to others.

It is a question for those interested in banking, whether any interest ought to be reckoned on accounts which have practically gone into liquidation, however ample the unrealised security may be supposed to be. Such "lock-up" accounts, on which the primary debtor cannot pay the current interest, are not rare. Sometimes they are of enormous magnitude, and such a regulation as we have suggested might have the effect of stopping dividends. But this, though entailing loss on some of the shareholders, would be no more than a fair warning to the outside world. And any thing that would tend to induce investors to avoid placing a large portion of their means in any one undertaking, must so far do good.

For the purpose of interposing some difficulty in the way of unprincipled schemers, who would evade the provisions of an Act of Parliament, however well devised, the services of a competent auditor are of inestimable value; and the regulations made might be of a character to afford support to such an officer in the discharge of his duty, and to define the sphere of his action. As things stand, an auditor who insisted upon overhauling the profit and loss account, and debiting it with every sum which in his view ought to be reserved to meet losses and outgoings, might be told that he was invading the province of the directors, and that these things were matters of policy. But what is prescribed by law, he could insist upon without exciting remark or ill-feeling. A further, if humbler use of such statutory provisions would be educational. There are many small and obscure undertakings, the accounts of which are miserably kept, and audited in a most inadequate manner, usually by shareholders. These concerns would probably find it necessary to employ a competent accountant to put their books on a proper footing so as to comply with the Act, and then they would see the utility and economy of engaging his future services in the capacity of auditor.

On another occasion, we may discuss the question as to what *can*, and what *cannot*, be accomplished by the best of auditors: meantime we hope enough has been said to draw the special attention of accountants to the important subject of companies' balance-sheets.

The general meeting of the shareholders of the Emma Mine has had for its result a determination to continue the operations of the company, and to try if it be yet possible to recoup former losses. The resolution, settled by Vice-Chancellor Malins himself, which embodied this decision, was carried by a clear majority of the shareholders on the register; while of those who actually took the trouble to vote either personally or by proxy, the proportion of contents and non-contents was about nine to one. Under these circumstances, it is somewhat surprising that a strong attempt was made to pass over the decision of the meeting, and to carry into effect the compulsory winding-up of the company. The arguments used were of a familiar nature. First of all, it was said that nearly two-thirds of the shareholders were absentees, and hence that the meeting did not truly represent the

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general body. The obvious reply to this argument is, that if shareholders will not, in a case of such vital importance to their interests, take the trouble of filling-up and transmitting their proxy papers, they may be fairly put out of the question; and besides, even if all the absent shareholders had attended, and voted *en masse* against carrying on the business of the company, their votes would have been outnumbered by those who were in favour of continuing operations. The second argument was peculiar. It was stated, that a pamphlet had been circulated representing in the most flourishing terms the future prospects of the company; and that many shareholders had been misled by its sanguine calculations. But it appeared that the petitioner had himself been rushing into print, and advocating his own views with much fervid power; and the court apparently set off one publication against the other, and in deference to the expressed wishes of the shareholders, dismissed the petition. The future must show whether this decision is wise, or whether the openly-expressed doubts of the Vice-Chancellor as to the ultimate prosperity of the company were not too well founded. But apart from legal and technical grounds, the judgment seems thoroughly sound and wise. If partnerships were to be carried on upon the footing of being liable to summary extinction against the wishes of the great majority of the partners, at the caprice of any timid or captious member of the firm, co-operation in any shape would be summarily put an end to. In the case of joint-stock companies, the winding-up power of the court was at one time exercised in a somewhat undiscriminating manner, and many of these associations too summarily extinguished. While the rights of creditors ought to be scrupulously regarded and protected, the shareholders may fairly be compelled to act more as a body associated in a common enterprise, and less as a heterogeneous mass of individuals. In other words, it ought to be left, more frequently than is the case, to the general body of the shareholders to decide whether they will wind-up their undertaking, or continue to carry it on. Companies suffer too much by over-sharp promoters and weakly distrustful shareholders, to have their assets made the prize in a lottery to be struggled for by every shrewd man of business who may happen to hold a few shares.

Without questioning the propriety of a compulsory winding-up of the City and County Bank, we may yet direct attention to the edifying scramble which took place for the privilege of conducting its obsequies. Six petitions in all were presented, three being by creditors; and these were distributed over the Vice-Chancellors' Courts. The result of it was, that Sir James Bacon made an order on a shareholder's petition which came before him, adding that any arrangement as to the transfer of the assets to another bank could easily be carried out, if found to be beneficial. It certainly seems a strong justification for resorting to a compulsory order, that from the various petitions it was clear that the pickings of the company were being fiercely fought for, and that the assets must have been wasted in the fight. But surely, without disputing the right of any body to petition, the scramble is a little unseemly. To say that the first petition shall always prevail, would be to place a still higher premium on sharp practices; and it would only be fair to give the conduct of the winding-up to the most deserving petitioner. If a little more judicial notice was taken of the proceedings in other courts, and the fact of a petition having been presented in one court, made it obligatory on any other division to refuse to hear any petition, or to make an immediate order for its transfer, a good deal of scandal would be removed.

The point decided by Vice-Chancellor Malins in the Maria Anna and Steinbank Company's case, which we reported last week, though unusual, has in a somewhat different form occurred before, during the proceedings under the Albert Arbitration. There, shares in a company stood in the names of two persons, one of whom died. In the winding-up, it was held that, they having been joint tenants, the beneficial interest in the shares passing to the survivor, and the deceased holder being liable, under his several covenant, for himself, his heirs, executors, and administrators, to perform all obligations attaching to the shares, only in respect of such obligations as attached up to the time of his death, his executors must be placed upon the register, of course in their representative capacity, in respect of such obligations only. It seems, therefore, that Mrs. Hill would, as representing her husband, be liable for any obligations attaching to his shares previous to his death, but not otherwise. The case we have referred to is reported in the 15th volume of the *Solicitor's Journal*, p. 922, under the heading of *re* Kirby's Executors.

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FRIENDLY SOCIETIES BILL.

SIR,—The following observations of Mr. W. E. Forster and Colonel Barttelot on the resolution moved by the latter in the House of Commons, on Monday last, "That no legislation with regard to the Friendly Societies can be deemed satisfactory which does not provide in some way for compulsory registration and audit, and for the gradual introduction in all cases of a properly calculated scale of contributions,"—may possibly be deemed by you worthy of insertion in your paper with reference to the vexed question of audit:—

"COLONEL BARTTELOT:—Every one connected with these societies must be anxious to know whether they were in a state of solvency or not. Hon. members would recollect the circumstances of a trial held at Liverpool at the beginning of the year, with reference to a fraud committed on a burial society. In that case, one Crossley was arraigned for stealing the key of a certain chest belonging to the society, and it appeared that his father, who had been the secretary of the institution, had been, during his life, what the world called a most respectable and flourishing man, and that after his death he had been buried with all the pomp and circumstance of an alderman. It soon afterwards, however, turned out that all his respectability was fictitious, and that he had been guilty of great frauds upon the society. But who were the auditors of this society? which numbered 120,000 members, and possessed £20,000 of assets,—why, they were two members of the society who had been made the tools of Crossley, who kept two bank books, a forged one for the inspection of the auditors, and a real one for the use of the bank. The fact was that auditors should be men sent down by the Government who had nothing whatever to do with the societies."

"MR. W. E. FORSTER:—No doubt there was to be a quinquennial valuation, but who was to be the valuer? He was to be appointed by the society. The whole advantage of such a valuation would be neutralized unless they insisted that the officer should, through the government, be responsible and fit for his office. Then came the other requisite,—a sound and an honest management of the society from year to year. That depended mainly on the accounts, and the accounts mainly depended on their proper audit * * If the audit were to be conducted by men appointed by the societies, with no check upon them from without, we might as well not ensure any audit whatever."

I may add, that according to the remarks of the Chancellor of the Exchequer on the same motion, it is proposed by the Friendly Societies Bill to give greater facilities for checking fraud, and to enforce against auditors and others penalties which do not now exist.

Yours, &c.,
N.

SAVINGS BANKS FUNDS.—The National Debt Commissioners report that in the year 1874 the interest accrued to them on the Post Office Savings Banks Fund invested by them amounted to £742,863; the interest allowed to depositors amounted to £524,560, and the expenses incurred in the year were £99,616; making together £624,176, thus leaving the Government a profit of £118,687 on the year's transactions. But the interest accrued in the year to the Commissioners on the Trustee Savings Banks Fund being only £1,406,610, and the interest allowed to depositors being £1,467,615, there was upon this account a loss of £61,005; and the interest accrued to the Commissioners on the Friendly Societies Fund invested was but £23,798, while the interest allowed to the societies amounted to £74,253, showing a loss of £50,455. Therefore, the surplus on the Post Office Savings Banks account being £118,687, and the loss on the other savings banks £111,460, the net result was a surplus of £7,227.

Correspondence.

LAWYERS AND ACCOUNTANTS.

To the Editor of the Accountant.

Sir,—Hearing that my remarks in your issue of the 8th instant, have "brought down" the editor of the *Law Times* upon me, I have had the curiosity to see for myself what the "oracle has spoken." I find it simply "bosh," and a friend adds, "too rubbishy to notice." I will, however, with your permission, just have a few words in reply, not exactly by way of answer,—for I really cannot find any thing requiring it,—but simply, because I feel in the humour. It is the old tale over again—the advocate's motto,—"If you have no argument, abuse your opponent." "What a most mistaken notion (says the *Law Times*), 'to think' that solicitors are 'always' paid for making out a bill of costs." Who said they were? And yet, when are they not, when they do make one out? For as the *Law Times* says, "they avoid it as much as possible, as a 'disagreeable duty.'" The client is informed that he has so much to pay, without being even furnished with particulars; and if he ventures to think the amount too much, then is the time for making out a bill of costs, in many cases, a professional "hand" being specially engaged. I know of one case where a solicitor's bill was originally sent in, including an item for making it out at about £4. The person having the same to pay, thought it too much, and he would have it taxed: another bill was made out for £12, and eventually £8 odd was actually paid! What other trade or profession can "manufacture" like this? It is no idle tale, I can vouch for its truth, for I paid the money myself! Take a solicitor with principally a bankruptcy practice. How many of his bills are made out *without the item* referred to? and your readers no doubt will be the best judges as to how many of them are required for "taxation by an opposing party." It is all moonshine! the shoe pinches, and the *Law Times* kicks, and "clouds" the dust, in the vain endeavour to blind its readers. If the editor of the *Law Times* himself considered my remarks the rubbish he would have his readers believe, I fancy they would have been allowed to pass unnoticed, and without comment from him. I have, however, myself noticed, that when an obscure M.P., for instance, has made a telling speech, there has generally been found some person or other to criticise, approving or disapproving what has been said; but if the speech has been dull, uninteresting and *nothing in it*, it has generally passed unnoticed. Truth is not always palatable, and so it is that my remarks have roused the anger of the *Law Times*. It was not, and is not, my wish to find fault with solicitors as a body, many of whom are my best and most intimate friends; but I, for one, do not care to be continually insulted by a few nameless pettifogging lawyers, some of whom are struck off the Rolls for "bad behaviour." I have brothers, and other relatives, in both law, physic, and divinity; yet I consider myself quite as far above doing a mean action as any of them, or their "kind," although I happen to be one of those "described as an accountant."

Yours truly,
TRUSTEE.

May 29th, 1875.

The death is announced of Mr. T. C. Mundey, an old and wealthy member of the Stock Exchange. Mr. Mundey was promoter of the Van and other well-known mining companies, and is stated to have amassed a fortune of about £500,000.

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COURT OF QUEEN'S BENCH, Westminster.

June 1.

(*Sittings in Banco, before the* Lord Chief Justice, *Mr. Justice* Mellor, *and Mr. Justice* Quain.)

Jay v. The Gresham Life Insurance Company.—The Court was occupied half yesterday and half to-day with this life insurance case—which was tried at the Assizes, and the trial of which had taken up six days. The insurance had been effected by the plaintiff on the life of his wife, who had been a Mrs. Lupton, and whose life he had insured after her marriage. He was married to her in September, 1871, the policy was in October, 1872, and the lady died October, 1873. The defence set up by the company was that the plaintiff had not answered truly the questions put by the company as to the usual medical attendant of the lady, and as to her being of sober and temperate habits, and that in point of fact she was, as he well knew, addicted to drinking, and to such an extent as to affect her health and shorten her life. It appeared that in 1871 the plaintiff had been introduced to Mrs. Lupton by a lady, a friend of his, and that he became engaged to her, but that afterwards he saw her in such a state of excitement, as he supposed under the influence of drink, that he spoke to her friend about it, and wrote a letter to Mrs. Lupton herself throwing up his engagement; but that in consequence of an explanation on her part, he was convinced that his suspicions were unfounded. He, however, before the marriage, consulted her medical attendant, Dr. Davis, who stated that he had cautioned her against excessive drinking, and warned her that she was suffering from disease in consequence of it, and that he told the plaintiff that she suffered from drinking, which he, however, denied, though he admitted that he had consulted Dr. Davis "whether he should marry the lady, with reference to her health." The marriage, however, was solemnized, and, afterwards the insurance was effected, and within a year she died. At the trial, Dr. Davis, the lady who had introduced Mrs. Lupton to the plaintiff, and many other of her relations and friends were called as witnesses for the company, and swore that she drank to excess, and that they had repeatedly seen her drunk; while on the part of the plaintiff many witnesses swore that she was perfectly sober. There was a great mass of evidence on both sides. The trial lasted six days, the learned Judge took up nearly a day in his summing-up, and the jury, after some hours' consideration found for the plaintiff; and there was an application to set aside the verdict as against the evidence. Mr. Giffard, Q.C., and Mr. Cave were for the plaintiff in support of the verdict; Mr. Digby Seymour, Q.C., for the company, was not called upon. The court, after hearing the counsel for the plaintiff fully, said that the mass of evidence was so great that they thought it better that the case should not be decided by a single trial. As the case was to go to a second trial, they thought it best not to say anything further as to their reasons for this conclusion, lest they should prejudice the second trial. Rule absolute for a new trial.

VICE-CHANCELLORS' COURTS, Lincoln's Inn.

May 28.

(*Before Vice-Chancellor Sir* James Bacon.)

In re the Wolsingham Park Dinas and Fire Brick Company.—An order was made for winding-up the above company. Mr. Little, Q.C., and Mr. Bush appeared for the petitioner. Mr. Byrne, for the company, did not oppose.

In re the City and County Bank (Limited).—This was a petition for winding-up the above company, brought by a shareholder. Three other petitions, presented on the same day that this petition was presented, were brought by creditors in other branches of the Court. One came before Vice-Chancellor Malins this morning, and was directed to stand over for a week. The other two—one brought by Messrs. Brown, Janson, and Co., the other by the Credit Foncier—were to come on before the Master of the Rolls on Monday. Mr. Kay, Q.C., Mr. Swanston, Q.C., and Mr. Graham Hastings appeared in support of the petition; Mr. H. M. Jackson, Q.C., supported on behalf of creditors. Mr. Southgate, Q.C., Mr. Little, Q.C., and Mr. Edward Chitty for the company; Mr. Whitehorne for the petitioner in Vice-Chancellor Malin's court; Mr. E. C. Willis for depositors; Mr. Waller, Q.C. and Mr. W. Latham for the Credit Foncier; and Mr. William Pearson and Mr. Dauney, for Messrs. Brown, Janson, and Co., opposed. They said that the order, if made at all, ought to be made on one of the creditors' petitions, and that arrangements were in progress by which it was hoped the assets and liabilities would be taken over by Messrs. Brown, Janson and Co. on terms. They asked, therefore, that the petition might stand over to allow a general meeting to carry out the proposed arrangement by means of a voluntary winding-up, or, at least, to have all the petitions heard together. The Vice-Chancellor said everybody agreed that the company must be wound-up in some way. The facts were undisputed that the company was insolvent, had ceased to carry on business, and owed considerable debts, and the amount of assets was uncertain. It was the plain duty of the court to prevent the spoilation of the property and needless litigation. There was no case suggested that it would be possible to resuscitate the company, and he must therefore make an immediate order. It was said that a beneficial arrangement might be come to with Messrs. Brown, Janson, and Co. If that were so, they or any one else could make an application in the winding-up to carry out such arrangement; and liberty to do so should be inserted in the order. His Honour then overruled some technical objections that had been taken, and said the one set of costs would be allowed the creditors. Those who opposed would not be allowed costs. The other petitions were not before him, and he could not, therefore, deal with the costs of those petitions.

(*Before Vice-Chancellor Sir* C. Hall.)

In re the Bradford West-End Mill Company.—This was a petition for the winding-up of the above company, which was formed in the year 1872. It appeared that the company had never commenced business, and that the only shareholders in it were the subscribers to the memorandum of association. Mr. W. C. Harvey was for the petitioners. The Vice-Chancellor made the usual winding-up order.

(*Before Vice-Chancellor Sir* R. Malins.)

Re the Emma Silver Mining Company (limited.)—A petition was presented in the matter of this company in October last, by a Mr. Askew, a shareholder, praying an order to wind up the company compulsorily. The petition stood over from time to time till the 24th of March last, when a decision was pronounced upon it, though no winding-up order was then made. The general facts attending the formation and operations of the company having been set forth in previous reports need not now be stated. By the decision of the 24th March last, the petition was ordered to stand over till a meeting of the company had been called to ascertain the real opinion of the shareholders as to its true position. Accordingly, on the 9th of May last a meeting was held, at which Mr. Whinney was in the chair, and 641 persons, holding 27,754 shares voted in favour of a resolution (settled by the Vice-Chancellor) that it was the opinion of that meeting that the operations of the company could be carried on with a reasonable prospect of success, and that the Vice-Chancellor should be requested not to make any order for the winding-up of the company. Eighty-five persons, holding 2,840 shares, voted against the resolution; and 19 persons holding 380 shares, sent their proxies to the petitioner, but he being prevented by illness from attending this meeting the proxies were lost. Upon the petition being now mentioned to the Court, it was urged on

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behalf of the petitioner that a winding-up order ought, notwithstanding the resolution of the company to the contrary, to be made. In support of that view, it was insisted that the total capital of the company being 50,000 shares, it followed that holders of 19,026 took no part in the meeting; and that of the persons voting in favour of the resolution, 599, holding 21,924 shares, had sent their proxies to Mr. Macdougall; that it was more than probable that many persons present at the meeting were swayed by the knowledge of his influence, and that they had voted as they did in consequence of a circular sent by him to the shareholders with reference to the solvency of the company, representing it to be realising £12,000 a year and free from debt, with £17,000 on hand; whereas, it was said, those representations were untrue. It also appeared that the petitioner had himself sent a circular to the shareholders, giving them his views on the condition of the company. Mr. Cotton, Q.C. and Mr. Graham Hastings, appeared for the petitioner, and insisting on the actual insolvency of the company, asked that it should be wound-up; but the Court declined to hear that argument. They then asked that the petition should stand over till some one could be found to advance money to work the mine. Mr. Glass, Q.C., and Mr. Robinson were for Mr. Macdougall and other shareholders who had, and still, opposed the winding-up of the company; Mr. J. Pearson, Q.C. and Mr. Colt were for the company; Mr. J. Napier Higgins, Q.C., Mr. Kekewich, and Mr. Wintle were for some of the old directors; Mr. Grosvenor Woods was for Mr. Burnand; Mr. Nash was for other parties. The Vice-Chancellor said the petition to wind-up the Company was heard at great length on the 19th and the 24th of March last, and although supported by the petitioner and some other shareholders, there was a very strong amount of feeling with respect to it, and great opposition was offered. He had felt himself bound to take steps to ascertain what was the real opinion of the shareholders in the company, and the result of the arguments on the petitition was, that, although he thought then, as he did now, that it would have been the wiser course to wind-up the company, he directed a meeting of the company to be held. He was afraid it had led to more expense than he had anticipated, but both he and his chief clerk had taken the greatest possible pains, and given their utmost attention to the matter. With regard to the settling of the mode in which the meeting was to be held, who should or should not attend it, and as to whether solicitors and reporters should or should not be admitted, every precaution had been taken that the meeting should be so convened as that every shareholder should have the fullest opportunity of expressing his opinion on the condition and prospect of the company. The meeting was presided over by Mr. Whinney, a gentleman in every way competent to direct its management, and nearly every one appeared to be satisfied. The meeting was perfectly fair and impartial, and the result was that a very large majority was in favour of going on with the working of the company. The proportion of voters was about eight to one, and of votes about ten to one. Nevertheless, it had been now attempted to be argued that the company should be wound-up. That argument, however, he at once stopped, for he could never act as if no such meeting had been held and as if nothing had been done since the 24th of March last. One of the principal grounds on which the proposed winding-up order was now asked for was that Mr. Macdougall had recently circulated a pamphlet with reference to the affairs of the company; but Mr. Askew, the petitioner, had also published one, and therefore that ground could not possibly prevail. The Vice-Chancellor felt that as against the large number of votes and voters in favour of a continuance of the company, this application to wind it up could not be entertained. It would be unjust to allow the petition to stand over, as suggested, and so let it hang above the head of the company. The petition must be dismissed; and the only question then would be whether it should be dismissed with, or without costs. The petition was presented in October last. It stood over from time to time, and first came directly before him in December, 1874. Was there originally a justification for presenting it? He thought now, as he did at first, that the petitioner had been misled by the parties who had introduced the scheme into this country. The petitioner appeared to have lost about £2,500 by the share he had taken in the concern, and it was surprising, if his own statements as to the company were correct, that he should have thought it worth his while to present this petition. Still his doing so was not absolutely unjustifiable, or in itself reprehensible, and it might, perhaps, have been wiser for the parties to have acceded to the prayer of the petition in the first instance. They had not done so, but had strenuously opposed it. It is now clear that the petition must be dismissed: and he thought it should be dismissed without costs. That being so, there must be no costs given to the company, as against the petitioner, the same rule would apply to the old directors, who must bear their own. Neither Mr. Macdougall nor those who sided with him could be allowed any as against the petitioner. It was true they had succeeded in their views, but they must pay for their success. Mr. Burnand, who finally agreed with them, should have appeared by their counsel also. He had not done so, and must take the consequences. The result would be that every one must bear his own costs, except Mr. Whinney, who would be allowed his out of the company's estate. The order would therefore be,—Petition dismissed, without costs; costs of the company and Mr. Whinney out of the estate; costs of the late directors to be paid by themselves; costs of Mr. Macdougall and his friends by themselves; and costs of Mr. Burnand by himself.

BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, June 2:—

Thursday, May 27	£13,651,000
Friday, May 28	13,138,000
Saturday, May 29	14,719,000
Monday, May 31	38,530,000
Tuesday, June 1....................	18,436,000
Wednesday, June 2	15,572,000
	£114,046,000

The total at the corresponding week of last year, which also comprised a Stock Exchange settlement, was £129,654,000.

At the Hull Bankruptcy Court an application was made to remove Mr. A. Atkinson, of Bradford, from the office of trustee of the estate of James Large, an absconding bankrupt. The fact appeared to be that the opposing party on attending the meeting for election of trustee, found on their arrival the resolution signed, &c.: but it was replied that the meeting having been held in due course, and at the time named, the appointment should not be disturbed because the representatives of some creditors arrived late. The Deputy Judge declined to disturb the appointment, and complimented the trustee upon the energy and ability he had shown in the matter.

A COUNTY COURT JUDGE ON BOOK-KEEPING.—At the Sheffield County Court on the 26th instant, the judge, Mr. Ellison, had an application made to him in the case of William Hollis, a bankrupt, that an accountant might be appointed (paid out of the estate) to assist the bankrupt in drawing up a statement of accounts, as he did not thoroughly understand them. The judge, in declining to make the order, said that if such assistance were obtained, it ought to be at the expense of the bankrupt's friends. The estate ought not to suffer by the payment of such charges. He thought it would be a very injurious practice to adopt or allow such a thing. It would, no doubt, be a beneficial thing for the accountants, but very unfair to the creditors. No very great knowledge of book-keeping was required to enable a tradesman to understand his own books.

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COURT OF BANKRUPTCY.

May 28.

(Before Mr. REGISTRAR PEPYS, *sitting as Chief Judge.)*

IN RE JAMES CUNLIFFE.—The bankrupt, described as a steamshipowner, commission merchant, and agent, of 83 Gracechurch-street, applied to pass his examination. His accounts disclosed debts amounting to £21,923, of which £5,748 was unsecured, with assets consisting of stock-in-trade at Goole, £50 only, The bankrupt had presented a petition for liquidation, but the creditors failed to pass any resolution, and adjudication followed. Mr. OWLES, for the trustee, did not oppose. Mr. Douglas Straight opposed for one of the creditors, and stated that the bankrupt had obtained from his client within the three months preceding the date of the failure goods of the value of between £750 and £800. Certain representations had been made to the creditor, and it was desirable that the circumstances under which possession was given of the property should be fully investigated. Mr. George Lewis, who supported the bankrupt, stated that he had a complete answer to the opposition. Mr. Registrar Pepys said he did not wish to throw any obstacle in the way, but the right to examine the bankrupt and other witnesses would not be affected by the passing of the examination. Mr. Lewis said that information had been given five months since as to the disposal of the goods. Mr. OWLES stated that the trustee was satisfied with the accounts as they stood. Some discussion followed, and eventually Mr. Registrar Pepys said he thought the bankrupt was entitled to pass, without prejudice to any application which might be made for the examination of witnesses.

May 31.

(Before Mr. Registrar HAZLITT.)

IN RE DAWBARN.—Mr. Baker, of the firm of Lawrance, Plews, and Baker, applied to the Court to appoint a receiver to the estate of Mr. James Dawbarn, of 80 Lombard-street, also carrying on business at Norwich, and Thetford, and at Winford, in Somersetshire, as coal and iron merchant and mine owner. The affidavit stated that the liabilities were £34,000, including those on bills of exchange, about £6,000 of which would run off. There were some secured debts, but the value of the security was not at present capable of being estimated. The assets consisted of household furniture and effects, on which there is a bill of sale, a stock of coals and plant, and the usual trade effects to the value of £1,020, and book debts estimated to produce £4,000. His Honour appointed Mr. Wintle, of the firm of Johnson, Cooper, and Wintle, public accountants, receiver and manager, and made an order restraining the executions of judgments obtained by the Bristol and South Wales Bank, and also restraining the Sheriff of Middlesex, who had seized the cash-box of the firm, containing £420, and the furniture, from disposing of them without the order of the court.

IN RE RICHARD EATON.—The debtor, a mechanical engineer, of the Eaton Engineering Works, The Grove, Southwark, and also of the Chemical Works, Basford, in Nottingham, has presented his petition for liquidation, stating his liabilities, of which £464 on bills would run off, at £32,500. There were debts to the amount £4,500 fully secured, and £6,400 partly secured, leaving a total amonnt of liabilities to rank against the estate of £25,000. In addition of the engineering works, there were chemical works at Basford, in Nottinghamshire, with a considerable plant, for the manufacture of sulphuric acid. The total value of the assets had not been ascertained. His Honour, on the application of Mr. Baker, appointed Mr. Peacock Turner, public accountant, of Gracechurch-street, receiver and manager, with liberty to purchase the necessary raw material to keep the works going at Basford to avoid the rapid deterioration of the value of the plant which would otherwise ensue.

June 3.

(Before Mr. Registrar BROUGHAM.)

IN RE WOODS AND CO.—THE CITY UNITED CLUB.—This case was mentioned to the Court under the following circumstances:—The debtors, William, George, and Henry Woods, proprietors of the City United Club, Ludgate-circus, had presented a petition for liquidation, and a meeting of creditors had been convened for the 17th instant, at the office of Mr. A. G. Ditton, the solicitor to the proceedings. It had recently been discovered that about 800 or 900 persons were subscribers to the club, having paid their subscriptions up to January, 1876, and counsel had advised that they were entitled to the notice of the meeting. It was accordingly proposed that the place of meeting should be altered from the solicitor's office to the Guildhall Tavern, and its date postponed from the 17th to the 21st inst., and, upon the application of Mr. Cock, his Honour made the order asked for.

AVERAGE OF LIFE.—A return recently made by the Registrar-General, in compliance with an order of the House of Lords, shows the average age at death among different classes in the healthy county of Rutland on the one hand, and on the other hand in the Superintendent-Registrar's district of Liverpool, of Manchester, and of Salford, all of which three have a high death-rate. The classes distinguished in the return are (1) the gentry and professional persons and their families; (2) tradesmen, &c., and their families; and (3) labourers, mechanics, and servants, and their families. The return extends over the 13 years 1861-73. The deaths in that period in the first class, among the gentry, occurred at ages which give an average of 43·1 years in Rutland, but only 46·1 in Salford, 44·6 in Manchester, and 45·6 in Liverpool. The difference is not very great; but in the second class—the tradesmen class—the ages at death in Rutland show an average of 44·4 years, but only 29·6 in Liverpool, 28·9 in Manchester, and 29·7 in Salford. Among the third class, labourers, &c., the ages at death averaged 36 years in Rutland, but only 23·4 in Liverpool, 24·4 in Manchester, and 22·4 in Salford. It appears, then, that in the county of Rutland the tradesmen class average at death an age not greatly below that of the gentry, but the labouring class only three-fourths of that age; but in the three towns the tradesmen class average only about two thirds, and the labouring class not much more than half the age of the gentry. In the towns the average age of the labouring class at death. and also of the tradespeople class, is only about two-thirds of the same class in the county of Rutland. Another part of the return shows how many of the deaths were of children, how many of young persons, and how many of adults; and here we see how in the three towns the excessive loss of life in infancy brings down the average age at death. Taking 1873, the last year in the series, we find that in the towns no less than 8,394 of the 19,117 deaths, that is, nearly 41 per cent.—were of children under five years of age; but in the county of Rutland only 129 of the 417 deaths, or less than 31 per cent. In the towns more than 21 per cent. of the deaths were from zymotic diseases, but in Rutland less than half that ratio; and in the towns nearly 74 per cent. of the deaths from zymotic diseases were of children under five, but in Rutland only 55 per cent.

THE NORTHERN (IRELAND) LAW CLUB has passed the following resolution:—"That we are of opinion it is prejudicial to the interests of our profession that its members should act with mercantile or trade debts collecting societies, or agents, and we, therefore, recommend the discontinuance of the practice, and that instructions should be received and communications made only from or with either the principals or their attorneys,"

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CHARGE OF FRAUDULENT BANKRUPTCY.

At the Hull Police-court, on Monday, John Wilkinson, jeweller, Great Driffield, was summoned for having obtained goods under false pretences, and also with having disposed of them otherwise than in the ordinary way of trade, within three months of his becoming a bankrupt.—Mr. Sydney, of London, appeared in support of the information, and Mr. L. White, of Driffield, for the defendant.—Mr. Sydney stated that the summons had been taken out pursuant to an order made by the London Bankruptcy Court, directing a prosecution on the part of the trustees under certain liquidation proceedings. The defendant was a jeweller, carrying on business in Great Driffield, and he filed his petition for liquidation by arrangement in the Hull County Court, on the 22nd of January last. The first meeting of creditors under the liquidation proceedings was held on the 13th February, and a resolution was then passed by a statutory majority of the creditors, and it was decided that the affairs of the bankrupt should be liquidated by arrangement. That resolution was subsequently duly registered in the Hull County Court, and at the same meeting Mr. W. C. Harvey, of Basinghall-street, London, and Mr. Morris Samper, Hatton Garden, were appointed joint trustees. The liquidation proceedings were transferred from the Hull County Court to London. A statement of affairs was produced by the debtor's attorney at the first meeting of creditors, and the debtor was submitted to an examination by the trustee. On the trustee returning to London, many of the creditors expressed great dissatisfaction with the result of the debtor's examination, and at the request of the creditors the trustees called a meeting for the purpose of considering the statement of affairs and to decide upon what course to take. On the 19th of April a meeting of creditors was held in London, and a resolution was passed directing the trustees to apply to the Court for an order to prosecute. An application was subsequently made to the Court, and an order was made directing the trustees to prosecute the debtor under the provisions of the Debtors' Act, 1869. The magistrate asked if the goods were sold in Hull?—Mr. Sydney replied that they were all sold in Hull. He understood that some question would be raised as to the jurisdiction of the court in the matter. The London Bankruptcy Court, and indeed other courts as well, invariably, prior to granting an order to prosecute, require the opinion of counsel that there is a reasonable probability that a conviction will be secured. In this instance they had taken the opinion of Mr. Besley, of London, who advised that that court had jurisdiction, inasmuch as the goods were sold in Hull.—The magistrate said it was quite clear that the court had jurisdiction.

The case was adjourned until the 9th instant, for the attendance of witnesses, bail being accepted in two sureties of £100 each.

Mr. Sydney said the deficiency amounted to £3,000, and the estate had realised £600.

BANKRUPTCY REFORM.

A correspondent of a contemporary writes as follows on this subject:—"It is admitted on all hands that the existing Act and the rules engrafted upon it are totally inadequate in many respects to secure to advantage the interests of the creditors generally. Take, for example, the case of a debtor who has presented a petition for liquidation by arrangement, or by a composition with his creditors. The object of the Bankruptcy Law is to secure equality amongst creditors, and this, I presume, is the meaning of affording the debtor the facility for presenting his petition for a liquidation by arrangement, in order that, when a debtor feels that he is hopelessly involved, he may, by the opportunity offered to him, extricate himself from his difficulties, and may at the same time secure equality among his creditors. The first meeting of the creditors under the liquidation is summoned, the claims and proxies are handed in to the chairman of the meeting, a composition of a few shillings in the pound is offered to the creditors and accepted by a statutory majority, and this arrangement is afterwards confirmed at a subsequent meeting. The nature of the securities held by the creditors are for the most part acceptances on bills of exchange. The debtor may be a small trader, and may have been obliged to borrow money and renew bills at a high rate of interest. This is not very hypothetical. On the other hand, some of the liabilities incurred by the debtor are invariably those of his ordinary tradesmen, whose claims are for sterling value, and their claims are placed in a very small minority compared with the liabilities on the bills. The tradesmen creditors must then be governed to a very great extent, if not altogether, by the action of the bill holders, whose exorbitant claims eat up the greater portion of the debtor's assets. Is this fair and equitable towards the smaller creditors? The bill holders are of course aware that the debtor can find friends who are willing to come forward and compound with his creditors in order to save his reputation and credit in business. Looking at the ingredients of their claims, they can perhaps well afford to accept a composition of 10s. in the pound, and are favourably inclined towards the debtor, knowing well, among other things, that he may have occasion for their services again. Who is to guarantee that consideration has passed between the debtor and his creditor in respect of the bill? The holder of the bill will not convict himself. Some means should be afforded to the creditors of testing the *bona fides* of the transaction, and this is the great stumbling block with which *bona fide* creditors have to contend. The difficulties that have to be overcome in order to arrive at the truth of the transaction are such as to deter any creditor from contending with the question. Again, the debtor is required to produce to the first meeting of his creditors a statement of his assets and liabilities issued by himself. Who is to test the veracity of the statement? He should be required to produce the statement on oath, and should also be required to answer any questions that may be put to him by any creditor at the meetings respecting every creditor's claim. A bill of exchange is a very convenient security for a creditor to hold, as it imports *per se* a valuable consideration, which it is very difficult to rebut. Creditors' meetings should be altogether abolished, and in place thereof the proceedings in bankruptcy and liquidation should be conducted under the supervision and control of the proper officers of the court. A receiver should be appointed in each case by the court, if necessary, and the discretion as to what is right and proper to be done under the circumstances of each case should be left to the officers of the court. Creditors may be unduly biassed in adopting a resolution, and great opportunities are placed at their disposal for improper action. The matter should be left in the hands of an impartial person."

SCARBRO' COUNTY COURT.

(*Before Judge* BEDWELL.)

RE HENRY HUGALL HARPER, OF SCAGGLETHORPE.—At the last Court, held on the 4th ult., an application was made on the part of Mr. Wise, of Malton, an execution creditor, for payment out of the estate of the amount of his execution and costs.—Mr. Langborne appeared for the execution creditor, and Mr. Crowther for the trustee under the liquidation. It appeared that the petition for liquidation was filed on the 1st of April last, while the execution was issued and entry made upon the debtor's premises on the 29th of March. At that time all the furniture and effects, as well as the crops and farming stock, were in the possession of the debtor's landlord under a distraint for rent. Mr. Langborne maintained that the execution creditor was entitled to be paid in full, he having

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had possession of the goods before the petition was filed. On the part of the trustee, Mr. Crowther argued that the execution creditor was not in possession at all, all the goods having been previously seized, and being at the time of the alleged levy in the hands of the landlord for rent.—His Honour reserved his decision at the time, but delivered it on Monday, when he said the seizure by the county court bailiff was not invalidated by reason of the landlord being in possession. It would not be invalidated by a prior execution seizure. This is laid down in Wm's Saunders, i. 257 (ed. 1871).—"If the second writ be delivered to the Sheriff after he has seized the goods under the first, the goods are bound by the second subject to the first, even without a warrant, and although the first writ be afterwards set aside." Clearly, therefore, the seizure was not invalidated by reason of the landlord being in possession as distrainor. By common law the landlord distraining takes no property in the goods seized; he only gets a lien, that is, a right to hold till he is paid; but by a statute of William and Mary he was empowered to sell; and until the sale the property in the goods remains where it was, viz. in the debtor-tenant. In fact, therefore, at the time when the county court bailiff went into possession, the actual property in the goods was in the debtor. It was clear also on the authority of Slater *v.* Pinder, L.R. 7 Exch. 95, that as the execution creditors had, for a debt under £50, seized the goods prior to the Act of Bankruptcy, he would have been entitled to the proceeds of sale against the trustee even if there had been an adjudication, and the adjudication had been prior to a sale by the execution creditors, and in the event which had happened, there having been no adjudication, his Honour was clearly of opinion that the execution creditor was entitled. His order was that the costs of the execution should be taxed, and that such costs and the amount of the debt were to be paid out of the money in court, so far as it would go; and if insufficient, that the balance due to him was to be paid out of the estate; and if more than sufficient, then the balance of the money in court was to be paid to the trustee; the latter to have his costs paid out of the estate.

FAILURES.

ENGLAND.—Messrs. Walker & Simpson, flour merchants, of No 3 Old Ropery, Liverpool, have suspended payment. The liabilities are said to amount to £33,300, and the assets are expected to realise £24,000, leaving a deficiency of £9,000. —News has been received of the suspension of a large house in Canada, which will affect the Leeds district to the extent of about £30,000.—Messrs. Peter Salomon and Co., of Billiter-street, have presented a petition for liquidation.—Two additional members of the Stock Exchange were "declared" on Tuesday morning, but the cheques of one of them—a jobber—were returned on the previous day. Five failures have consequently been announced in connection with the settlement, but the liabilities in each case are small.—On Monday a petition in liquidation was filed at the Bradford County Court by Mr. Hartley Merrall, worsted manufacturer, of Spring Head Mill, Haworth, near Bradford. The liabilities amount to £22,000. The books are in the hands of Messrs. H. W and J. Blackburn, accountants, of Bradford. The amount of assets is not yet known.—A petition for liquidation has been filed in the Manchester County Court by Edward Michelson, of No. 1 Print-street, Cannon-street, Manchester, merchant, trading under the style or firm of E. Michelson and Co.; liabilities £16,000. It was announced on Wednesday that, owing to the recent failure of the Aberdare and Plymouth Iron Companies, Mr. Edward Corry, of 8 New Broad-street, London, had been compelled to suspend payment. His books were placed in the hands of Messrs. Quilter, Ball, and Co. The *Times* says: Among the complications that will result from the recent heavy failures, we understand that several actions at law are likely to arise out of some large transactions in which the Aberdare Iron Company was engaged just previous to its collapse. We believe there is no secret in the matter to which we refer; in fact, it was stated by Mr. Fothergill at a meeting held not long since at Cardiff that he had placed orders in the north of England for iron to the extent of £100,000. It is well known that a great deal of that iron has been made, and bills drawn against it are now running on the company; but it has not yet been delivered, and was, in fact, awaiting shipment at the time of suspension. We understand further that the sellers declare it to be their intention now not to deliver except against cash. As regards a portion of the quantity of the iron referred to, the usual weight notes were passed to the buyers, and the latter have pawned these documents to third parties for large advances, treating them as warrants, and the ownership of the iron will therefore be contested.—A petition for liquidation was filed on Wednesday, in the Sheffield Bankruptcy Court, by Joseph Erskine Bambridge, carrying on business as a common brewer and malster, at Doncaster, Yorkshire. The liabilities are stated to be about £6,000, with assets the precise value of which is not yet ascertained.

HEAVY FAILURES IN THE IRON TRADE.—The Aberdare and Plymouth Iron Companies, whose critical position was last week the common talk in the City, were announced on Monday afternoon to have failed. Messrs. Sanderson and Co., bill brokers, of 69 Lombard-street, of which firm Mr. Henry Gurney was a partner, likewise stopped on Monday, having been largely connected with the above companies. The official notice issued by Messrs. Turquand, Youngs and Co., on Monday, in reference to the above failures, was as follows:—"A further meeting of some of the principal creditors of the Aberdare and Plymouth Iron Companies was held this afternoon, when it was determined to request the parties to present a petition for liquidation of their affairs by arrangement with a view to Mr. Turquand being appointed receiver and interim manager. It is hoped that this may prevent a suspension of the works of the companies pending the adoption of other possible arrangements. In view of their large engagements with the above two companies, Messrs. Sanderson and Co., of Lombard-street, have also thought it right to present a similar petition. Apart from these liabilities, Messrs. Sanderson and Co. have stated that their assets will prove to be of undoubted character."—On Monday it was also announced that, in consequence of the embarrassment of the iron trade and of their obligations in connection with other houses which have recently failed, Messrs. Gilead A. Smith and Co., of Change-alley, were compelled to suspend their payments. The books were placed in the hands of Messrs. Harding, Whinney, and Co., accountants. The firm has been established about seven or eight years, and was largely engaged in the American iron trade. The liabilities are estimated at about £600,000, for a greater part of which securities are held by creditors, and on their realisation the assets will mainly depend. The suspension was likewise announced of Mr. James Dawbarn, of 80 Lombard-street, and of Norwich and Thetford, and elsewhere, coal and iron ore merchant and mine owner. The liabilities were stated at £34,000, with assets estimated at £25,000. A petition for liquidation by arrangement was presented to the Court of Bankruptcy, and upon the application of Mr. Baker (Lawrance and Co.) Mr. Wintle, of the firm of Johnstone, Cooper, Wintle and Co., public accountants, was appointed receiver to the estate.

AMERICA.—American advices announce the suspension of Messrs. Chandler, Hart and Co., Philadelphia, engaged in the boot and shoe trade, with liabilities of £25,000.

CANADA.—Canadian advices state that Messrs. H. Davies and Co., dry goods merchants, Montreal, have called their creditors together; liabilities believed to be large.—Canadian advices report the suspension at St. John's, N.B., of Messrs. E. Beiler and Co., musical instrument makers; Mr. R. R. Sneeden, broker; Mr. Fred. Ring, oil merchant; and Mr. T. M. Tweed, wholesale druggist—all owing to the tightness of

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the money market. Owing to the failure of Messrs. H. Davies and Co., Montreal, Mr. Nelson Davies had made an assignment. Liabilities £30,000; assets about £18,000.

A telegram in the Vienna *Neue Freie Presse* announces the suspension of Cloetta and Schwarz, of Trieste. The liabilities are estimated at about £100,000, and fall in London, Vienna, and Trieste. The firm was very largely engaged in the cotton trade, and had also embarked recently in coal speculations. A private Vienna telegram in the *Allgemeine Zeitung* states that Her Ribartz, vice-governor of the National Bank, has shot himself in consequence of this failure. The Berlin *National Zeitung* is informed of the failure of Durathi and Co., of Athens, with important liabilities. A recent number of the same journal contains official particulars of the affairs of Herzfeld and Co., woollen merchants, whose failure was reported a short time ago. The assets amount to £7,900; the liabilities to £30,300. A dividend of about 25 per cent. for unsecured debts is expected. A statement that the suspension has necessitated the confinement of one of the partners in a madhouse is confirmed.

CREDITORS' MEETINGS.

F. W. CROSSLEY (SOWERBY BRIDGE).—A meeting of the creditors of Mr. Francis Whitworth Crossley, of Sowerby Bridge, drysalter, trading as "Frank Crossley and Co.," was held at the offices of Mr. Walter Storey, solicitor, on Friday. The statement of affairs showed liabilities £1,577 19s. 2d., and assets £2,082 9s.; the surplus of assets over liabilities amounting to upwards of £500. Resolutions were passed to liquidate the estate by arrangement, and not in bankruptcy, Mr. Frederick Foster (Foster, Roberts, and Co.), accountants, being appointed trustee, and Mr. Storey entrusted with the registration of the resolutions.

J. K. EDWARDS (PLYMOUTH).—A general meeting of the creditors of John Kittow Edwards, grocer and general dealer, of St. Cleer, was held on Monday, at the offices of Mr. J. E. E. Dawe, Union-terrace, Plymouth, to receive a report from the trustee (Mr. Dawe) and to give such instructions to him as might be deemed expedient. Mr. R. H. Dawe attended as solicitor of the estate. The debtor's statement being of an unsatisfactory nature, the creditors present passed a resolution to the effect that should the committee of inspection consider it desirable that an application should be made to the court for the prosecution of the debtor, the trustee should forthwith institute such proceedings.

R. BULLOCK (SELBY).- A dividend of 3s. 4d. in the pound has been declared in the estate of Robert Bullock, farmer, of Chester Court, near Selby; and at a meeting of the creditors held in Knottingley, Mr. Alexander Atkinson, of Bradford, accountant, the trustee in the matter, was formally thanked for his efficient services in the conduct of the proceedings.

H. SMITH (LOWESTOFT).—A meeting of the creditors of H. Smith, of Crown Street, Lowestoft, Baker, was held at the Crown Hotel, Lowestoft, on Monday, 31st May, 1875, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, being appointed trustee with a committee of inspection. Messrs. W. R. Seago, of Lowestoft, and C. H. Wiltshire, of Yarmouth, are solicitors in the proceedings.

A. K. FORBES (ARBROATH).—A meeting of the creditors of Mr. A. K. Forbes, flaxspinner, Hatton Mill, near Arbroath, was held in Arbroath on Tuesday, when Mr. Forbes reported that he had been unable to get the security he anticipated. He however made an offer of 6s. per £1, which the creditors present accepted, subject to the whole of the others doing likewise.

G. ROBERTS (SHEFFIELD).—At a meeting of the creditors of Mr. George Roberts, carpet merchant, of Market-place, Sheffield, held on Tuesday, it was resolved to accept a composition of 13s. in the pound. The liabilities amount to £10,416 18s. 10d., and the assets to £9,626 17s. 5d.

PARLIAMENTARY INTELLIGENCE.

HOUSE OF LORDS, MAY 28.

FALSIFICATION OF ACCOUNTS BILL.—The Marquis of Lansdowne, in moving the second reading of this bill, said that its object was to provide that any person who should wilfully falsify accounts should be guilty of misdemeanour. In a recent case the manager of a large banking firm, being in difficulties, transferred the money of a client to his own account. A prosecution was instituted, and the case was clear, but a conviction was impossible. Similar cases had occurred before, and the present bill, which had obtained the assent of the Law Officers of the Crown and had passed the other House without amendment, would, it was hoped, prevent these offences. The bill was then read a second time.

HOUSE OF COMMONS, JUNE 3.

EUROPEAN ASSURANCE SOCIETY ARBITRATION BILL.

The Attorney-General moved the second reading of this Bill, which had come down from the House of Lords. He explained that in seeking to fill up the vacant post of Arbitrator the Lord Chancellor was obliged by the existing Act to choose a gentleman who either was or had been a judge, and that, as there were difficulties in complying with this condition, it was proposed by the present measure to make the qualification 15 years' standing at the Bar. It was intended, moreover, to provide for an appeal to the Full Court of Chancery, and for bringing before the same Court points in regard to which the late Arbitrator, Lord Romilly, had differed from his predecessor, Lord Westbury. With respect to an amendment which had been placed on the paper by the hon. member for Coventry (Mr. Jackson), objecting to the measure being dealt with as a private Bill, he explained that, under the rules of the House of Lords, it had been found necessary so to treat it. He was prepared to accede to the proposal made in another amendment of the same hon. member—namely, that the Bill should be referred to a Select Committee; five members to be nominated by the House and four by the Committee of Selection.

Mr. Jackson, under these circumstances, would not oppose the second reading.

Sir P. O'Brien said there was a strong objection on the part of many persons interested to any one under the status of a Judge being appointed Arbitrator.

After a few words from Mr. Stacpoole,

Mr. Raikes remarked that the appointment of a Select Committee would afford an ample opportunity of weighing all objections, and pointed out that it would be especially important to consider whether it was desirable to leave the Arbitrator to decide at his own discretion whether or not there should be an appeal.

Mr. C. Lewis thought there had been nothing more lamentable in the administration of justice in this country than the European Assurance Society Arbitration. At the end of five years, and after an expenditure of about £50,000, they had come to the conclusion that nothing whatever had been done. It was to be hoped that this scandal would not be aggravated in the future.

Mr. Meldon maintained that the policy-holders ought in justice to have a right to appeal not dependent on the discretion of the Arbitrator.

The Bill was read a second time, and referred to a Select Committee.

FRIENDLY SOCIETIES BILL.

The House then went into Committee on this Bill.

On Clause 14,

Sir W. Barttelot moved an amendment providing that the auditors should be "one or more approved by the Registrar," his object being to secure that in future those who audited

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the accounts of these societies should be fit and proper persons to discharge the duty.

Mr. Gourley opposed the amendment.

Mr. Dodson said the societies were no doubt competent to appoint efficient auditors, but unfortunately they did not always do so, and any body who had read the report of the evidence taken before the Royal Commission must see what evils had arisen even among societies of considerable standing from the inefficiency of the law. He hoped the Chancellor of the Exchequer would apply his mind to secure, in some way or other, an efficient and independent audit. At present auditors were too often the mere creatures of the Committee men, who practically appointed them.

Sir A. Lusk opposed the amendment as being inconsistent with the principle that the Government were not to give a guarantee.

The Chancellor of the Exchequer said that no doubt the Commission found that there had been very great laxity in the matter of audit, some of the auditors appointed being exceedingly slack in performing the most ordinary and obvious duties of their office, while in other instances even men of high standing did not do more than examine into the arithmetical correctness of the accounts submitted to them, without inquiring whether the Committee had authority to incur the expenditure. Steps would be taken by which public auditors would be appointed by the authority of the Government, whose services could be obtained for the proper audit by these societies; and he trusted the appointment of those public auditors might be of use in other matters besides Friendly Societies. He hoped the general effect of that Bill would be much to improve the system of audit, because it would enforce by penalties the fulfilment of their duties by auditors and other officers of those societies. He also proposed to strengthen a later clause—Clause 32—which imposed a penalty for the falsification of accounts or balance sheets, so as to throw greater responsibility on the auditor. That was as far as he thought they could reasonably go, and he objected to the Government undertaking to approve the auditor. If there was sufficient publicity given to the proceedings and sufficient watchfulness exercised, they might hope to check the abuses which had hitherto prevailed. At all events, he was not able to accept the amendment of his hon. friend.

Mr. Anderson did not think the explanation of the Chancellor of the Exchequer met the requirements of the case. He had an amendment of his own to propose which would much strengthen the audit, and which was not open to objection. He suggested that those societies should be required to choose their auditors from the body of public accountants—say, of five years' standing.

Mr. Dodson pointed out that the Bill did not define the duties of the auditor.

Sir W. Barttelot did not think that what the right hon. gentleman proposed would be a sufficient guarantee that the audit would be satisfactory. He should be very glad to withdraw his own amendment and to allow the member for Glasgow to move his, though he thought some of the small clubs might have a difficulty in finding such a person as was described in the hon. gentleman's amendment. He would suggest the advantage of inserting a proviso that the auditors should not be members of the society.

Mr. E. Stanhope pointed out that if a society wished to defeat the law it might easily do so by asking the treasurer and secretary of another society to audit the accounts and promising to perform the same task for the other society. It was for this reason that he did not persevere with the amendment he had placed on the paper. He trusted the Committee would hesitate before it accepted the hon. member for Glasgow's amendment, as it would be hardly possible to define a "public accountant."

By permission of the Committee, Sir W. Barttelot then withdrew his amendment.

Mr. Anderson next moved an amendment to the effect that the audit should be conducted by a public accountant.

Mr. Muntz opposed the amendment, having arrived at the conclusion that the Chancellor of the Exchequer could not go further than he had done without defeating the object of the Bill as regards the audit. The Bill would effect a great deal of good, but if it was made more stringent it would do more harm than good. (Hear.)

The Chancellor of the Exchequer agreed with the remarks of the last speaker, and pointed out that there were a number of persons who were even more competent than public accountants would be to audit the accounts of these societies. He suggested the insertion in the subsection of the words "and in accordance with law," which would cast upon the auditors the duty of seeing that the items were properly allowed.

Sir G. Balfour thought the Government should make a supervising test audit in certain cases.

Mr. Dodson suggested the insertion of the words "duly vouched and in accordance with law." It was most desirable to secure, if possible, the independence of the audit.

The amendment was withdrawn.

Sir W. Barttelot moved the insertion of words to the effect that the auditors should not be members of the society.

The Chancellor of the Exchequer objected to the amendment as seeming to imply that all such societies were dishonest. As a matter of fact, the largest and most important of them managed their own affairs exceedingly well, and contained within themselves men who were perfectly competent to audit the accounts, and whose interest it was to perform that duty thoroughly.

Mr. Stansfeld remarked that all societies would do well to adopt the system of independent audit.

Lord Eslington suggested that instead of adopting the amendment in the form in which it had been moved it should be provided that at the instance of a fixed number of members the committee of any society should be compelled to obtain a perfectly independent audit of their accounts.

Mr. Cowan thought the members of any society would be better able to audit their accounts than any outsider could possibly be. In provincial towns public accountants were as a rule bankrupt attorney's clerks, and he therefore objected to the proposal to employ them in preference to the members of the societies themselves.

Mr. Hermon supported the amendment.

Sir A. Lusk hoped the Chancellor of the Exchequer would insist upon his Bill as it stood. He desired that the societies should be provided with the best possible machinery, and then left to manage their own affairs.

The Chancellor of the Exchequer opposed the amendment on the ground that if the societies were respectable and straightforward better and its would beobtained by the appointment of members as auditors than if outsiders were chosen, and that if the societies were bad it would be as easy to engage outside auditors who would play into the hands of the committee as for the committee to obtain tools among the members themselves.

Mr. W. E. Forster thought the right hon. gentleman the Chancellor of the Exchequer was right in his view. On the whole he preferred the clause as it stood in the Bill, but suggested the advisability of providing that auditors appointed by societies should be approved by the Registrar. If the appointment was left solely in the hands of the societies or their committees, they might, in the case of small societies especially, appoint as auditors the landlords of publichouses in which their meetings were held, or some persons who were not fitted for the post.

Sir H. Johnston did not think the registrar would be qualified by practical experience to select the best persons as auditors in the many localities in which societies existed.

Mr. Floyer opposed the amendment on the ground that it would interfere with the practice of appointing as auditors honorary members, which practice was common in many of the best regulated societies, and had worked beneficially.

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After some further conversation the committee divided. The numbers were—

For the Amendment	29
Against................................	153
Majority	124

Mr. W. Holms moved in page 10, line 8, after the word "provide," to insert "one at least of whom (the auditors) shall be approved by the registrar or assistant registrar."

The Chancellor of the Exchequer objected to the amendment on the ground that whatever the bill appeared to do ought to be real and not a sham, and he was satisfied sending up the name to the registrar would be a sham, as it would appear to give a sanction which it really did not give.

After a few words from Mr. W. E. Forster in support of the amendment,

The Chancellor of the Exchequer said it did not follow because an Act of Parliament did not succeed in making everything perfect it therefore did no good. Under the present law noting was required except that the rules should contain a provision for periodical or annual audit. But there was no provision as to the way in which the accounts should be prepared, no penalty on the auditors for mistakes or wilful omissions, the whole thing being as loose as possible. This bill, though it did not go the length the hon. gentleman wished, went a considerable way. It provided that there should be an audit by auditors, it gave the Registrar power to regulate the way in which the accounts should be prepared, and made other improvements where all was now in confusion. What the auditor would have to do was to see whether the items posted under the various heads, such as Sick Fund, Management, Death Fund, and so on, were properly posted. Besides, a penalty was imposed on the auditor if he did not do his duty properly. Therefore, it was nonsense to say that the Bill did nothing.

Sir A. Lusk said the committee had decided this question already. (Hear.)

Mr. Cowen suggested that if the members of a society disapproved an audit by their own members the members of the society should be at liberty to appoint an additional accountant to be recognised by the Registrar or the Government.

The Chancellor of the Exchequer said if the members of a society at one of its ordinary meetings disaproved an audit by persons who were members of the society they would have the power of appointing other persons to audit the society's accounts.

Mr. W. Holms did not see why the government should shrink from throwing this responsibility on the Registrar.

Mr. Chadwick believed that if the payment of small fees for auditing the accounts of a society were made compulsory considerable damage would be done. He approved the option which the Chancellor of the Exchequer had proposed to give to societies of appointing public accountants.

The amendment was negatived.

Mr. Whitwell moved an amendment to the effect that the names and addresses of the persons proposed as auditors should be sent up to the Registrar and also put up in the lodge-room or board-room of the society three months before the period of audit.

The Chancellor of the Exchequer assented to the amendment, and it was agreed to.

Mr. Chadwick said experience had proved that every audit ought to be a continuous one. Therefore, he suggested that the auditor should be appointed at the beginning of the year, and be authorised to audit the accounts half-yearly, quarterly, or in any other mode he might think proper.

The amendment was agreed to.

Mr. Meldon said that when a certain number of the members of a society thought the audit had not been fairly conducted, they ought to have the power to obtain an official investigation into the affairs of the society. He, therefore, moved an amendment giving the Registrar power to appoint at his discretion an official auditor, who was to be invested by all the powers possessed by the ordinary auditor.

The Chancellor of the Exchequer pointed out that the object of the hon. member would be substantially obtained by the 23rd clause, which empowered the Registrar, on the application of a certain number of members, to cause an inquiry to be made into the affairs of the society.

The amendment was withdrawn.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

John Pattinson, (of the firm of Harry Brett, Milford, Pattinson, & Co.) of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., Public Accountant, has been appointed trustee of the estate of Charles Henry Bamber, of Broad-street, Portsmouth, in the county of Hants, formerly a a lieutenant in Her Majesty's 20th regiment, but now of no occupation. a bankrupt. James Davis, solicitor to the trustee, 51a Conduit-street, Bond-street, W.

Mr. Frederick William Sperring, of 26 Philpot-lane, Fenchurch-street, Public Accountant, has been appointed Receiver in Liquidation of the Estate of Mr. Thomas Jeffery, the White Horse Inn, Rupert-street, Haymarket, and late of Dorking, in the County of Surrey.

Mr. Frederick William Sperring has been appointed Trustee of the Estate in Liquidation of Mr. John Deamery, of Ewell, Surrey.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week :—

Belgrave Rink—Capital £10,000, in £10 shares.

Bridgwater Shipowners' Towing — Capital £3,500, in £10 shares.

Bolton Junctions Railway—Capital £500,000, in £20 shares.

Charles Ball and Co.—Capital £6,000, in £10 shares.

Charles Hampton and Co.—Capital £100,000, in £10 shares.

Chest Tea—Capital £100, in £5 shares.

Commercial Land—Capital £1,000,000, in £20 shares.

Collins Green Colliery—Capital £100,000, in £100 shares.

Cosham Gas—Capital £3,500, in £10 shares.

Crown Fire Insurance—Capital £250,000, in £5 shares.

Edgworth Spinning—Capital £80,000, in £10 shares.

High Level Coal and Brick—Capital £30,000, in £5 shares.

Imperial Salt—Capital £10,000, in £5 shares.

King's Arms Hotel, Melksham—Capital £4,000, in £10 shares.

Lancashire and Yorkshire Property—Capital £100,000, in £1 shares.

Manchester Patent Cement—Capital £25,000, in £5 shares.

Middlewich Gaslight and Coke—Capital £1,960, in £5 shares.

National Dwellings Society—Capital £1,000,000, in £5 shares.

New Parkside Mining—Capital £20,000, in £1,000 shares.

Norwood Freehold Land—Capital £12,000, in £10 shares.

Provision Company—Capital £100,000, in £1 shares.

Patent Copal Varnish—Capital £50,000, in £10 shares.

Santa Luisa Iron Mining—Capital £7,000, in £1 shares.

Star Foundry—Capital £10,000, in £5 shares.

Trinity College, London—Limited by guarantee to £1.

William Dangerfield and Co.—Capital £20,000, in £10 shares.

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It is announced that Mr. Ernest Foreman, son of Mr. E. C. Foreman, of the firm of Foreman and Cooper, No. 7 Gresham-street, has commenced as an Accountant at No. 117 Cheapside, E.C.

LATE ADVERTISEMENTS.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE HOLDEN AT HALIFAX.

IN the Matter of a Special Resolution for Liquidation by Arrangement of the Affairs of JACOB STEAD, formerly of Square-road, Halifax, in the County of York, but now of Hollin's Mill-lane, in the township of Warley, in the parish of Halifax aforesaid, Commission Agent.

JOHN ALDERSON, of Saint James's-road, in Halifax aforesaid, Furniture Dealer, has been appointed Trustee of the property of the debtor, in the place of Robert Frederick Beswick, of Union-street, Halifax, Accountant, who has been removed from the Trusteeship by a special resolution of the creditors who have proved their debts, assembled at a general meeting, held at the offices of Mr. Godfrey Rhodes, situate at No. 7 Horton-street, in Halifax aforesaid, on the 26th day of May inst. All persons having in their possession any of the effects of the debtor must deliver them to the said John Alderson; and all debts due to the debtor must be paid to the said John Alderson. Creditors who have not yet proved their debts must forward their proofs of debts to the said John Alderson.

Dated this 27th day of May, 1875.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF NORTHUMBERLAND, HOLDEN AT NEWCASTLE-UPON-TYNE.

A First Dividend of Three Shillings and Sixpence in the Pound, has been declared in the matter of a Special Resolution for Liquidation by Arrangement of the affairs of JOSEPH TIPLADY, formerly of No. 24 Bigg Market, in the Borough and County of Newcastle-upon-Tyne, and now of Hebburn New Town, in the County of Durham, Ale and Porter Merchant, and will be paid by me, the undersigned Alexander Atkinson, Public Accountant, at my offices, No. 15 Kirkgate, Bradford, in the County of York, on and after the 26th day of June, 1875.

Dated the 3rd day of June, 1875.

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The Accountant.

JUNE 12, 1875.

In speaking of an audit, it is of the first importance to distinguish whether or not a thorough and efficient one is meant, and also to consider how far the matters to be audited admit of exhaustive treatment, without such heavy expense as would be considered intolerable by any body of shareholders. Many accountants appear to consider that in demonstrating that they really understand book-keeping by double entry, and that they can, if left to follow their own course and take their own time, fully explore all the intricacies of a business concern,—they have shown their fitness for the highest tasks. And many shareholders, on the other hand, practically adopt the idea that they have secured all the advantages of a true audit when they have voted a sum for that purpose, which so far from sufficiently remunerating a careful and plodding inquirer, would hardly pay a man of genius for accountancy for the trouble of superficially glancing at their accounts.

There is a rudimentary kind of audit, which consists in ascertaining that some sort of voucher can be produced for every payment, and that the printed balance-sheet corresponds with balances which can be found in the ledger. Such an audit is supposed to be completed by checking the additions of the cash-book and balance-sheet, and glancing at the banker's pass-book. It was in the days when such audits were common, and were frequently performed (as well they might be) by unprofessional men, that the custom of voting a trifling pittance of ten or twenty guineas to the auditor originated. At the other end of the scale is the audit which, whilst relying on the certificates of skilled officials for the quantity and value of stocks and plant, exercises a certain supervision even over matters such as these, and includes a thorough analysis of all ledger accounts, particularly the impersonal ones. An auditor who does his work well, endeavours to watch every thing with the eye of a prudent and careful master, not flattering himself with the existence of profit until every unfavourable possibility has been gauged. We have known cases where the ill-judged parsimony of shareholders has failed to hinder an effectual audit, because the directors chose to regard the *honorarium* voted to the auditors as a mere fee due in respect of the responsibility assumed by them, and the personal supervision they bestowed; paying them in addition a much larger sum for the time and travelling expenses of their clerks. But the directors, we believe, would have done no such thing, had not their sense of responsibility been quickened by the fact that they themselves held enormous stakes in the

concern. It is more common by far to find that the small fee paid is accepted on the footing that services of corresponding value are expected, and that any investigation of accounts, however desirable in itself, which would render the auditorship a losing affair, is to be left undone. No doubt, the most cursory examination of a balance-sheet by a trained accountant must tend to prevent gross mistakes; but the professional man little considers what is due to himself, who accepts a task (on whatever terms) without a fixed determination, cost what it may, to perform that task effectually. A resolute adherence to this principle would soon lead to important results; for auditors of any eminence would either free themselves from the most anxious and responsible of their professional duties, or they would enforce the payment of an adequate fee.

Some of the artifices against which an auditor has to be on his guard, are very difficult of detection. He has to rely on human testimony after all, and cannot hope to do more than excite a salutary terror in the breasts of evil-doers. There was once a case, for instance, of a railway company, whose officers presented a schedule showing the tonnage of unused rails in stock. The piles were some of them minutely described, the number and lengths of the rails being given. Other piles were briefly stated to consist of so many tons. The auditor's suspcions were excited; he demanded to see the man who had made out the inventory, and at length elicited that some of the piles were purely imaginary. Renewals or other expensive outlays had taken place in the past half-year which some official thought it expedient to place to a certain extent against the revenue of the next half-year; hence the creation of this imaginary asset, which it was meant should be written off before the next audit. Small blame would have attached to the auditor, in the minds of reasonable men, had he been taken in by such a contrivance as this: for the possibilities of deceit are infinite, whilst the vigilance of any man must necessarily be finite.

In the case of banks an enormous mass of details must be taken for granted, unless the expense of the audit is to be very much augmented. The auditor can, and does, compare as many pass-books as he can obtain with the balances in the ledgers, and he examines the securities, and the profit and loss account: but any one who knows what it is to count bonds and other securities by thousands, must be aware that errors are possible—at the least, coupons may be missing; and the accounts of individual depositors may be manipulated by clerks, who will know how to secrete, temporarily, the pass-books of such depositors. Worst of all, the counting of coin, and of securities takes place at a date which is foreknown by all concerned; and there is nothing to prevent a deficiency being momentarily covered by a short loan of cash, to be re-taken out of the bank till, soon after the auditor's scrutiny is over.

We need not comment on the fact that the amounts due to banks and other institutions on current bills and loans (or overdrawn balances, so common in the North) may or may not be recoverable. An auditor can never know who is insolvent or embarrassed, except by mere chance, until some visible sign of difficulty appears on the face of the accounts. The chance of detecting any rottenness in the assets is much diminished when the debtors reside in distant cities; and, again, when a Company may have entered into contracts of the most hazardous nature, in respect of which no entry can be made in a balance-sheet.

Experienced auditors have always endeavoured to limit their responsibility by using guarded language in their certificates. Let shareholders look to such language closely; and if they see fit, let them call for explanations from the auditors at their meetings. The result will generally be most wholesome.

It might naturally be thought that the directors of the Canadian Oil Works Corporation would, as far as possible, try to escape from the unenviable notoriety into which they have been dragged. To have an action brought, the issue in which was really whether the directors were knaves or fools, with the result that, owing to the failure of the jury to make up their minds on the point, the whole question may at any moment be raked up again, is a very severe shock to most men; and we cannot but admire the courage of Sir John Hay in contesting any case which might draw public attention to his connection with the ill-starred Canadian Company, especially when his conduct had to pass under the stern consideration of so inflexible a judge as Sir Richard Malins.

To judge from the Vice-Chancellor's language in delivering his judgment, Sir John Hay's mistake seems to have been somewhat of a technical character. He was solicited to become director of the company, an honour which may have been cheaply purchased by the pay-

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ment of £1,000, which he was bound to make for the shares necessary to qualify him. This sum was to have been recouped him by the promoter, Mr. Prince, and an arrangement of this kind, though extremely common, is one which is absolutely certain to call forth the most terrible thunder of any judge under whose attention it may happen to be brought. As a director of the company, Sir John Hay signed certain cheques in payment of the purchase-money to Mr. Prince. Among these there was a cheque for £1,000, which was endorsed by Mr. Prince, handed to Sir John Hay, and paid subsequently into the bankers of the latter. Up to this time Sir John Hay had not paid up the £1,000 which was necessary to qualify him as a director, but on the day following the receipt of the cheque from Mr. Prince, he drew a cheque for £1,000 on his own private bankers, and paid it in to the credit of the company. Omitting mean terms, to use a mathematical expression, the result was that a cheque drawn by Sir John Hay as a director of the company, and payable out of the company's funds, was, the very next day, applied in payment of the directorial qualification. This, according to the judgment of Vice-Chancellor Malins, amounted to paying for his qualification out of the funds of the company, and the amount was ordered to be repaid. For, said the Vice-Chancellor, "Sir John Hay ought to have paid the £1,000 originally out of his own money, which he did not do." What the real difference is between paying a sum of money which is eventually repaid out of the funds of a company, and paying a sum of money for which you have previously received an equivalent, was not matter of judicial decision; but the views of the Vice-Chancellor will be doubtless attentively studied by the members of that fraternity who are vulgarly known by the ignoble appellation of "guinea-pigs." It was said that the report of one of the Food Adulteration Committees was most useful to the dishonest retail trader, as it taught him exactly the due proportions in which to mix his wares and instructed him in the art of eating and drinking the goods he received from wholesale houses, and avoiding his own. Just in the same manner, the decision of Vice-Chancellor Malins affords most useful instruction. Directors of companies have above all things to keep on good terms with their bankers, and to be careful to draw cheques for payment of their qualifications before they receive the amount which is to compensate them for their exertions, and keep them harmless in case of any loss. But it is none the less a source of congratulation, that one more loop-hole has been closed, and we can but hope that the more the ingenuity of directors is employed in evading the application of judicial *dicta*, the more stringent the judges will be in blocking up means of escape. Whatever may be the faults of Sir Richard Malins as a judge, he can at any rate claim one very strong merit,—that of honestly endeavouring to do justice between all contending parties; and he has, besides, a strong hatred of equivocation and financial dexterity, which, though it may not be altogether in harmony with the prevalent views of commercial morality, is yet imbued with the true spirit of equity.

The Scotch are, as we have all been accustomed to learn from our early days, a peculiar people, governed by laws and institutions peculiar to themselves, and looking upon their more southern fellow-subjects as an inferior race, made expressly as a source of profit to the canny northerners. But it is rather startling to find a Scotchman singing "wha daur meddle wi' me" to an English judge, and boldly denying the jurisdiction of so solemn an institution as our Court of Bankruptcy. Mr. Robertson, the Scotchman in question, had unwisely trusted too far an English customer, who filed a petition for liquidation. In part-payment of Mr. Robertson's account, he had received a cheque, which, unluckily for him, dealt with funds which had at the time of its presentation become the property of the trustee under the liquidation; though the bankers duly paid it. This sum the trustee called upon Mr. Robertson to refund, which the latter, who had taken due pains to prove for the balance of his claim, strongly objected to do, on the ground, mainly, that no southron court could assert any rights over a Scotchman. However, Mr. Robertson's patriotism received a severe blow. It seems to have been held that he could not, at one and the same time, run with the hare and hunt with the hounds, and that as he had come in and proved for the balance of his claim, he had waived any right to object to the jurisdiction of the court on the ground of his nationality. Moreover, he had to refund the £120 he had received. A Scotchman is as sensitive in his pocket as in his pride, and this order must have been felt very keenly. Altogether, Mr. Robertson will not be much impressed with English law, and will probably be more patriotic than ever in the future.

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It is always an unfortunate thing for a man to try to help his friends, and then to find that a harsh world has misconstrued his motives; and it sometimes happens that persons who incur liability on the assurance of interested parties that it will be all right, find out that they have committed a very unlucky mistake. Without in any way venturing to question the correctness of the decision which Mr. Registrar Pepys judicially delivered in Sir Peter Tait's case, and which we report this week, we can only remark that the debtor was fortunate in escaping from his liability. The general principle to be deduced from many decisions is, that a man who applies for shares and receives no notice of allotment, is not to be considered as a contributory. But to judge from the evidence in Sir Peter Tait's case, he actually applied for the shares, and they were allotted to him; though no mention of this was found to have been entered in the books of the company. At least this is matter of reasonable inference from the fact that Sir Peter Tait, who was also a director of the company, was offered the shares, accepted them, and actually paid the deposit. This is a widely different thing from the mere application for shares. In this case the shares were formally offered, and as formally accepted. The solicitor for the company, with great prescience, seems to have assured him that he incurred no liability, and perhaps the company might be held bound to indemnify a director who so kindly took the shares for the purpose of floating the speculation; but as against the creditors of the concern, it seems rather hard that the transaction should not be held binding. Sir Peter Tait may cheerfully reflect that "all's well that ends well;" but similar good nature on his part may end in a "distinguishable" case, the upshot of which may be less gratifying.

WINDING-UP.—A petition has been presented to the Court of Chancery for the winding-up of the Ballyclare Paper Mills Company (Limited).—At a meeting of the shareholders of the Kirkcaldy and London Steam Shipping Company, it was resolved to wind-up the concern as speedily as possible.

Mr. Lewis Balfour (formerly a member of the firm of Vivanti, Annett, and Balfour, of St. Mary Axe, who suspended payment in October, 1867, with liabilities of about £300,000, and subsequently arranged a composition of 10s. in the pound with their creditors) has announced through Messrs. Baggs, Clarke, and Josolyne, the accountants, a further voluntary payment of 3s. 4d. in the pound on account of the liabilities of that firm. He entered it with £10,000 capital only nine months before its failure.

COURT OF CHANCERY.

June 10.

(*Before the* LORDS JUSTICES *of* APPEAL.)

EX PARTE TILL—IN RE RATCLIFFE.—This was an appeal from a decision of the Chief Judge in Bankruptcy, and it raised an important question as to the power of creditors at a meeting under a liquidation petition, after a proposition made by the debtor has been duly put and rejected, to adjourn the meeting with a view to the renewal of the proposition at a future day. John Ratcliffe, an architect and surveyor, at Stafford, filed a liquidation petition under which the first meeting of the creditors was held on the 4th of January, 1875. The debtor offered a composition of 2s. 6d. in the pound, payable in 12 months. This proposition was put to the meeting, and was rejected, there not being in its favour the statutory majority—viz., a majority in number and three-fourths in value of the creditors present in person or by proxy at the meeting. A resolution to adjourn the meeting to the 18th of January was then proposed, and was carried by the proper majority—viz., a majority in value of the creditors. At the adjourned meeting, the debtor's offer was renewed, and a resolution accepting it was duly carried, and was duly confirmed at another meeting on the 30th of January. There was no record in writing of the original rejection of the debtor's offer, but the resolution to adjourn and the subsequent one in favour of the composition were reduced to writing, and signed by the creditors who supported them, and were filed with the proceedings. The resolution accepting the composition was carried in for registration, but the Registrar of the County Court at Stafford refused to register it on the ground that "the sense of the first meeting duly summoned and competent to decide the matter was taken, and was adverse to the resolution for a composition of 2s. 6d. in the pound, and that, therefore, it was not competent for the creditors afterwards to adjourn the meeting, or for any one again to propose that a composition which had been already rejected should be accepted." The Judge of the County Court affirmed this decision, but the Chief Judge was of opinion that, by virtue of the provisions of the 275th of the Bankruptcy Rules of 1870, the Court could only have regard to a resolution which was reduced to writing and duly signed by the creditors, and that, therefore, he could take no cognisance of the original rejection of the composition. He therefore directed the resolutions accepting the composition to be registered. One of the creditors appealed. Mr. E. C. Willis and Mr. Northmore Lawrence were for the appellant; Mr. Bagley was for the debtor. Lord Justice James was of opinion that the decision of the Registrar ought not to have been reversed by the Chief Judge. He thought that rule 275 applied only to resolutions in favour of liquidation by arrangement or the acceptance of a composition. In such cases only a written resolution duly signed could be looked at. There was no express provision in the Act or the Rules as to the adjournment of a meeting, but this was said to be an inherent power. But it was not a *bona-fide* use of that power for a majority in value of creditors, not sufficient to carry a resolution accepting a composition, by means of a resolution for an adjournment, to turn the tables on the creditors who had rejected the resolution in favour of the composition which had been previously proposed. When the debtor's proposition had been duly voted upon and rejected, it appeared to his Lordship that the meeting was at an end, and the resolution to adjourn was a perfectly idle one, which could not be put to the vote. The Registrar was quite right in ascertaining what passed with regard to the original resolution by evidence. The chairman of the meeting ought to have made a minute of what occurred, but his omission to do so could not preclude the Court from ascertaining the facts in another way. Lord Justice Mellish was of the same opinion. The Chief Judge seemed to have thought that because a resolution in favour of liquidation or composition must be reduced into writing and signed, therefore

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when such resolution appeared it was conclusive, and no proof was admissible that the same resolution had been previously put and rejected. His Lordship was of opinion that though the fact that such a resolution had been passed could only be proved in the way mentioned in rule 275, yet the fact that it had been rejected could be proved by other evidence, for the rules contained no provision about it. If this were otherwise, when a resolution was passed and rejected, this might be intercepted by means of a resolution to adjourn, and this course might be repeated again and again. His Lordship was of opinion that when once the sense of the creditors had been duly taken, the whole thing was at an end. The creditors having really considered the question at the first meeting, had no power afterwards to pass a resolution for adjournment. The decision of the Registrar was right, and the appellant must have the costs of the hearing before the Chief Judge.

EX PARTE THE GENERAL SOUTH AMERICAN COMPANY (LIMITED) IN RE YGLESIAS.—This was an appeal from a decision of Mr. Registrar Pepys, sitting as Chief Judge in Bankruptcy. Jose Antonio Yglesias and Carlos Michael Yglesias were merchants in Jeffery-square, St. Mary-axe, under the firm of J. R. Yglesias and Co. On the 29th of July, 1874, they filed a liquidation petition, and on the 31st of July Mr. William Turquand was appointed receiver and manager of their estate. On the 24th of September the creditors resolved to accept a composition of 3s. 4d. in the pound, and this resolution was duly confirmed on the 8th of October. On the 9th of March, 1874, Messrs. Madinya, of Guayaquil, in South America, had drawn upon Yglesias and Co. a bill of exchange for £2,000, payable 90 days after sight, which was accepted by them on the 13th of May. This bill became due on the 14th of August. It was dishonoured at maturity, and was protested for non-payment. Notice of the protest was given to the drawers, and payment was demanded by them. They, however, were unable to pay. They on the 15th of October, entered in some arrangement of deed with some of their creditors, but their affairs did not come under the administration of any Court. They had, on the 24th of June, sent to Yglesias and Co., as cover for their acceptance, a bill upon Paris for 52,000f. This bill came into the hands of Mr. Turquand, and was received by him at maturity. The General South American Company were the holders for value of the £2,000 bill, and they claimed to have the bill for 52,000f. applied in payment of the other, upon the principle of the well-known case of "*Ex parte* Waring," decided by Lord Eldon. The Registrar refused their claim, and they appealed. Mr. Jackson, Q.C., and Mr. E. Cutler were for the appellants; Mr. De Gex, Q.C., and Mr. Daniel Jones were for Yglesias and Co.; Mr. John Linklater was for the receiver. Lord Justice James said that the principal of "*Ex parte* Waring" was originally applied as between two bankrupt estates, and it had since been extended to the case of insolvent estates, whether they were being administered in Bankruptcy or in Chancery. But no Judge had ever expressed himself in favour of extending the principle to a case where, as in the present, there was only one estate in Bankruptcy, while the other parties to the bill, if they were insolvent, were not subject to any jurisdiction whatever, and could not be compelled to submit their rights to this Court. They might, if they chose, revoke the direction which they gave as to the application of the bill sent as cover for the acceptance, there being no equity as between them and the holders of the acceptance. Lord Justice Mellish concurred. If two insolvent estates were being administered by a Court, the Court could not alter the rights of any parties subsequently to the time when it had assumed the administration. Its duty was simply to take means to discover what these rights were. But when the affairs of one of the parties to a bill, though he might be insolvent, were not being administered by any Court, he still retained the ordinary rights of property. To make the order now asked for would be to deprive the drawers of the £2,000 bill of the ordinary rights of property. They were entitled to make any bargain they pleased with the acceptors, who, indeed, were now, by the resolution of their creditors in favour of the composition, placed again in a state of solvency. The decision of the Registrar was quite right, and the appeal must be dismissed, with costs.

ROLLS' COURT, CHANCERY-LANE.

June 5.

(*Before the* MASTER *of the* ROLLS.)

IN RE LIVERPOOL AND AMAZON ROYAL MAIL STEAMSHIP COMPANY.—Mr. Chitty, Q.C. (with whom was Mr. Ince), for the petitioner in this case, stated that there was a prospect of the company being able to reconstruct itself, and asked for an adjournment. Mr. Romer, for a creditor, objected to this, and finally the Master of the Rolls allowed the petition to stand over until the first petition day in the sittings after Term, on an undertaking by the petitioner not to withdraw his petition without the sanction of the Court. Mr. Grosvenor Woods, Mr. E. Beaumont, and Mr. Byrne appeared for other creditors, and Mr. Angelo Lewis for the company.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

June 4.

(*Before Vice-Chancellor* SIR C. HALL.)

IN RE THE WERNPISTILL COLLIERY COMPANY (LIMITED).—This was a creditors' winding-up petition. The company was formed in December, 1873, with a capital of £100,000, in 20,000 shares of £5 each. In April last the petitioners sued and obtained judgment against the company on a dishonoured bill of exchange for £109; but the company had no property on which execution could be levied for payment of the debt. An action was subsequently brought against the company by one Shadrach Davies, the endorsee and holder of the bill. On the 27th ult. the company passed a resolution to wind-up voluntarily. Mr. Dickinson, Q.C., and Mr. Phear were for the petitioners. Mr. Karslake, Q.C., and Mr. Graham Hastings, for the company, raised the objection that the petitioners were not the holders of the bill, and that Davies, the endorsee and actual holder, had neither been made a petitioner nor had been served with the petitioner; also that the wishes of the general body of creditors had not been consulted. Mr. Warmington, for a creditor, asked for a supervision order. The Vice-Chancellor said he could not consider this as a case in which the wishes of the creditors as a body ought to be consulted, or in which there ought to be a winding-up in any other way than that which the petitioners desired. They were unpaid creditors, and asked for the usual order, to which they were, under the circumstances, entitled. The only question was, whether there should be a compulsory order, or an order to wind-up under supervision. He thought there should be a compulsory order. Apparently, the petition had been perfectly well presented by the petitioners; but as it was said that the bill was in the hands of a third person, he should make the usual compulsory order; which, however, was not to be drawn up for a week, and not until the bill and an affidavit verifying the petitioners' title had been produced. If the petitioners were paid before the next petition day, then there would be an order continuing the voluntary winding-up under supervision.

JUNE 5.

(*Before Vice-Chancellor* SIR R. MALINS.)

IN RE THE CANADIAN OIL WORKS CORPORATION (LIMITED)—SIR JOHN DALRYMPLE HAY'S CASE.—This was an application by the official liquidator of the above company for an order that Sir John Dalrymple Hay, one of the past directors of the company, should repay to it a sum of £1,000 received by him out of the funds of the company on the 1st of Decem-

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ber, 1871, or that he might pay a call of £25 per share on 40 shares held by him in the company. The company, as, by this time, every one knows, was formed for the purpose of purchasing from a Mr. Prince some oil wells in Canada, for a sum of £80,000, which was afterwards increased to £160,000. Sir John Dalrymple Hay was then solicited to become, and he became the chairman and a director of the company, consenting at that time to receive 40 qualification shares, for which the price was to be provided for him. A sum of £58,000 was to be paid to Mr. Prince on account of the purchase money for the Canadian property. A cheque for the full amount was at first drawn by the directors against the assets of the company; but it was afterwards split up into several smaller amounts. Among them was a cheque for £1,000, which was handed to Sir John Dalrymple Hay. It was endorsed by Mr. Longbottom, the agent of Mr. Prince in this country, and paid on the 1st of December, 1871, by Sir J. D. Hay into his own private account at his bankers'. On the 2nd of December, 1871, he paid in a cheque drawn by himself on his own bankers for £1,000 to the bankers of the company to the credit of their account as the deposit due from him in respect of his shares. The company failed, and was ordered to be wound-up. The question now argued was, whether the £1,000 paid in to the company's credit by Sir J. D. Hay on the 2nd of December, 1871, was really only a repayment by him of the sum of £1,000 drawn out the day before, or a *bona-fide* payment by him of £1,000 for his shares? That depended on whether at the time the cheque for the £1,000 was drawn on the 1st of December, 1871, and endorsed by Mr. Longbottom, any thing was due from the company to Mr. Prince. On the one hand, it was said that there was, and that Mr. Prince, as the true owner of the money, was perfectly at liberty to direct Mr. Longbottom to pay the £1,000 to Sir John Hay, who could no more be asked now by the company how he came by it than how he became possessed of any other money actually in his pocket. On the other hand, it was insisted that nothing was owing to Mr. Prince from the company on the 1st of December, 1871, and that, at all events, it must be assumed from the evidence in the case that Sir J. D. Hay really paid the £1,000 in respect of his shares out of the funds of the company. In the latter case, either as the owner of shares paid for by the company's money he must repay the company, or, as owner of unpaid shares, he must pay for them, and the calls in respect of them. Mr. Glasse, Q.C., and Mr. Montagu Cookson were for the official liquidator of the company; Mr. J. Napier Higgins, Q.C., and Mr. Dunning were for Sir John Dalrymple Hay. The Vice-Chancellor said the undisputed facts of the case were these:—Mr. Longbottom, as agent of Mr. Prince, came over from America to this country for the purpose of selling certain oil wells in Canada, which, it was represented, would be the sources of inexhaustible wealth. He first tried the City, and then the West-end of London. Eventually the company was formed, and Sir John D. Hay became the chairman of it. He signed its memorandum, agreed to be a director, to take shares to qualify him to act, and that those shares should be paid for—not by himself, but by Mr. Prince, the vendor of the wells. By so agreeing he accepted a bribe from the vendor, when he had duties to perform towards the purchasers of the wells. He became liable to pay in respect of the shares the sum of £1,000. He said it was paid. The other side insisted that, if paid by Sir John Hay, it was not paid out of his own money. The sum of £1,000 was, however, paid; and if Sir John D. Hay paid it out of the funds of the company, such a payment could not for a moment be sustained. It was argued that the £1,000 was really paid by Mr. Prince to Sir John D. Hay, and if it could have been shown that that sum was part of a larger sum due to Mr. Prince, and was not, therefore, a payment by Sir John D. Hay out of the funds of the company, but, as contended, a payment by him with money given to him by Mr. Prince, there might be some ground for Sir John D. Hay's contention. It had not been disputed that on the 1st of December, 1871, the sum of £1,000 was drawn out of the funds of the company, and that on the 2nd of December, the very next day, another cheque for £1,000 was paid in by Sir John D. Hay, drawn on his private account, to the credit of the company. So that the company on one day lost and on another got back the sum of £1,000. If, therefore, the £1,000 was the £1,000 of the company, it must be repaid by Sir John D. Hay. If the shares which he held were paid for, they were not paid for by him out of his own moneys, and he was indebted to the company in respect of them. If they were paid for out of the funds of the company, then he owed the company the amount so paid. So that in either view of the transaction, Sir John D. Hay owed the company £1,000. It was also argued, as already intimated, that at the time in question there was a large sum of money due from the company to Mr. Prince, and that Mr. Longbottom had authority to receive money for him. The first cheque in question was endorsed by Mr. Longbottom, and drawn to Mr. Prince's order. But in cases of this kind the Court was bound not to be blinded by the semblance of purity in a transaction which enabled a chairman and director of a company to evade the due performance of his duties. Sir John D. Hay ought to have paid the £1,000 originally out of his own money. He did not do so. Looking at the evidence in the case, it appeared to be clear that the £1,000 in question had been paid out of the funds of the company, and as no director of a company, holding shares in it, could consider those shares as paid for by him, when they had really been paid for with some one else's money—and in this instance with the money belonging to the company itself—it followed that in either respect, as the owner of shares for which he had not paid, or as the owner of shares paid for by the company, Sir John D. Hay was liable, and must be ordered to pay the £1,000.

(*Before Vice-Chancellor Sir* JAMES BACON.)

IN RE THE BRADFORD TRAMWAYS COMPANY.—Two petitions for winding-up the above company came on for hearing, one of which had been transferred from Vice-Chancellor Malins. An order was made, and Messrs. Hargreaves and Mason were appointed official liquidators. Mr. Kay, Q.C., and Mr. Bradford appeared in support of one petition; Mr. Swanston, Q.C., and Mr. Cook of the other, and Mr. William Pearson, Q.C. and Mr. McSwinney for the company.

COURT OF BANKRUPTCY.

June 4.

(*Before* MR. REGISTRAR PEPYS, *sitting as Chief Judge*.)

IN RE SIR PETER TAIT & CO.—This was an appeal from the decision of the inspectors, rejecting a proof for £2,090, tendered against the separate estate of Sir Peter Tait, by the official liquidator of the London, Belgian, Brazil, and River Plate Royal Mail Steamship Company (Limited) in respect of calls upon 110 shares, alleged to have been held by Sir Peter Tait in the company. Mr. G. W. Hemming was counsel for the applicant; Mr. R. V. Williams for the respondents. It appeared that the company was formed in the year 1868 for the purpose of taking over a shipping business carried on by Sir Peter Tait and Co., and purchasing from that firm a line of steam vessels. The capital of the company was to amount to £200,000, in £5,000 shares of £40 each, and the agreement with Sir Peter Tait for the purchase of the property was conditional upon 2,500 shares being allotted. At a meeting held in June, 1869, it was found that 110 shares had to be taken up before asking the public to subscribe for the remainder. Sir Peter Tait, who was also a director of the company, occupied the chair on the occasion of the meeting, and the shares were offered to him. According to the evidence, Sir Peter declined, in the first instance, to take the shares, but afterwards, upon one of the directors stating that

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it would be for the benefit of his firm that he should take them, he consented to do so upon an assurance by the solicitor that he incurred no liability, and he afterwards paid £110 upon the shares. It appeared, however, that no allotment of the shares had ever been made, nor did the books of the company contain any minute of the proceedings at the meeting. The question was whether, under the circumstances, the claim of the official liquidator could be supported. His Honour, having reviewed the evidence, held that there had been no acceptance of the shares by Sir Peter Tait, and dismissed the appeal, with costs.

June 5.

(*Before the* Hon. W. C. Spring-Rice, *sitting as Chief Judge.*)

In re Fothergill and Hankey.—Messrs. Robert Fothergill, M.P., and Ernest Thomas Hankey, described as of Abchurch-chambers, Abchurch-lane, also of Aderdare and the Plymouth Iron Works, both in the county of Glamorgan, ironmasters, colliery proprietors, and merchants, trading as "The Aberdare Iron Company," and also as "The Plymouth Iron Company," have filed the usual petition for liquidation by arrangement or composition. Upon the application of Mr. Hollams, jun., his Honour appointed Mr. Turquand, accountant, receiver and manager of the estate. The liabilities of the firm are estimated at £1,300,000; the assets, comprising the debtors' iron works, are valued at about £1,260,000.

In re the Hon. W. F. O. O'Callaghan, M.P.—This was an adjourned sitting for public examination. The bankrupt, described as of the Hôtel de Bade, Boulevard des Italiens, Paris, is M.P. for Tipperary. The case was before the court a month since, when, in consequence of the bankrupt's illness, an adjournment became necessary. Mr. T. Lumley appeared for the trustee, and Mr. Cottman for the bankrupt. It was stated that since the last meeting the bankrupt had filed the usual balance-sheet, and a proposal had been made for payment of a composition, but until the trustee had investigated certain securities given by the bankrupt to creditors it was impossible for him to say whether he accepted or rejected the offer. Under these circumstances a further adjournment was asked for by the bankrupt, and not objected to by the trustee. The statement of affairs showed unsecured debts £3,880, with secured debts about £4,000; assets, £1,106. His Honour granted an adjournment.

In re F. A. and M. Zimmerman.—The debtors, who are importers of chymicals, drugs, and chymical apparatus, of Aldersgate-street, have filed a liquidation petition, with liabilities returned at about £100,000, and assets of considerable value, including stock about £10,000. Upon the application of Mr. F. Knight, his Honour appointed Mr. Edwards, accountant, King-street, Cheapside, receiver and manager of the estate.

June 7.

(*Before Sir* J. Bacon, *Chief Judge.*)

Ex parte Robertson—re Morton.—This was an appeal from an order of the Newcastle County Court, and involved a question as to the jurisdiction of the English Court of Bankruptcy over a Scotchman. Mr. De Gex, Q.C., and Mr. Finlay Knight were counsel for the appellant; and Mr. Little, Q.C., and Mr. Colt for the respondent. The debtors, Messrs. W. and E. Morton, who were fruit and potato merchants at Newcastle-on-Tyne, had been in the habit of purchasing potatoes from Mr. Donald Robertson, a merchant, residing at Mayfield, Cupar, Fifeshire, and on the 17th of February, 1874, the debtors owed to Robertson a considerable sum of money. On that day they sent to Mr. Robertson a cheque for £120, which was presented at their bankers on the 19th, and paid. On the intervening day the debtors filed a petition for liquidation by arrangement with creditors, and on the 13th of March a first meeting was held, when a resolution was passed that the estate should be liquidated by arrangement, and trustees were appointed. The trustees subsequently applied to the County Court for an order directing Robertson to refund £120, which he had received, and also £36 12s. 9d., being the value of certain potatoes of which he had taken possession after the presentation of the petition. The application was resisted on the ground that Robertson being a Scotchman the court had no jurisdiction to deal with him, and on the further ground that the service was irregular, but the learned judge made the order. Robertson, who had proved for the balance of his debt in the County Court, appealed. After hearing the arguments of counsel, his Lordship held that the County Court had jurisdiction to make the order. The appellant received the £120 as part of the estate of the debtors. He came in under a compact for the due administration of the estate, and the court had ample jurisdiction to decide all questions. The appellant was bound to submit as much as if he lived on this side the Border. As to the alleged irregularity of the service, his Lordship thought there had been a complete waiver.

(*Before Mr. Registrar* Hazlitt.)

In re Alfred Bowes.—The bankrupt was a general merchant, of Queen-street, Bermondsey, and 146 New Kent-road. His balance-sheet returned debts of £22,475, of which £16,878 were due to unsecured creditors, with assets £6,692, comprising stock-in-trade, cash, bills of exchange, and other items. This was a sitting for public examination. Mr. Baker appeared for the trustee; Mr. Lumley for the bankrupt. It being stated that negotiations with creditors were pending, an adjournment was granted.

In re Albert Pelly.—The bankrupt, a merchant, of 18 Finch-lane, and Reigate, passed his examination without opposition, on a balance-sheet which showed unsecured debts of £12,117, and assets £3,739. Mr. Mackenzie appeared for the trustee; Mr. C. Hall for the bankrupt.

PARLIAMENTARY INTELLIGENCE.

House of Commons, June 7.

County Courts Bill.—The Solicitor-General, in moving the second reading of this Bill, explained that its main object was to extend the powers at present possessed by plaintiffs in actions tried in the County Courts to obtain judgments by default in undefended actions. It was said there was a very great difference of opinion as to whether a judgment by default should be obtained in cases below £5. It was considered that this doubt should be given effect to. The principal provision of the Bill was that in all cases where the debt was above £5, and where the debt was due for goods supplied in the way of trade, the plaintiff should obtain judgment by default in the same way as in an action in the Superior Courts. At the same time, every security was thrown around the defendant. It was provided that in all cases there should be personal service on the defendant, and that before the summons was issued on which judgment by default should be obtained the plaintiff should make an affidavit in proof of his debt. The provisions of the Bill were in accordance with the recommendations of the Judicature Commissioners. He hoped the Bill would be read a second time.—Mr. Chadwick called attention to the necessity of a change in the law of imprisonment by the county court judges for contempt.—Mr. Marten supported the Bill as a means of saving a great deal of expense.—Mr. Denison said that the measure proposed to give greater facilities to claimants to obtain judgment by default. He hoped there would be some safeguard against the danger of suitors "playing tricks" and deferring service of process until a day or so before, and then making affidavit that due service had been made. Mr. Wheelhouse replied that the present rules of county courts sufficiently guarded against any such danger. The Bill was then read a second time.

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COURT OF BANKRUPTCY, DUBLIN.

June 8.

(*Before the* HON. JUDGE MILLER.)

IN RE JOHN HIGGINS.—The bankrupt was a grocer at Ballymena, in the county of Antrim. He had been in custody for nearly four months on a charge of endeavouring to leave the country with the intention of defrauding his creditors. His case came before the court on last court day, when an application was made to have the court direct a prosecution against the bankrupt for having fraudulently consigned large quantities of tea to his brother and other people in Liverpool. His lordship on that occasion expressed an opinion that although he was satisfied the evidence in the case justified a prosecution, he thought it would be better for the creditors to consider what course they would adopt under all the circumstances of the case. Mr. Samuel Benner, solicitor for the assignees, now stated that a meeting had since been held in Belfast, at which it was resolved by upwards of 40 creditors that proceedings should be instituted. Judge Miller said that under the 10th section of the Act certain things were required, and it was his duty to see that the whole case was properly before the creditors. On the last day he stated that the bankrupt had been arrested when about leaving the country, that he was nearly four months in prison, and that the goods in respect of which the prosecution was sought had been all recovered through the activity of the trade assignees. These matters he considered the creditors should have had fairly before them, but now they had decided upon it and were resolved to institute a prosecution which, as he before stated, the evidence in the case fully justified. Mr. Eaton (Oldham and Eaton) said that before his lordship made any order on the subject, he would ask to have counsel for the bankrupt heard. Judge Miller acceded to the request, and adjourned the case to a future day for that purpose.

BRADFORD BANKRUPTCY COURT.

June 8,

(*Before* Mr. W. T. S. DANIEL, Q.C., *Judge.*)

RE FOSTER & HININGS: EX PARTE THE BRADFORD BANKING COMPANY.—This was a motion made on behalf of the Bradford Banking Company asking for an order directing that Mr. Henry Dickin, trustee in the estate of Foster and Hinings and in the separate estate of John Foster, to declare a dividend in the joint estate prior to the declaration of a dividend in the separate estate.—Mr. Gardner was for the motion, and Mr. Watson opposed it on behalf of the trustee. Mr. Gardner stated that the motion was made in accordance with a direction given by his Honour in his judgment on another application in the same matter on the 21st May. The application was made under the 104th section of the Act, which provided that where joint and separate estates were concerned the trustee should declare dividends in both estates together, but that the Judge of the Court could direct dividends to be declared otherwise on application of a party interested. His Honour said he should like to hear from Mr. Watson what his objections were. Mr. Watson said his contention was that the Court had no power to make such an order as was asked for, and also that there were no grounds on which the order should be made. He held that the question as to the declaring of the dividends was purely one of administration, and did not raise any question as to priority of the rights of any portion of the creditors. There was a committee of inspection in each estate, and the trustee and those committees were intending to declare the dividends together solely for the purpose of saving expense. The only ground on which the order was asked was that it would enable the banking company to make the most of its right of proof on the estates; and there was not the slightest contention that the order would benefit any body of the creditors, or that it would be more convenient or less expensive to the great body of those creditors. Mr. Watson was proceeding to point out what he considered a fallacy in his Honour's decision on the previous application, when his Honour said that if Mr. Watson objected to the decision, he had better go before the chief judge.—Mr. Watson said he intended to do so.—His Honour: Then this motion had better stand over until that appeal has been heard. Mr. Watson said he wished to consolidate the two, in order that they might be taken as one appeal. His Honour said that he was quite prepared to make the order asked for by the notice of motion, so that Mr. Watson might be able to go to the chief judge with both. The facts were as follows:—The banking company held security from Foster on his separate property, which the Court had already decided such security as enabled the bank to elect whether they would apply it to the joint debt or to the separate debt. The joint debt of Foster and Hinings owing to the bank was about £13,000, and the separate debt owing by Foster was £4,000. The bank, with the consent of the trustee, had realised the securities which it held, but they were in this difficulty that they did not know to which debt to apply the security. By the law of bankruptcy they were not bound to deduct the security from the proof on the joint estate. They could prove against that estate for the whole amount of the joint debt, or they could claim the right to appropriate the whole of the security, or so much as was necessary, if the whole was not required to the joint debt before making any appropriation to the separate debt. He had held that they were entitled to apportion the security to whatever debt it was most to their interest to appropriate it. The total amount realised by the security was not sufficient to pay the whole amount of the joint debt, but till a dividend on the joint estate was declared and the creditors knew what that dividend was, the bank could not know what would be required to be appropriated to the joint debt. The course which the bank proposed to take, and which he thought was a very reasonable one—one to which the trustee might have assented—was this: finding that they were unable to say whether they would be required to appropriate the whole of the proceeds of the security to the payment of the joint debt, and being large creditors on the separate estate as well as on the joint estate, they decided to apportion the fund which they had in hand from the security between the two debts in the proportion they bore to each other. They had £11,000 in hand; the joint debt was £13,000, and the separate debt was £4,000; and they proposed to divide the £11,000 in the proportion which £4000 bears to £13,000, and they tendered their proof of debt on that very reasonable footing. The trustee rejected the proof *in toto*, and asserted that the bank were not entitled to prove against the separate estate at all. In his judgment on the last occasion he had held that the trustee was wrong in his contention, and that the bank were entitled to appropriate as much of the security to the joint debt as would realise 20s. in the pound. But till they knew what the dividend on the joint estate would be they could not know how much would have thus to be appropriated. It seemed to him, therefore, to be a case in which justice required—and there would be no injustice whatever to any of the creditors—that the dividend on the joint estate should be declared, in order that the bank and other parties who might be in the same way interested in the separate estate as well as in the joint estate, might know what the bank would be entitled to prove for. The provision of the 104th section; that dividends should be declared together, assumed that the two estates would be liquidated together without difficulty, but there were cases in which that could not be done—cases where a joint estate could be liquidated in a very short time, while the liquidation of a separate estate might necessitate years of litigation. Were creditors of the joint estate, in a case of that kind, to wait all those years for that dividend? He thought, therefore, that the provision of the section that the judge could make an order on the application of any party interested was intended to meet cases of that kind. If the trustee or the

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committee of inspection had said that the joint estate was so situated with reference to its realisation that a dividend could not yet be conveniently declared, he might have understood the matter, but no such suggestion that the dividend could not be declared within a reasonable time was made. Mr. Watson: The notice of motion does not require it. If the motion had been that a dividend should be declared now, I should have made the suggestions your Honour speaks of. His Honour: In that case the proper course will be, as I said, to let the matter stand over till the result of the appeal against the previous judgment is known. The matter was then adjourned till the 9th July, on the understanding that in the meanwhile the appeal against the previous judgment would be made by Mr. Watson.

HALIFAX COUNTY COURT.

Re Whitworth *ex parte* Gibbes.—On Tuesday, at the Halifax County Court, Mr. Giffard, Judge, delivered his decision in the above case as follows:—This is an application by Messrs. Gibbes and Co., of Charlestown, in the United States of America, calling upon the Court to hold that by a notice, dated the 21st day of April, 1874, given by their agents in this country either on that or the following day to the station master at Luddenden Foot Station on the Lancashire and Yorkshire Railway, they well and effectually exercised their right as vendors to stop *in transitu* certain cotton which they had consigned to Messrs. Whitworth, of Luddenden Foot, who had filed a petition for liquidation by arrangement. The cotton has been since sold by consent and the proceeds have been paid into the bank to abide the decision in these proceedings. The law on this subject I consider to be well settled, but the application of the principle to the facts of the present case is not without difficulty arising from the course of dealing pursued between the different parties concerned. The Judge proceeded to detail the special facts connected with the transactions between the parties, referring particularly to the Whitworth siding, and the exceptional mode of delivery by the railways to Messrs. Whitworth. He went on to say:—On the 17th April, 1874, Messrs. Whitworth and Co. filed their petition for liquidation in this court, and a general meeting of creditors was held on the 8th May, 1874, when it was resolved that the estate should be wound up in liquidation and Mr. Blackburn was appointed trustee. On the 18th April, 1874 the company removed the truck 3166 from the Whitworth siding to their general siding. On the 21st of April, Mr. Ernest Schutt, the agent for Messrs. Gibbes wrote from Manchester to the station master at Luddenden Foot countermanding the delivery of the cotton to Messrs. Whitworth. On the 22nd the company for the first time issued their advice note to Messrs. Whitworth, requiring them to remove the cotton within forty-eight hours from the date of the despatch of the notice. The date of this notice was subsequently altered to the 24th. In the argument before me on the 27th April last, three grounds were alleged on behalf of the trustee against the validity of the stoppage *in transitu* by the vendors' agent in this country. First, it was contended that the bill of lading for the cotton, being limited to the port of Liverpool, coupled with the fact that it was transmitted by the consignee to their agent at that port, determined the right of the vendors against the property. Several authorities were referred to as showing that so soon as the goods reach the hands of the buyer or his agent that the right of the vendor is destroyed. To that proposition, I assent, with this reservation, that the agent must be the agent for all purposes of the buyer, and not merely an agent to transmit the goods to their ultimate destination. Where the proposition fails in this case is that Windle was not the general agent of the buyers, but simply their agent for the purpose of sending the goods to their ultimate destination. Windle does not appear to be the general agent of any one but of his own employers, the railway company. It is well settled law that the true criterion in a question of this kind is whether the goods are on their way to their destination, and if they are, it is no objection that the carrier has been selected by the buyers. Secondly, it was contended, in the last case on this point, that inasmuch as thirty-three bales out of each consignment of seventy-two had actually reached the hands of the buyer, and had been manufactured, that the delivery of that part must be taken to have been a delivery of the whole. This is often a very doubtful question, but the nature of the contract in this case is such as to make it difficult to see how the principle of a delivery of part being in law a delivery of the whole can apply here. In this case the contract was a general continuing contract, and the goods were forwarded from time to time in one vessel, as in this instance, on part of their journey. Then they were shipped the rest of their way to Europe in two vessels, which reached Liverpool at different dates, and then they were forwarded in trucks so as to suit the convenience of the carriers, or perhaps of the consignees, though there is no evidence on this point. I am of opinion, therefore, that this ground also fails. I may add there was certainly no intention to deliver part for the whole. There remains the strict ground urged on behalf of the trustee, viz., that having regard to the course of dealing between the railway company and the Messrs. Whitworth and Co., the goods had reached the hands of the consignee, either actually or constructively prior to the date of the stoppage. In my opinion this argument succeeds in part and in part fails. As I have before stated, the course of dealing between the railway company and Messrs. Whitworth was such that no construction can be put upon it other than this, that there was a mutual agreement between the parties that goods consigned to Messrs. Whitworth at Ludden Foot were wholly at their disposal, whether on the Whitworth or general siding, or in the railway yard. This is the view presented by the affidavit of Joseph Wells, and it is the only view with which the facts proved in this case are consistent. If such were not the agreement this conclusion must inevitably follow, that the railway company, without having divested themselves of the risk and responsibility which attached to them as common carriers, or even of the less onerous responsibility as warehousemen, allowed the goods consigned to Whitworth and Co. to remain indefinitely on their sidings at their risk, without making any charge or receiving any consideration for so doing. This is so improbable a state of things that I cannot adopt it, and must accept in preference the view presented by the affidavit of Joseph Wells. This mutual arrangement continued down to the 18th April, 1874, when it was, in my opinion, terminated by the act of the railway company in removing the truck of cotton No. 3166 from the Whitworth siding to their general siding. The object of the railway company in removing the cotton from the actual possession of Whitworth and Co. to their own is not far to seek. The company were aware of the insolvency of Whitworth and Co., and they wished to resume their right to receive the freight on delivery of the goods, or to retain their lien for such freight; and in order to effect this object it became necessary to terminate the previously existing state of things. That such was their intention and design by this act is corroborated by the company for the first time issuing an advice note to Whitworth and Co. on the 22nd April, of which the date was afterwards altered to the 24th. If I am right in this view, the legal consequence of the company's act in determining the previous agreement—which in my opinion they had a right to determine—was that goods which arrived subsequently to the 18th remained in possession of the company as carriers until they had divested themselves of their liability as such by the issuing of the advice note and the expiration of the time mentioned therein. It follows from this that the twenty-six bales contained in truck 11,695 and the thirteen bales contained in truck 7524, in other words the whole of the cotton which arrived by the *Celtic* and had not been manufactured, remained in possession of the company as carriers at least up to the 24th April, and therefore that the stoppage *in transitu* as to these bales was well effected by the notice of the 21st April, 1874. It follows from this view that the nineteen bales contained in truck 1260 belonged to the

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trustee. The only remaining question is as to the twenty bales, the other unused part of the consignment by the *Republic*, and which were removed by the company on the 18th April from the Whitworth to the general siding. As I have already stated, the company, in my opinion, by this act determined the previously existing agreement, and that they had right so to determine it as to goods that might thereafter arrive. But it is a different question as to the effect of this proceeding upon goods which had previously arrived at the station. The twenty bales in question, with the nineteen bales, arrived on the 14th or 15th of April, and from that date until the 17th had remained in the actual or constructive possession of Whitworth and Co. They had therefore become the absolute property of those gentlemen by a title which no act of the company could affect, except perhaps as to their own lien for freight. It follows from this that the right of the vendors had come to an end, and it was not competent for the railway company by any act of theirs to restore it. At first sight this view may seem to conflict with the case of Crawshay v. Edes, 1 B and C 181, but on examination the distinction between that and the present case becomes obvious. In that case the goods were in the carrier's possession, and he began to unload them on the consignee's premises, but on hearing that the consignee had failed and had absconded, he replaced the part he had unloaded on his barge. In that case the act was incomplete. The carrier never intended to make a partial delivery and undid what he had done. Here, so far as the company were concerned, the delivery was complete, nothing further remained to be done; and the goods had remained in the consignee's actual, or at least constructive, possession, during four days. Upon the whole case I am of opinion that the thirty-nine bales which remained unmanufactured out of the consignment by the *Republic* were, on the 17th April, 1874, part of the estate of the bankrupts. But that as to the thirty-nine bales which remained unmanufactured out of the consignment *ex Celtic*, the right of the vendors was effectually exercised, and that these thirty-nine bales are the property of Messrs. Gibbes. No order as to costs. If the same price was obtained for the several consignments, the will be, after payment of costs, an equal division of the fund.

BIRKENHEAD COUNTY COURT.

June 8.

Before Mr. WYNNE FFOULKES.

RE J. B. WOOD.—The proceedings in bankruptcy in connection with the composition of Mr. John B. Wood, of Tranmere, gentleman, and formerly a merchant in the African trade, were again before the court. Mr. Walton (instructed by Mr. Goffey) appeared for the opposing creditors, and Mr. Downham for the debtor. At the previous hearing Mr. Deputy-Registrar Mather confirmed a resolution which was passed by a majority of the creditors by means of proxies entrusted to the debtor's solicitors for that purpose. Mr. Walton's arguments were now directed against the validity of the resolution in question, and in sustainment of his position he impeached the *bona-fides* of the consenting creditors. The debtor's wife, he insisted, could not prove as administratrix alone, and had no power to appoint an attorney or a proxy, and therefore her proof was bad in law. The learned gentleman raised several other technical objections, and then went on to contend that the resolution was not the work of creditors in the proper sense of the term, but of persons who used their monetary claims to do a kindness to the debtor. The great majority of those for whom proxies were held were relatives of the debtor, who were actuated by a desire to release him from his difficulties; and therefore, even though the technical rules had been complied with, the resolution must fall to the ground. An agreement in such a case to pay a penny in the pound was no composition at all, but an insult to the non-relatives, who held claims to the amount of £1,842, out of a total indebtedness of £4,893. Mr. Downham, arguing *contra*, said that while Mr. Walton represented little over £200, he held proxies of non-relatives to the amount of £827. He admitted that without the relatives he could not have complied with the legal requirements; but he pointed out that the debtor had absolutely nothing in the shape of assets, that the debts to his relatives had been contracted in the course of his business as a merchant, and that the composition was not only *bona-fide*, but the only course which it was open to him to pursue. His Honour, in giving judgment, said he did not think the resolution was one for the benefit of the creditors. The assets were very small, but there was a possibility of the bankrupt acquiring more property hereafter, and it would be hard to shut out the creditors from all chance of advantage thereby. Therefore the resolution must be set aside.

CREDITORS' MEETINGS.

HUMPHRYS & PEARSON (HULL).—It was resolved at a meeting of creditors and shareholders of Humphrys and Pearson (Limited), the Hull Iron Shipbuilders, to voluntarily wind-up the company, and three of the directors and three creditors were appointed liquidators. It is expected the assets will realise to unsecured creditors about 10s. in the pound. The liabilities are about £50,000.

T. GRIFFIES (MANCHESTER).—The creditors of Mr. Thomas Griffies, Moseley-street, Manchester, stuff merchant, held a meeting on Friday, and accepted a composition of 2s. in the pound.

CITY AND COUNTY BANK.—A meeting of shareholders in this bank was held at the City Terminus Hotel, Cannon-street, on Tuesday. Mr. Godden, the chairman, said the question they had now to consider was the compulsory or voluntary winding up of the bank. Compulsory winding-up meant many thousand pounds expense, which would be avoided by a voluntary liquidation. In accordance with the terms of arrangement with Messrs. Brown, Janson, and Co., the creditors would secure 20s. in the pound forthwith; the call of £1 per share pending would pay everything, and he did not consider that the £3 10s. per share already paid would be found to be lost when the assets were realised. Mr. Simmonds endorsed the remarks of the chairman as to the great expense attending a compulsory liquidation. Resolutions were passed for the voluntary winding-up of the bank, and the following committee of investigation was appointed—Mr. R. S. Cook (50 shares), Mr. Holman (300 shares), Mr. Rowland (50 shares), Mr. Edwards (200 shares), and Mr. Munson (100 shares), three of their number to form a quorum. It was also decided to approve the arrangement made with Messrs. Brown, Janson, & Co., and to appoint Mr. Price (Price, Holyland, and Waterhouse) voluntary liquidator.

J. E. SIMMONS (SOUTHAMPTON).—A meeting was held in the matter of John Edward Simmons, of 44 East-street, Southampton, watchmaker, at the offices of Messrs. Barrett and Patey, 90 London Wall, E.C., on Friday, the 4th inst., when it was decided to accept a composition of ten shillings in the pound, payable by four instalments, provided such composition was secured to the satisfaction of the chairman and another creditor at or before the meeting for confirmation of the resolution.

PHŒNIX BESSEMER STEEL CO.—A largely attended meeting of the creditors of the Phœnix Bessemer Steel Company, Limited, was held on Wednesday afternoon. Mr. Smith, manager of the Barrow Steel and Hematite Company, presided. The circular issued by the firm, and already quoted, was read. The directors had had to adopt a petition for liquidation, which had been presented by a friendly creditor. A report was then read by Mr. Esau, the company's solicitor, in which he stated that the loss of £14,000 by the stoppage of Gilead Smith and Co., obliged them to suspend, Smith and Co. having in turn been embarrassed by the failure of the Aberdare Iron Co. South Wales. The statement of accounts

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was as follows:—Liabilities, accounts, £8,061 0s. 2d.; Gilead Smith's acceptances under discount, £14,155 18s. 2d.; mortgages and debentures, £45,205; total liabilities, £139,421 18s. 4d. The assets were—book debts, £30,023; stock and tools, £50,267; cash and sundries, £570; uncalled up capital estimated to produce £17,000; total £97,860, from which must be deducted £13,000 for secured creditors, leaving £84,860 as open assets. After some discussion, in the course of which the causes of the failure were dealt with, it was decided that the realisation of the company would be best effected by a voluntary winding-up under the supervision of the Court of Chancery.

FAILURES.

ENGLAND.—A petition for the liquidation of the affairs of Joseph Hallam, grocer, Sheffield, has been filed; liabilities, £2,000.—In the Manchester County Court, Mr. Joseph Greenup, builder, Elm-street, Manchester, filed a petition for liquidation. The liabilities amount to £6,000.—A petition has been filed for winding-up the Phœnix Bessemer Steel Company, Limited, near Sheffield. The company was formed three years ago, with a capital of £100,000, in £50 shares, £40 of which have been called up. The company has had extensive transactions with Messrs. Smith and Co, iron merchants, London, who recently failed, and who were indebted to them in about £12,000.—The firm of Jno. Schofield and Co., dyers, have filed their petition in the Bradford County Court. The liabilities are estimated at £20,000.—Mr. John Leslie, of Chapel-street, Lowestoft, tailor and draper, has filed a petition for liquidation, and Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, has been appointed receiver by the Court. Mr. C. H. Wiltshire, of Yarmouth, is solicitor for the debtor.

SCOTLAND.—The failure of Albert Baxter, stock broker in Dundee, with heavy liabilities, variously estimated, is announced. In consequence of the absence of Mr. Albert Baxter, sharebroker, from Dundee, no detailed statement of his affairs has been prepared; but it is understood that his liabilities are between £20,000 and £30,000, and that the greater part of them are in London. The assets will be very small.—The failure is announced of Messrs. Bruce and Company, paper makers, Woodside Paper Mills, Glasgow.

AUSTRALIA.—Melbourne advices report the suspension of Messrs. H. Smith and Co., drapers, of Ballarat, whose liabilities to new creditors amounted to £10,000; but it was stated at the meeting of creditors that, owing to some old debts which would be revived by the present suspension, the total liabilities were in consequence not expected to be under £18,000.

AMERICA.—New York advices report the failure on the Stock Exchange of Messrs. E. Washburn and Co., 62 Broadway, and Mr. Samuel M. Salomon, 40 Broad Street. Both firms were "long" of railroad stocks, and owing to the fall in value of Fries, were unable to carry them.—Messrs. Redfield and Talmadge, merchants, Port Jervis, N.Y., and Messrs. Reilly and Appley, lumber dealers, had also suspended.

Mr. W. H. Pannell (Slater and Pannell), of 1 Guildhall-chambers, one of the representatives of the Ward of Bassishaw in the Court of Common Council, has been appointed a member of the International Municipal Entertainment Committee.

UNITED LAW CLERKS' SOCIETY.—The 43rd anniversary of the formation of this society, the object of which is to assist in illness, affliction, and old age the clerks of judges, barristers, and solicitors, was celebrated on Wednesday evenings, at Willis's-rooms, by a dinner, at which the Hon. Mr. Justice Denman presided. The annual report of the committee of management states that during the past year 60 members have claimed allowance in sickness, and £502 has been paid to them. These claims are rare, except in cases of severe illness, and of the 60 cases relieved six ended fatally. Of 28 pensioners five died during the year, and four fresh claims were allowed. The superannuations amounted to £977, or more than the interest of £33,000 consols. From the first the society has paid in sick allowances £11,311, and in superannuations £9,265. The payments on account of the death of members or their wives amounted to £812 for the year and £17,260 since 1832. All these claims, amounting, with expenses, to £3,121, fall upon the principal or General Benefit Fund, and the income thereon showed a surplus for the year of £1,605, an addition to the capital which raised it to £52,284. It is invested in Government securities; the interest of £33,000 is reserved for superannuations; and £22,284 is left available to meet unusual pressure from sickness or mortality. There is a casual or benevolent fund for members and non-members, and in gifts and loans £374 has been disbursed during the year and £14,567 since the formation of the society. The savings out of the casual fund are being accumulated with the object of forming a fund out of which small pensions may be granted to the most necessitous and deserving of the widows of members. In relieving law clerks and their families the society has disbursed altogether more than £52,434.

THE JOINT-STOCK DISCOUNT COMPANY.—The City editor of the *Times* writes as follows:—"We have received some papers relating to the Joint-Stock Discount Company (Limited), which has been in liquidation since 1866. Among the rest is a balance-sheet for the year ending the 31st of March, 1875, which shows what the liquidators have realised and the costs of realisation. According to this about £12,000 has been obtained, three-fourths of it by the sale of securities held in the company's name, and the rest either collected from debtors or as dividends and interest. Nothing in the account appears to warrant much outlay in getting the money in; nevertheless, it costs altogether £3,827. Law charges absorbed £1,492; the liquidators got £1,250, and the accountant £500, all for selling £9,500 worth of stock, collecting a few small sums from debtors, and paying some little balances over to creditors of the company. It cannot be said that on this scale going into liquidation is a cheap process. The report to the shareholders has also one curious observation. The liquidators state that 'the third mortgage bonds of the Atlantic and Great Western Railway were fortunately realised before the late heavy fall, having been all sold at an average of over £13 per cent.' Compared with the present price of this security, that is no doubt a cheering statement; but the liquidators would have done well to state also at what date and price the bonds were bought. As late as the middle of 1873 Atlantic and Great Western 3d Mortgage Bonds were quoted at 47½, and if the liquidators then held them, why were they not then sold?"

SALE OF SERJEANTS' INN.—The London correspondent of the *Manchester Guardian* says:—"As the Judicature Bill has abolished the title of serjeants-at-law, the members of Serjeants' inn, in Chancery-lane, have determined to sell that property and divide the proceeds amongst themselves. The value cannot be less than £30,000 or £35,000, so that each of the six and thirty gentlemen who now wear the coif will receive a very handsome sum. A proposal to devote a portion of the fund to purposes of legal education has, I believe, been discussed and negatived. The inn is the property of the serjeants, so that those gentlemen are acting upon their strict right; but their proceeding is sure to be sharply criticised."

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BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, June 9:—

Thursday, June 3	£15,404,000
Friday, June 4	19,358,000
Saturday, June 5	16,569,000
Monday, June 7	13,509,000
Tuesday, June 8	14,235,000
Wednesday, June 9	13,875,000
	£92,950,000

The total at the corresponding period of last year was £98,232,000.

LATE ADVERTISEMENTS.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF HAMPSHIRE, HOLDEN AT SOUTHAMPTON.

In the Matter of Proceedings for Liquidation by Arrangement or Composition with Creditors instituted by BENJAMIN THORNE, of Basingstoke, in the County of Southampton, Cabinet Maker, Upholsterer and Builder.

The Creditors of the above-named Benjamin Thorne, who have not already proved their debts, are required on or before the 25th day of June, 1875, to send their names and addresses, and the particulars of their debts or claims to me, the undersigned Edward Thomas Barrett, of 90 London Wall, in the City of London, Public Accountant, the Trustee under the liquidation, or in default thereof they will be excluded from the benefit of the dividend proposed to be declared.

Dated this 20th day of May, 1875.

EDWARD T. BARRETT,
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Another blessing to men! The Hindoo Pen.
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WHITE'S MOC-MAIN LEVER TRUSS s allowed by upwards of 500 Medical Men to be the most effective invention in the curative treatment of Hernia. The use of a steel spring, so hurtful in its effects, is here avoided, a soft bandage being worn round the body, while the requisite resisting power is supplied by the MOC-MAIN PAD and PATENT LEVER, fitting with so much ease and closeness that it cannot be detected and may be worn during sleep. A descriptive circular may be had, and the Truss (which cannot fail to fit), forwarded by post, on the circumference of the body two inches below the hips being sent to the manufacturer, Mr. John White, 228, Piccadilly, London. Price of a single Truss, 16s., 21s., 26s. 6d., 31s. 6d, Postage Free. Double Truss, 31s. 6d., 42s., and 52s. 6d. Postage free. An Umbilical Truss, 42s., and 52s. 6d. Postage free. P.O.O. to be made payable to John White, Post-office, Piccadilly.

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Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
Claims Paid	1,140,151	1	8

Copies of the Report, Balance Sheet and Prospectus can be obtained on application to the Head Office.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 28.] SATURDAY, JUNE 19, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

A First Dividend of Sixpence in the Pound has been declared in the matter of a Special Resolution for Liquidation by arrangement of the affairs of WILLIAM BAINES, of No 5 Elsham-road, Kensington, and of 62 Holland-road, Kensington, in the County of Middlesex, House Agent, and will be paid by me at my offices, 150 Leadenhall-street, in the City of London, on Wednesday, the 30th day of June, 1875, or any subsequent Wednesday between the hours of 11 a.m. and 1 p.m.

Dated this 16th day of June, 1875.

JOHN PATTINSON,
Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE HOLDEN AT HALIFAX.

IN the Matter of Proceedings for Liquidation by Arrangement or Composition with Creditors instituted by JOSEPH WILCOCK, of Sowerby Bridge, in the Parish of Halifax, in the County of York, Grocer.

CHRISTOPHER TATE RHODES, of Ward's End, in Halifax aforesaid, Accountant, has been appointed Trustee of the property of the Debtor. All persons having in their possession any of the effects of the Debtor must deliver them to the Trustee, and all debts due to the Debtor must be paid to the Trustee. Creditors who have not yet proved their debts must forward their proofs of debts to the Trustee.

Dated this 14th day of June, 1875.

M. H. RANKIN,
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Solicitor acting in the Proceedings.

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The Accountant.

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The Accountant.

JUNE 19, 1875.

The world, or at any rate that portion of it which takes any decided interest in what is technically, though somewhat vaguely termed jurisprudence, is at present much vexed on the question of Courts of Appeal. Whether the House of Lords is still to remain the supreme tribunal, whether if so any intermediate court should be interposed, or how best we can obtain an authoritative exposition of the true state of the law, without giving too much advantage to the rich man who seeks to avail himself at every possible opportunity of the law's delay, is a problem about whose solution even the collective wisdom of parliament seems to hesitate. In connection with this, there may be mentioned a kind of fallacy which seems to pervade the arguments of all concerned, and that is, that what is termed the law on any point is something which may be ascertained and laid down as positively and exactly as a dogma of physical science. It is assumed that just as a disputed scientific point may be accurately solved by the highest authority, so may a legal point. There lies the fallacy. Scientific truth is truth which lies wholly outside the mind of its proclaimer. His individual bias, his mental crotchets may lead him astray, but they cannot in any way influence the truth of the doctrine. But legal truth rests almost entirely on the prejudices or prepossessions of the judges. As regards plain points of law, there are of course thousands of cases of every day occurrence as to which there can exist no possibility of doubt in the mind of an experienced lawyer. As regards the others, his skill is

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mainly shown in judging what degree of conviction his arguments will convey to the mind of a particular judge.

We are not speaking now so much of the courts of law, but of the courts of equity and bankruptcy. A disputed point in a court of law is brought before several judges, whose decision is given after due consultation with each other. But in equity and bankruptcy the matter is left to the decision of a single judge, whose opinion is absolute both as to the law and the facts, and whose judgment can only be varied by an appeal to a higher tribunal,—an expensive course which many shrink from taking. It is singular to notice how the personal feelings of a single judge may thus influence the law. Every lawyer seeks as far as possible to find some authority covering the case submitted to him, and diligently searches the voluminous pages of the various law reports for the purpose. By any decision which is found he is bound to abide, unless he chooses to persuade his client to try the fortune of an appeal. The decision of a "court of co-ordinate jurisdiction" is always respected, except in very extreme cases, and only a very strong judge will venture to disregard it. The result of this is that, as every lawyer knows, there are many doctrines of law upon which he is bound to act, which rest upon faulty reasoning and individual prejudices, and which may at any moment be swept away by the decision of a superior court. And yet to disregard these would be unsafe, or would argue in the counsel a very accurate perception of the mind of the judge before whom he proposed to lay his case.

The effect, then, of a court of appeal is evident. It can disregard and summarily overrule the decisions of any inferior court, sometimes, it may be, capriciously, but without any question as to its right to do so, and the law then remains in an altered position till some dissatisfied litigant carries the matter to the highest tribunal of all, and sets at rest for ever the manner in which every future judge is bound, whether he likes it or not, to declare the law, or to exercise every refinement of legal subtlety to distinguish one case from another, and so give fresh play to his crotchets or prejudices.

Perhaps in no instance does the administration of the law possess more uncertainty than in the case of bankruptcy. It is administered by officials of all stages of legal rank and knowledge, from the high and dignified Lords down to the humble deputy registrar of some distant county court. Its administrants are subject to a constant series of appeals, from registrar sitting as registrar, to registrar sitting as judge, or to the judge himself. The county court judges are subject to the Chief Judge, and he again is liable to a summary revision of his most careful decisions at the unsympathising hands of the Lords Justices. The consequence of this is that bankruptcy law is in a very unsettled condition, that it is constantly fluctuating, and that the multiplication of appeals renders its administration extremely costly.

We may illustrate this by a case which we report this week of *Ebbs v. Boulnois*, which finally settles the law as to the effect of the granting of an order of discharge to a bankrupt or liquidating debtor before the close of the bankruptcy or liquidation on any after-acquired property. Hitherto it has been held, on the authority of a decision by the chief judge, that such property is liable to the claims of the trustee till the proceedings are finally closed, and upon this assumption registrars and county court judges have been bound to act. The question coming indirectly before the Master of the Rolls, Sir George Jessel said at once that he considered this decision as erroneous, but that he was nevertheless bound to act upon it as emanating from a judge of equal authority with himself. Acting on this hint, the aggrieved plaintiff appealed to the Lords Justices, and they unhesitatingly agreed with the view taken by the Master of the Rolls. Lord Justice James, whose mental constitution is singularly opposed to that of Sir James Bacon, finally disposed of the question in an admirably lucid judgment full of clear reasoning and sound common sense, and the conclusion is in every way most satisfactory. In the mean time, however, many unlucky debtors may have suffered some injustice, and many trustees have innocently incurred a grave responsibility. Doubtless, on the authority of *re Bennett's Trusts*, trustees have felt themselves bound, where an order of discharge has been granted, but proceedings still kept open, to claim property which may have devolved upon the debtor, and to divide it among the creditors. They now learn, for the first time, that in so doing they have been acting wrongfully, and may be exposed to an action at the instance of the debtor, and involved in an expensive and harassing litigation. The "glorious uncertainty of the law" must henceforth possess more interest than charms in their eyes.

There is one final thought that must occur to the mind of every one who considers the point, and that is, as to the necessity of making an authoritative definition

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of the law more easily obtainable. At present, its position is most unsatisfactory. We disclaim any intention of saying any thing that may give pain to a judge of such professional eminence as Sir James Bacon, but the repeated reversals of his decisions which have taken place recently, lead us to suggest that in future appeals which would otherwise be heard by him, should go direct to the Lords Justices, who alone can authoritatively declare the law. Till the Chief Judge, at present, has decided on a case, the decisions of county court judges and registrars are useful only as guidance to suitors of the dispositions and opinions of those before whom they may come. But when revised or confirmed by the judge, their decisions become part of the law of the land on which every one is bound to act till their variation by the Lords Justices finally settles the law, to the general confusion of those who had followed the law as laid down by Sir James Bacon. The Chief Judge would consult his own dignity, as well as the best interests of his country, if he took steps to free himself from the awkward position in which he is placed, by allowing appeals to go straight to a higher court without passing through his hands. Rightly or wrongly, the Lords Justices seem determined to overrule his decision, and he must experience the truth of the saying about the "weaker going to the wall."

As we firmly anticipated, Mr. Brearley Wood has found that a county court judge is less lenient to liquidations which are really illusory, than a deputy registrar, and he may now sadly meditate on the uncertainty of things human, and that perverse ingenuity which leads the functionaries of the law to have regard more to the spirit than the letter of the system which they administer. Certainly, as regards liquidations, debtors have some ground of complaint. The words of the Act are very plain, that all the registrar has to do is to inquire if the resolutions have been passed in the manner prescribed by the Act. But the registrars have taken to inquiring how far the resolutions are beneficial to the creditors, and refusing to register them unless they are satisfied on that point, and the Lords Justices have upheld them in more than one case. This, so to say, equitable jurisdiction, was evoked in the case of Mr. T. S. Webb, when opposing creditors objected to the registration of a resolution, on the ground, amongst others, that the statement of affairs was insufficient. The statement in question displayed a well-known state of things. The debtor had purchased three collieries for £56,700, and proposed to sell them to a company for £172,000, a very moderate proceeding on his part, showing an unusual want of greediness after mere profit. On this purchase the company, it seemed, still owed him £100,000, and it was objected that in estimating the value of this asset as nothing, the debtor was too modest. Mr. Registrar Keene seems to have decided the point, with Solomonic wisdom. He gently reproved the debtor for his modesty, but did not consider the statement so inaccurate as to lead him to refuse his sanction to the registration, observing that if the claim was worth any thing it would be all the better as regarded the dividend. Possibly Mr. Keene's experience in bankruptcy has taught him that the value of claims against companies depends upon the validity of the claim and the ability of the company, and that Mr. Webb, as the person most deeply concerned, might after all be possessed of the best information as to the value of the claim in question.

LIQUIDATION.

It has been the fashion in some quarters to complain loudly of the operation of the Liquidation Clauses of the Bankruptcy Act, 1869, as if they necessarily involved the existence of serious abuses and flagrant injustice. Two considerations might serve to abate the warmth of the opponents of these clauses. The first is, that whenever an important firm is obliged to suspend payment, as in the recent cases of Messrs. Sanderson and Co., Messrs. Fothergill and Hankey, and Messrs. Alexander Collie and Co., it is at least ten chances to one that the creditors will determine to wind-up the estate under those clauses. The second, which is the explanation of the first, may be summed up in the statement that the policy of the Bankruptcy Act, 1869, and particularly of the liquidation clauses of that Act, is to give the creditors absolute control over the management and realisation of assets, which, in fact, are theirs. When the conduct of the insolvents has been reprehensible, and the danger of dissipating valuable assets is at its minimum, creditors are apt to resort to bankruptcy; that is to say, some of them are so disposed, and the remainder have no adequate motive for resistance. In ordinary cases, however, the first thought of the creditor is to minimise his loss, and not to indulge feelings of vindictiveness, and he accordingly adopts the course which alone admits of the most favourable realisation of the assets of the insolvents.

We have never been able to understand upon what principle the old plan of winding-up estates under inspectorship deeds was set aside. In practice its operation hardly differed from that of the liquidation clauses, be-

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cause on either plan a small consultative committee of creditors, with an accountant acting under their advice, control the liquidation. But the relative position of the parties was more truly defined, and less capable of misconstruction, when two or three leading creditors acting as inspectors, were in name, as well as in fact, possessed of full control, and the accountant was employed and could be dismissed by them. Now-a-days, the accountant is trustee, and is nominally master of the situation; and though no responsible man ever disregards the interests, or even the wishes of the creditors, who are his constituents, it is possible to create an impression that he is doing so.

The largest liquidations under the old system were quietly conducted, and in some cases no notice was taken of them by the press after the first month or two of excitement. We know of one of this character where the creditors' claims amounted to at least a million of money, and where it was certain that if the estate were thrown into bankruptcy, a loss exceeding half that sum would have had to be faced by the creditors. The assets were such as to require hundreds of thousands of pounds to be laid out upon them. They included many items, each of which was as complex, and required as much tact and management, as a tedious Chancery suit. What has been the result? The creditors have received twenty shillings in the pound, in meal or in malt, and are extremely well content with the outcome of the affair;—and a small surplus has been realised for the benefit of the debtors. We could not with propriety enter into particulars, and show what further and important public advantage arose from the fact that the estate in question was not liquidated in bankruptcy—how thousands of men were maintained in employment, and a most wasteful interruption of an important industry averted. Those who are engaged in the larger operations of commerce will not need to be told of these things, and those who are interested in comparatively unimportant transactions could hardly be induced to credit them.

One of the most important changes introduced by the liquidation clauses was, that instead of the assent of a certain majority of the *creditors scheduled* being necessary before the registration of an inspectorship deed, it was only those of the creditors *who chose to appear* in person or by proxy at the meeting, who were allowed any voice in the matter. This alteration had its convenient side, inasmuch as trustees and others unwilling to give active assistance in carrying through an arrangement, can now, by simple abstention, avoid becoming unwilling obstacles to it. But it has doubtless enabled things of an objectionable character to be done, which, under the previous system, would probably have been impracticable. Not that creditors have reason to complain of this; for their own supineness is the root of the evil. And creditors themselves, as a class, are not to be regarded as immaculate, any more than debtors. The rule which enables a majority to bind a minority is indeed essential to prevent certain persons from turning to their own account the inconvenience they might occasion to, and even the needless loss they might inflict upon, persons in the same situation as themselves.

WHOLESALE GROCERS AND ACCOUNTANTS' CHARGES.

A correspondent brings under our notice a circular issued by the "Creditors' Association of Wholesale Dealers," which Society is actuated by the firm determination "to prevent the continuance of the unreasonable charges which so materially depreciate the value of nearly every estate." To ensure this end, the Association lays down the stern inflexible rule, that "no professional men shall be engaged who will not consent to have their remuneration regulated by a scale of charges to be hereafter fixed by the Committee."

A quotation from the clauses, under the heading of "Procedure," will serve to indicate the prospective advantages held out in return for the entrance fee of £2 2s., and the annual subscription of £3 3s., which members are required to pay, viz.:—

"When composition bills or final notices of dividends are sent out, a balance-sheet, on a form approved by the committee, shall be furnished to such members as are creditors, showing in detail the receipts and expenses in all estates in which the members are interested.

"When the association undertakes the winding-up of estates, charges shall be made in accordance with the scale approved by the committee, and the amounts so received shall be credited in the accounts of the association.

"A register shall be compiled and kept at the office of the association, containing the name and particulars of each insolvent estate in which any members of the association are creditors, such register to be open for inspection of members only, and to be considered private and confidential."

By way of significant comment upon the circular, and upon the charges against accountants of touting, our correspondent attaches a letter sent by a London firm of solicitors, shadowing forth the cheerful hope of a "handsome dividend," to be obtained, "without any charge," provided Mr. So-and-So is good enough to place his proof and proxy in their hands.

FALSIFICATION OF ACCOUNTS BILL.—In the House of Commons on Friday the Lords' amendments to this bill were considered and agreed to.

WINDING-UP.—A petition for the winding-up of the Oakwell Collieries, Limited, is to be heard before Vice-Chancellor Hall on the 25th inst.—A petition for the winding-up of the Sanitary Milk Company, Limited, is to be heard before Vice-Chancellor Malins on the 25th inst.—A petition has been presented to the Court of Chancery for the winding-up of the New Amicable Life Assurance Company, Limited.

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Correspondence.

BANKRUPTCY REFORM.

To the Editor of the Accountant.

SIR,—Week after week I read letters and statements in your valuable paper, all bearing upon the Bankruptcy Laws and proposed alterations in the present Act. I have no hesitation in declaring myself to be a professional accountant; and as I attend, upon an average, a meeting a day, either for debtor or creditor, I fancy I can see a very short way out of all difficulties. Imprisonment for debt is done away with, and therefore I am willing to admit there is in that fact alone increased facility for persons to get into debt, and for traders to keep their books improperly, —in some cases, positively keeping no books at all, in order that no clue may be found to their mode of transacting business. If an act of parliament was passed by which all insolvents must wind-up in the Bankruptcy Court, and that composition meetings and liquidation meetings should be done away with, the stigma of bankruptcy would be attached to all those persons who could not pay 20s. in the pound. I may mention the practice that is adopted in Holland, viz. that all traders should every year, or within three months from the expiration of that year, make out a balance-sheet showing their assets and liabilities; and in default of their having kept books and documents from which such a balance sheet could be made, they would be deemed guilty of fraud on their creditors, and could be prosecuted accordingly. Whether there would be fewer failures or not, I do not pretend to say; but it would be a much more satisfactory state of things. The comptroller would be the supervisor of every estate; the creditors could, as they do now, appoint their own trustee and a committee of inspection, limiting the remuneration to any reasonable scale of charges that they think fit, both of solicitor, accountant, or any other professional trustee. If any one else has already made these suggestions, I trust that you will insert this letter for the purpose of giving the matter further ventilation. I may add a few words with regard to what would be the position of creditors. If they chose to compound with an insolvent debtor, they might do so under a private arrangement, having regard to their individual debts; but there would be no law to bind the dissenting creditors.

I am, Sir,
Your obedient servant,
W. L. C. B.

June 10th, 1875.

In the last financial year the pensions for judicial services in Great Britain amounted to £58,681 3s. 3d., and in Ireland to £17,258 18s. 3d.

A legal contemporary says:—"We have heard much of late about offences against protective statutes, committed by County Court agents and persons who call themselves, and are called and sometimes act as accountants, and also by auctioneers and estate agents. Of even greater importance is the growing tendency on the part of "official liquidators" to undertake solicitors' work. We hear of cases in which summonses have been prepared, affidavits drawn and filed, and copies taken by these gentlemen or their subordinates acting on instructions. This is likely to become a serious evil, and it behoves the officials of the Court of Chancery to arrest it at once by vigilance and, if necessary, rules and orders to meet the difficulty."

COURT OF CHANCERY.

June 11.

(*Before the* LORDS JUSTICES *of* APPEAL.)

EBBS v. BOULNOIS.—This appeal from a decision of the Master of the Rolls involved a very important question with regard to bankruptcy or liquidation by arrangement—viz. what is the effect of the grant of an order of discharge to a bankrupt or liquidating debtor before the close of the bankruptcy or liquidation; does it release from the claims of the creditors the after-acquired property of the bankrupt or debtor. Section 15 of the Bankruptcy Act, 1869, provides that the property of the bankrupt divisible among his creditors shall comprise (*inter alia*) "All such property as may belong to or be vested in the bankrupt at the commencement of the bankruptcy, or may be acquired by or devolve on him during its continuance." By section 47, "When the whole property of the bankrupt has been realised for the benefit of his creditors, or so much thereof as can, in the joint opinion of the trustee and committee of inspection, be realised without needlessly protracting the bankruptcy, or a composition or arrangement has been effected," the trustee is to make a report to the Court, and the Court, if satisfied, is to make an order that the bankruptcy has closed. By section 48, "When a bankruptcy is closed, or at any time during its continuance, with the assent of the creditors testified by a special resolution, the bankrupt may apply to the Court for an order of discharge," which is not to be granted unless it is proved to the Court that one of certain specified conditions has been fulfilled. Section 49 provides that an order of discharge is to release the bankrupt from all debts provable in the bankruptcy, except debts incurred by fraud or breach of trust, and Crown debts. Section 125, which relates to liquidation, provides that, so far as they are applicable, all the provisions of the Act shall apply to liquidation just as to bankruptcy, with certain modifications, amongst which are these, that the close of the liquidation may be fixed and the discharge of the debtor granted by a special resolution of the creditors in general meeting, "at such times and in such manner, and upon such terms and conditions as the creditors think fit." Joseph Ebbs, the plaintiff in this suit, is a builder at Maida-hill. In June, 1871, he and his then partner filed a liquidation petition. On the 28th of June, 1871, their creditors resolved on a liquidation by arrangement, and that the discharge of the debtors should be granted forthwith. No time was fixed for the close of the liquidation, which was not closed when this suit was instituted. In July, 1871, the plaintiff commenced business again as a builder, and on the 27th of November, 1874, he entered into an agreement with the defendant, J. A. Boulnois, to sell him the lease of a piece of ground in Portsdown-road, which lease the plaintiff had acquired since he obtained his order of discharge. The object of the suit was to enforce the specific performance of this contract, the defendant having objected to complete it on the ground that, the liquidation not having been closed, the property was vested in the trustee for the benefit of the creditors. The defendant demurred to the bill on this ground. The Master of the Rolls felt himself bound to allow the demurrer by reason of a previous decision of Vice-Chancellor Bacon, "in re Bennett's Trust" (*Law Reports*, 19 Eq., 245) to the effect that, though an order of discharge is granted to a liquidating debtor, yet, if the liquidation is not closed, the debtor's after-acquired property passes to the trustee. The Master of the Rolls, in giving judgment, intimated that his own opinion differed from that of the Vice-Chancellor, though he felt it his duty to follow the decision of a Court of co-ordinate jurisdiction. The plaintiff appealed. Mr. Chitty, Q.C., and Mr. Daniel Jones, for the appellant, contended that an order of discharge would have no effect at all unless it released the after-acquired property of the debtor. Mr. Roxburgh, Q.C., and Mr. Creed, in support of the demurrer, relied upon the express words of section 15. Lord

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Justice James said that the point raised was a very important one, and one upon which he had formed a very clear, decided, and unhesitating opinion; an opinion which, as his Lordship understood, was in exact accordance with that of the Master of the Rolls, though it was adverse to the decision which he felt himself bound, by the authority of the case before Vice-Chancellor Bacon, to give. The Vice-Chancellor proceeded upon the ground that because the close of a liquidation and the granting of an order of discharge are distinct things, therefore all property acquired by the debtor prior to the close of the liquidation passes to the trustee. His Lordship agreed with the Vice-Chancellor's premises, but not with his conclusion. The argument on the one side was that "discharge" means discharge, and that could not be controverted; the argument on the othe side was that "continuance" means continuance, which was equally incontrovertible. No doubt, one section of the Act said that all property acquired by the debtor during the continuance of the bankruptcy was to vest in the trustee; but another section said that the debtor might, during the continuance of the bankruptcy, be discharged from all his debts, with certain exceptions, which must surely mean that he was to be a free man with respect to them. It would be a monstrous conclusion if the contention of the respondents were to prevail. If a debtor gave up to his creditors property worth half a million of money, and it happened to be detained in Court for years by the existence of such a suit as that of "Powell v. Elliot," which commenced before his Lordship was Vice-Chancellor, and was not yet concluded, so that the assets could not be realised, and for that reason the bankruptcy or liquidation must be continued,—it would be monstrous if, in such a case, the debtor must remain a pariah or an outlaw, incapable of acquiring any thing but his wearing apparel, until the bankruptcy or liquidation was closed. If he was minded to adopt the profession of a lawyer, he could not buy a library; if he wished to become an actor, he could not purchase the necessary wardrobe for the performance of his parts. Was he to be left for years in that position, while a man who had left himself with nothing but bare poles could have his bankruptcy closed almost at once, and obtain an almost immediate discharge of his after-acquired property? It would be very startling if that were the intention of the Legislature. It appeared to his Lordship that the Act had very clearly provided for this case. During the continuance of the bankruptcy the man might apply for an order of discharge, and by a discharge was meant a discharge with all its consequences. Section 15 must be read as if it had been expressly made "subject to the *proviso* hereinafter contained in section 48." Common sense must be applied to reconcile the two enactments. If there seemed to be two inconsistent enactments, then it must be seen whether the one could not be read as qualifying the other. His Lordship thought that, looking at all the sections together, the thing was perfectly clear, and that the decision of the Master of the Rolls was wrong. Lord Justice Mellish was of the same opinion. He agreed that the question was one of considerable importance. He had no doubt that both in bankruptcy and liquidation, the order of discharge freed the debtor from all the provable debts, with the exceptions mentioned in section 49, and that his future assets then belonged to him, and that the creditors were not entitled to have them applied in payment of their debts. His Lordship quite agreed that section 15 said in very plain terms that all property acquired by the bankrupt during the continuance of the bankruptcy was to vest in the trustee; and he also agreed that the bankruptcy continued until it was closed, and unless section 15 was modified in some way all the assets acquired by the bankrupt until the close of the bankruptcy would go to the creditors. Under section 47, the Court would have no power to order the close of the bankruptcy until all the property was realised, or so much as could be realised without needlessly protracting the bankruptcy. So that if the argument of the respondent was well founded, no bankrupt, even with the assent of all his creditors, could hold any assets he might acquire to his own use, until all his assets were realised. That would be a novel and extraordinary provision. However deserving the bankrupt might be, though all his creditors wished to set him free, and the Court thought it just to do so; though his bankruptcy had arisen only from misfortune, and his assets might take years to realise,—yet till they had all been realised it would be impossible that his future acquired property should be free. Such a construction would very much diminish the power of the creditors. Then what did Section 49 mean by saying that an order of discharge should release the bankrupt from all ordinary debts provable in the bankruptcy? He was to be in the same position as if all the creditors had actually released him. If they had done so, could they claim his future assets in payment of their debts? If the debts were to be released, did not that mean in its plain and natural sense that the man's future property was to be his own? Section 48 was really a *proviso* qualifying section 15. The debtor might apply for an order of discharge at any time during the continuance of the bankruptcy. If he obtained it, was it possible that it merely meant that during the continuance of the bankruptcy no action would be brought against him by the creditors? He did not want that protection, for, so long as the bankruptcy continued, the Court would restrain any such action. The order of discharge was treated by the Act as a great boon, whereas, if the respondent was right, it was no boon at all. It must have been intended that by an order of discharge the bankrupt was to be absolutely released from all his debts, and that his after-acquired property was to be released too. His Lordship was of opinion that that was the true construction of the Act.

In re the City and County Bank (Limited).—An appeal from the order recently made by Vice-Chancellor Bacon for the compulsory winding-up of this company, was opened this afternoon, but after some discussion the hearing was adjourned to Wednesday, the 23rd inst., to enable the petitioner to answer some affidavits filed by the appellants. No proceedings are to be taken meanwhile under the winding-up order.

VICE-CHANCELLORS' COURTS, Lincoln's Inn.

June 11.

(Before Vice-Chancellor Sir C. Hall.)

In re the Air Gas Light Company (Limited).—This was a winding-up petition by a creditor and contributory of this company, which was formed in September, 1872, with a capital of £200,000, in 40,000 shares of £5 each. Mr. Dickinson and Mr. Graham Hastings were for the petitioners; Mr. W. Pearson, Q.C., Mr. Simmons, Mr. Hunter, and Mr. Byrne for various parties, supported the petition; Mr. Osborne Morgan, Q.C., Mr. W. W. Karslake, for the company, and Mr. Oswald, for shareholders, opposed. The Vice-Chancellor made the usual compulsory order.

June 12.

In re the Wernpistall Colliery Company (Limited).—This creditors' winding-up petition was again mentioned this morning, and an order was made that if the company should on or before Wednesday next pay the amount of the petitioner's debt into Court in the action which they had brought against the company, then the voluntary winding-up of the company should be continued under the supervision of the Court; but, if not, the usual order for a compulsory winding-up must be made. Mr. Dickinson, Q.C. and Mr. F. C. J. Millar were for the petitioners; Mr. Warmington for a creditor; and Mr. Karslake, Q.C., and Mr. Graham Hastings for the company.

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ROLLS' COURT, Chancery-Lane.

June 12.

(Before the Master *of the* Rolls.)

In re Phœnix Bessemer Steel Company (Limited).—An order was made to continue the voluntary winding-up of this company under the supervision of the Court. Mr. Fischer, Q.C. and Mr. C. C. Price appeared in support of the petition; Mr. Bush for the company; and Mr. Everitt for a mortgage creditor.

COURT OF BANKRUPTCY.

June 11.

((Before the Hon. W. C. Spring-Rice.)

In re the Hon. W. F. O. O'Callaghan, M.P.—This case was again before the court. Mr. Finlay Knight and Mr. Percy Gye appeared on behalf of the trustee in support of a motion for a declaration that a certain memorandum in writing, dated Dec. 26, 1874, made by the bankrupt in favour of Messrs. Hummel and Co., hosiers, of Old Bond-street, was a fraudulent transfer or conveyance of property, and that such memorandum or charge was void against the trustee, and ought to be delivered up to be cancelled. Evidence in support of the motion had been taken, and the respondents did not appear. His Honour accordingly made an order as prayed.

June 12.

(Before the Hon. W. C. Spring-Rice, *sitting as Chief Judge.)*

In re Henry Benson.—The debtor is a manufacturer, carrying on business in Milton-street, Cripplegate, and at East Grinstead. His debts are estimated at about £12,000, and assets £3,000. Upon the application of Mr. Rooks, his Honour appointed Mr. Lovering, accountant, Gresham-street, receiver and manager, and granted an interim injunction restraining actions.

In re Simpsom and Baker.—The debtors, described as builders, of 241 Tottenham-court-road, and also carrying on business at Acton, have filed a petition for liquidation. Their debts are estimated at £20,000, and assets £28,000. Upon the application of Mr. G. W. Barnard, his Honour appointed a receiver and granted an interim injunction.

In re Edward M. De Bussche.—The bankrupt was a steamship owner, carrying on business at Ryde. This was a sitting for public examination, the proceedings having been transferred from the Hampshire County Court held at Newport. The unsecured debts are returned at £89,177, and there are further liabilities to about the same amount, with assets £19,250. Mr. Brough appeared for the trustee; Mr. Finlay Knight for the bankrupt. His Honour granted an adjournment, with the view to the completion of additional accounts required by the trustees.

In re Edward Corry.—The bankrupt, a merchant, of 8 New Broad-street, recently filed a petition for liquidation, his liabilities being estimated at about £200,000, with assets of considerable value, the precise amount not being yet ascertained. Mr. Bowen (Wansey and Bowen) renewed an application for the appointment of a receiver and manager, stating that creditors to the extent of £117,000 concurred. His Honour appointed Mr. Glegg, accountant (Quilter, Ball, & Co), receiver and manager of the property.

June 15.

(Before Mr. Registrar Roche, *sitting as Chief Judge.)*

In Re G. H. Browning.—Mr. Congreve applied under proceedings for liquidation by arrangement instituted by the debtor, for the confirmation of the resolutions of creditors. The debtor, who was a refreshment contractor, carrying on business at various stations on the Great Western Railway, failed in February, 1873, and the business had since been carried on by the trustee for the benefit of the creditors. Dividends amounting to 10s. in the pound had already been declared, and the debtor proposed to pay to the trustee a sum sufficient for payment of the remaining 10s., the creditors agreeing to forego interest. The accounts showed liabilities of £24,511, and a surplus. Mr. Munn, for the debtors, supported the application. His Honour reserved his decision, so that he might examine the resolutions.

(Before Mr. Registrar Keene.)

In Re Thomas S. Webb.—This debtor presented his petition for liquidation in January last, describing himself as a colliery proprietor, carrying on business at 85 Gracechurch-street. At the first meeting resolutions were come to for liquidating the estate by arrangement with a trustee and committee of inspection. On Tuesday last an application was made to the learned registrar to register the resolution, but a very strong opposition was made both to the resolution and also to various large proofs of creditors. The consideration of the objections was before the Court for four days, and then the learned registrar reserved his judgment. His Honour, after briefly reviewing the facts of the case, said that the objection to registration was based upon the grounds that the statement of affairs was irregular in form, untrue, and insufficient. He could not help thinking that the statement was insufficient, but not so much so as to warrant a refusal to register. It had appeared from the evidence that the debtor, after purchasing three collieries for £56,700, had agreed to sell them to the Consolidated Collieries Company for £172,000, and in his statement had appeared a claim against this company for £100,000. This claim, however, he had estimated to be worth nothing, and upon this item the counsel for the objector had principally based his argument. He thought that in the event of this turning out to be of any value, it would be so much additional assets available for dividend. The insufficiency was not, in his opinion, material, and he should overrule the objection, and direct registration. Mr. Morley (Morley Shirreff) appeared for the debtor; and Mr. Hemming (instructed by Messrs. Miller and Wiggins) for the objecting creditors.

June 16.

(Before Mr. Registrar Murray, *sitting as Chief Judge.)*

In re Dows, Clark, & Co.—This was an application on behalf of a creditor for an order that a resolution to accept a composition should be taken off the file, and that an adjudication of bankruptcy should be made. Mr. De Gex, Q.C., and Mr. Bush Cooper were counsel for the applicant; Mr. Winslow, Q.C., and Mr. Anderson for the respondents. The debtors, who were manufacturers of soda-water machines, carrying on business at Compton-house, Frith-street, Soho, presented their petition for liquidation in December, 1874, and at the first meeting the debtors made an offer of a composition of 3s. in the pound, payable, as to 2s. one month after registration, and as to the remaining 1s. at 12 months. The necessary majority of the creditors accepted the proposal, and the resolution was afterwards confirmed, and duly registered; and the present application was based mainly upon the ground that the statement of the affairs of the debtors produced at the meetings did not correctly represent the particulars and the value of the assets. The greater portion of two days having been occupied in hearing the arguments of counsel, and reading the very voluminous affidavits filed on either side, Mr. Winslow, Q.C., now referred to some correspondence which had passed between the parties, and said that the debtors, being desirous of standing well with their creditors, intended to call a meeting under the 126th section for the purpose of varying the terms of the com-

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position by increasing the amount already accepted to the extent probably of 1s. in the pound, if possible. His Honour, by consent, ordered an adjournment, either side to be at liberty to apply.

June 17.

(*Before Mr. Registrar* BROUGHAM, *sitting as Chief Judge.*)

IN RE HOFFENBACH.—The debtor, Leopold Hoffenbach, described as a merchant, of 72 Watling-street, has filed a petition for liquidation, his debts being estimated at £10,000, of which a portion will probably run off, with assets £1,400, consisting of stock, book debts, and other items. Mr. Cordwell, for the debtor, and with the concurrence of creditors, asked that Mr. Soppett, accountant, should be appointed receiver, and for an interim restraining order. His Honour granted the application.

IN RE CORNELIUS BENNETT HARNESS.—The debtor is an importer of foreign goods, carrying on business at 33 Aldersgate-street, and at Paris, and he has also a retail business in the Strand. He presented a petition to this Court a few months ago, and at the first meeting a resolution was passed, and afterwards duly registered, for a liquidation by arrangement. The debtor had since proposed a scheme, which the creditors accepted, that he should purchase the whole of the assets (with a trifling exception) for the sum of £3,000, payable by three instalments at five, ten, and 15 months, secured by the joint bond of the debtor and his father, the debtor also paying the costs of the liquidation. The assets were estimated at £5,222. The officer in the liquidation department (Mr. Lamb), having regard to the discrepancy in the figures and other circumstances, declined to certify that the proposal was fair and reasonable, but it appeared from the statement of the trustee that considerable depreciation had occurred in the value of the assets. Mr. Bush Cooper now asked the Court to approve the arrangement. His Honour held that the resolutions were not in the nature of a scheme under the 28th section, and declined to make the order. He said that if the trustee chose to sell the property upon the terms of the resolutions, he must take the responsibility upon himself. Application refused.

LORD MAYOR'S COURT.

June 12.

(*Before the* RECORDER *and a Common Jury.*)

SPRUNT v. CARR.—This was an action to recover £10 on a bill of exchange, to which the plaintiff pleaded "never indebted," and "that the bill was given on account of a fraudulent preference to a creditor." Mr. Lewis appeared for the plaintiff, and Mr. Kemp for the defendant. The defendant filed a petition for liquidation in bankruptcy, and offered 6d. in the pound. Mr. Sprunt, who was a creditor for £237 11s. 4d., dissented at the meeting of creditors. However, resolutions were passed to take the composition offered, but, happening to be informal, the registrar of the Bankruptcy Court refused to register them. A second meeting was held, at which Mr. Munns, of the firm of Lewis, Munns, and Longden, of Old Jewry, signed the resolutions on behalf of Mr. Sprunt, as a consenting creditor. Previously to this Mr. Plunkett, the defendant's solicitor, had entered into an arrangement with Mr. Munns that he would buy Sprunt's debt for £51, of which £21 was to be paid by Mr. Plunkett within a limited time, and Carr was to give three bills of exchange for £10 each, and this was one of them. Mr. Plunkett paid the £21, but he was not to be held responsible for the payment of the three bills of exchange. The £21 he paid out of the defendant's money. The Jury gave a verdict for the plaintiff on the plea of "never indebted," and for the defendent on the plea of "fraudulent preference to a creditor." This was virtually a verdict for the defendant, but the legal point will have to be argued hereafter.

COURT OF BANKRUPTCY, DUBLIN.

June 11.

(*Before the* HON. JUDGE MILLER.)

IN RE WILLIAM ARMSTRONG, OF BELFAST.—The bankrupt had been a bill discounter, and the passing of his final examination was opposed by the assignees, on the ground that a sum of £14,000 and other items had not been satisfactorily vouched. This case excited some interest, Mr. Purcell, Q.C., and Dr. Seeds. appeared for the assignees; and Mr. Carton for the bankrupt. He was examined in the matter of two steamboats which he had owned in conjunction with three other persons, but stated that he had no book of account which would show the working of the steamers; but he got £600 out of the £1,800, for which they were sold. The learned judge adjourned the case for a report from the official assignee, consequent on the bankrupt's filing an amended account, adding, "that it was a case which should be investigated to the utmost."

HALIFAX COUNTY COURT.

(*Before Mr.* GIFFARD.)

RE HANSON, PICKLES & CO.—Mr. West, barrister, Leeds, who was instructed by Mr. G. Rhodes, appeared in support of a motion by Messrs. C. T. Rhodes and J. J. Learoyd, who were trustees under the above bankruptcy, to restrain Mr. Thomas Fleming, card maker, owner of West-grove Mill, and Wm. Holdsworth, auctioneer (Mr. Fleming's agent), from proceeding to sell certain property belonging to the estate of the bankrupt which the respondents had distrained. Mr. Judd opposed the motion. The bankrupts, six in number, recently traded as stuff manufacturers, occupying premises at West-grove Mill, Mr. Fleming being the landlord. They were adjudicated bankrupts on the 24th of March, and being in arrears with their rent, Mr. Holdsworth, acting under the instruction of Mr. Fleming, distrained on the machinery, which it transpired had then already been sold. Mr. West stated that the respondents distrained for a quarter's rent; but as the bankrupts had always paid the rent half-yearly, he contended that the distraint was contrary to law. Several witnesses, principally members of the firm of bankrupts, were called in support of the motion. On behalf of the defence Mr. Fleming was called and said that although the bankrupts did not pay their rent regularly, it was understood when they rented the premises that it was to be paid quarterly. Various points of law were argued at great length, and ultimately the case was adjourned to enable the production of further evidence.

MOTION AGAINST A LATE BANKRUPTCY TRUSTEE.—Mr. West, barrister (instructed by Mr. Rhodes), appeared in support of a motion by Mr. Jno. Alderson, the present trustee under the liquidation of the late Jacob Stead, the motion having being directed against Mr Robert Frederick Beswick, accountant, who was the late trustee of the same liquidation. The application was for an order to compel Mr. Beswick to deliver up to the present trustee all books, papers, documents, monies, and effects belonging to Stead's estate. On Stead filing his petition, Mr. Beswick was regularly appointed as trustee, but at a subsequent creditors' meeting it was thought there was strong ground for wishing that Mr. Beswick should no longer remain trustee, and a meeting representing one-fourth in value was called under rules 304 and 305, at which it was resolved to remove Mr. Beswick from the trusteeship and appoint Mr. John Alderson in his room. This meeting took place on the 26th ult. The resolution was registered, and Mr. Alderson's solicitor wrote to Mr. Beswick's solicitor, giving him notice of the change of trustees, and requesting him to inform his client to give up all books, &c , in his possession

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relating to the bankruptcy.—Mr. England, on behalf of Mr. Beswick, said there could be no doubt, if Mr. Alderson was duly appointed, that he was entitled to the books, papers, and other things, and Mr. Beswick had given up everything, before these proceedings were taken. Mr. West said this was only a preliminary to what would take place shortly. Mr. Beswick had not given up everything. On the 24th of May his costs, as trustee, were taxed at £10 18s. 11d., and there was Mr. Beswick's own statement showing that he had included amounts which were not allowed to him on the taxation. The Judge made the order asked for with costs.

STONEHOUSE BANKRUPTCY COURT.

Before Mr. M. FORTESCUE, *Judge.*

RE DAVID MCCALLUM.—Mr. Dawe for the assignees; Mr. Elliot Square for the holder of a bill of sale.—The question here was as to the validity of the bill of sale, and whether the assignee under the bill exercised his powers in time.—Mr. Dawe stated that Mr. McCallum was outfitter and loan agent, and agent for an insurance company. On the the 19th February last he applied to Mr. Jago to lend him £175 on security of his furniture and effects. This was done on that day, and a bill of sale executed. Under that bill Mr. Jago had the power at any time to claim the money with 6 per cent. interest, and to take possession within twenty-four hours if it was not paid. On the 13th April Mr. McCallum filed his petition for liquidation, and on that day Mr. J. E. E. Dawe took possession as receiver. On the same day, and after Mr. Dawe had taken possession, Mr. Jargo sent in a man under the bill of sale. The first meeting under the liquidation was held on the 7th May, and it was then resolved that the estate should be wound up in bankruptcy. The act of bankruptcy was the filing of the petition in liquidation. On the same day Mr. Dawe was appointed receiver under the bankruptcy; and on the 27th of May he was appointed trustee. The validity of the bill of sale and Mr. Jago's rights were impeached on two grounds—first, that Mr. Callum was not properly described in the bill of sale and affidavit; and secondly, that the goods were in the order and disposition of the bankrupt at the time of the act of bankruptcy. Mr. McCallum was described in the bill of sale as an insurance agent, whereas his debts were contracted as an outfitter and loan agent, and he (Mr. Dawe) believed he was so described with intent to mislead. However, even if the bill of sale was good, under the 15th section of the Bankruptcy Act, sub-section 5, the property referred to therein was divisible among the creditors. The commencement of bankruptcy was the filing of the petition, and up to that time no action had been taken under the bill; and the goods were in the order and disposition of the bankrupt. The bankruptcy, he held, was a continuation of the liquidation proceedings.—Mr. Square contended that the description of the grantor as insurance agent was sufficient In point of fact, Mr. McCallum had been an insurance agent before he was an outfitter, and the outfitting business until recently had been carried on by Messrs. McCallum and Wotton. Insurance agency was McCallum's original business, and that which he had carried on longest and continuously. To describe him as an insurance agent was not, therefore, a misdescription which would invalidate the bill of sale or mislead his creditors. There was no question as to the *bona-fides* of the transaction, and that it came under the 96th section of the Bankruptcy Act.—His Honour pointed out that the goods had not been taken possession of until after Mr. Jago had had notice of the act of bankruptcy.—Mr. Spuare referred to the Bills of Sale Act, as providing that if bills of sale were not filed they should be null and void against assignees; and quoted Vice-Chancellor Malins as holding thereon that if registered a bill would not be so void. In another case it was held by Chief Justice Bacon that goods under such a bill of sale were not in the order and disposition of the bankrupt.—Mr. Dawe said that in another case Chief Justice Bacon recalled this.—Mr. Square rejoined that the Chief Judge had only commented on the former judgment, but had not given his reasons; and insisted on his contention under the Bills of Sale Act.—Mr. Dawe having replied, his Honour ordered the case to stand over for judgment, intimating, however, that his impression was against Mr. Square.—It was agreed that, pending the decision, the trustee should sell the goods and hold the money.

NOTTINGHAM COUNTY COURT.

June 10.

(Before MR. R. WILDMAN, *Judge.)*

RE NIGHTINGALE, *ex parte* TOMLINSON.—Mr. Cranch, on behalf of the trustee, made an application to the Court that Charles Tomlinson should be ordered to deliver up to the trustee certain goods in his possession which belonged to the estate of a bankrupt, Henry Nightingale, lace manufacturer, of Nottingham. Mr. Lees, jun., appeared for Tomlinson, who acted as agent in London for the bankrupt. Charles Tomlinson said his understanding with Nightingale was that he should have a commission upon all goods sent direct from Nottingham; but at Christmas Mr. Nightingale sold some goods, but he (witness) did not get his commission. Some goods were sent to him in London after he knew the petition had been filed, and he sold those goods, holding that they had been transferred to him. Mr. Cranch produced a letter written by the trustee, Mr. Press, to Tomlinson, asking him to return any goods he had in his possession belonging to the estate; and requesting him to state if any commission was owing him, and if so, it would receive immediate attention. No reply was made to the letter, but in answer to a subsequent one, he said he had no goods belonging to Mr. Nightingale, and he had sold the goods he had to clear the debt which he said was owing him by Mr. Nightingale. The debtor, Henry Nightingale, said Tomlinson had received goods on 23rd November, to the amount of £25 18s. 10d., and on the 17th goods amounting to £7, but no account had been rendered of these things. He went with the trustee to Tomlinson's place in London, and saw some of the goods. Tomlinson took him aside, and wrote on a slip of paper, "Shall I tell him where the goods are?" and he wrote back, "You must give up every thing." He promised Tomlinson some money, but denied having given him authority to sell any thing to pay his commission. His Honour ordered Tomlinson to deliver up all the goods in his possession, and to pay £10, with the costs of the application.

DELAYS IN WINDING-UP.

"Reformer" writes as follows to a contemporary:—

"If some member of parliament were to obtain a return of the companies which have been under liquidation since the Act of 1862, showing in each case the amount of liabilities, the amount realised, and the proportion absorbed by the liquidator and solicitor as compared with the amount per pound paid to creditors, it would reveal a state of things which could not fail to impel speedy legislation to reform the present monstrous system. I believe nothing can be more disadvantageous to the general interests of a great commercial community than procrastination in winding up the estates of insolvent debtors, whether companies or individuals. That this view is held generally by all the principal mercantile men is attested by the readiness with which they accept small prompt compositions from their debtors rather than submit to the delay of the ordinary Bankruptcy proceedings, which do not average as many months as liquidation of companies does years, while the expenses are also less in proportion. The loss to

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the general interests of the community by protracting the state of suspense of the thousands of persons who are under liabilities to companies in liquidation is incalculable, as all persons during such circumstances abstain more or less from engaging their capital in business, in order to be prepared to pay when their exact liability is ascertained, or to evade the payment altogether if the claim be ruinous. I don't at all doubt but many cases may be quoted whereby contributions have been obtained after five or ten years from persons who were unable to pay sooner; but these few cases could never compensate for the general loss to the industry of the country by the system of procrastination. Any loss to creditors of insolvent companies by a short, sharp, and decisive course of winding-up would be a far lesser evil than that under which the country is now groaning. Better, if necessary, to pass a law that no shares should be legal unless fully paid up, and that no joint-stock company should take credit. It is, however, idle to suppose that these extremes would be necessary, for surely there can be no difficulty in discovering a radical improvement upon the present universally condemned practice."

APPOINTMENTS.

[The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.]

Mr. John Henry Champness, 10 Basinghall-street, Public Accountant, has been appointed trustee of the estate of Mr. William Talley, Slough, solicitor, in liquidation. Mr. Talley was a candidate for the representation of Buckingham in the present parliament.

The Master of the Rolls has appointed Mr. James Waddell, of Mansion House-chambers, Queen Victoria-street, official liquidator of the Universal Disinfector Company, Limited.

Vice-Chancellor Hall has appointed Mr. J. Waddell and Mr. Hunter provisional official liquidators of the Oakwell Collieries, Limited.

CREDITORS' MEETINGS.

J. C. IM THURN AND CO.—At a meeting of the creditors of Messrs. J. C. im Thurn and Co. held on Wednesday, the statement of affairs submitted by Messrs Turquand, Youngs, and Co. showed an estimated total of liabilities of £513,806, against estimated assets £431,104, of which £156,644 are available. It was agreed to accept an immediate payment of 5s. in the pound, and a deed is to be registered by which the partners covenant to realise the remainder of the estate and pay over the proceeds to the three trustees, Messrs. Kleinwort, M'Andrew, and Young, for the benefit of the creditors. Further distributions will from time to time be made as assets are realised, and interest at the rate of 5 per cent. is to be paid in addition. It is not improbable, we understand, that the ultimate realisation of the estate will show 15s. in the pound.

FORBES & CO. (DUNDEE).—A meeting of the creditors of Messrs. Forbes, Hupeden, and Runge, import and export merchants, who carry on business in Dundee and Belfast, and whose liabilities amounted to about £35,000, was held in Belfast on Friday afternoon, when an offer was made of 7s. 6d. in the pound, to be paid in four quarterly instalments, security to be given for the last.

SMITH & DAVIDSON (GREENOCK).—At a meeting of the creditors of Smith and Davidson, grain merchants, Greenock, held on Friday, a composition of 13s. 4d. in the pound was unanimously accepted.

W. MARSDEN (SHEFFIELD).—A meeting was held on Friday at the offices of Messrs. Watson and Esam, of the creditors of Mr. William Marsden, ivory merchant, but now out of business, of Burngreave-road. Mr. Macredie read a statement of accounts, which showed unsecured creditors £8,670 19s. 6d., creditors fully secured £1,835. The assets were valued at £330. On behalf of the debtor, an offer was made of 1s. in the pound, payable in cash on 25th June. The meeting agreed to accept the composition. Mr. Macredie was appointed trustee.

I. D. WADDY (SHEFFIELD).—A meeting of the creditors of Mr. I. D. Waddy, auctioneer, valuer, and estate agent, of Leyland-villa, and Bank-street, Sheffield, was held in the Cutlers' Hall, on Friday. A statement of accounts was read by Mr. E. S. Foster, showing total liabilities ranking against the estate £7,569 8s. 6d., and assets £539 15s. 2d. It was unanimously resolved to wind up the affairs by liquidation, and not in bankruptcy, Mr. E. S. Foster, being appointed trustee.

J. VERITY (LEEDS).—John Verity, of Pudsey, near Leeds, draper and outfitter, was adjudicated bankrupt on the 15th inst., Mr. Alexander Atkinson, accountant, Bradford, being appointed receiver and manager. Messrs. Terry and Robinson, of Bradford, are the solicitors acting in the bankruptcy.

JOHN TOWNEND (CLECKHEATON).—A meeting of creditors was held herein at the offices of Messrs. Lancaster and Wright, solicitors, Bradford, on Monday, the 14th inst. Liquidation was resolved upon, Mr. Atkinson, accountant, being appointed trustee, with a committee of inspection, Messrs. Lancaster and Wright were entrusted with registration of the resolutions, and appointed solicitors to the trustee.

F. MILNES (SHEFFIELD).—A meeting of the creditors of Mr. Francis Milnes, confectioner and eating-house keeper, Castle-street, was held at the offices of Mr. Joseph Brailsford, jun., solicitor, Figtree-lane, on Friday. Mr. William Crowther was voted to the chair. Mr. Brailsford opened the proceedings by explaining that the meeting had been called on behalf of the trustee, Mr. Unwin Wing, to ascertain the feeling of the creditors with regard to certain property which the debtor had become possessed of during his liquidation. The debtor had had his discharge at the first meeting, so long ago as 1871. The liquidation proceedings, however, had not been closed, and by recent decisions there could be no question that any property coming into the possession of the debtor before the close of the proceedings became vested in the trustee. Mr. Wing said when Mr. Milnes met his creditors three or four years ago it was understood that he had some property at Upperthorpe, and that it was mortgaged above its value to Mr. Ibberson. The mortgagee got them to reserve a certain amount of dividend, as he had a right to do so. The matter stood over for a very long time. Ultimately, at a meeting of the mortgagee and the committee of inspection, it was arranged that they should sell the property through Mr. Harvey, and each party pay half the costs. It was offered for sale, but was not disposed of. A portion of it had since passed through several hands, and Mr. Ibberson, when asked for a statement of accounts, said he would relieve the trustees of any dividend, and the estate was thereupon closed three or four months ago. It seemed that this property had, since the date of the liquidation, come back to the debtor by purchase. Mr. Wing further stated that the debtor had become possessed of some property at Askham, near Retford. It consisted of seven acres of freehold. It was situated near some other property which was actually mentioned in the statement, and Mr. Milnes had come into possession of it by his brother's death. Mr. Brailsford said that by recent decisions this property, like the other at Upperthorpe, belonged to the creditors, because the debtor's liquidation was still unclosed. Mr. Harvey said if they were determined to take the property from Mr. Milnes, after the latter had been under the impression that his affairs had been fairly settled, the new creditors would also come forward and "join at the giblets." Mr. Brailsford replied that they were not entitled to do so. They could not alter the legal position of things. Mr. Vickers, Jun., said he believed they could not find more than three decisions on the real point at

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issue, and two were based on the first, which was given in November last. It was stated that many others in the town might be found to occupy a position similar to that in which Mr. Milnes was placed. It was unanimously resolved that Mr. Wing, as trustee, should be empowered to sell the debtor's outstanding estate to such persons and at such prices as he might deem advisable.

Swallow and Co. (Heckmondwike).—A meeting of the creditors of Messrs. Swallow and Co., carpet and blanket manufacturers, at Ings Mill, Heckmondwike, was held on the 15th at Dewsbury. A statement of affairs was submitted, from which it appeared that the unsecured liabilities amounted to £11,253, and the assets to £3,493. The result of the meeting was that the debtors agreed to pay a composition of 7s. in the pound, payable in the following instalments:—2s. in four months, 2s. in eight months, and 3s. in fourteen months, secured to the satisfaction of a committee of five of the largest creditors.

Henry Trevor Lannigan (Redcar).—At a meeting of the creditors of Henry Trevor Lannigan, of Redcar, in the county of York, engineer, lately carrying on business in co-partnership with Sivert Hjerleid, at the East Yorkshire ironworks, North Ormesby, Middlesbrough, under the style of Hjerleid and Lanningan, the statement of affairs, prepared by Mr. John Braithwaite, showed liabilities, unsecured creditors £5,072 7s. 1d. Assets, small. The creditors resolved to wind-up the estate in liquidation, and appointed Mr. John Braithwaite trustee.

Sivert Hjerleid (Middlesbrough).—A meeting of the creditors of Sivert Hjerleid, of Coatham, in the county of York, carrying on business under the style of Hjerleid and Co., at the East Yorkshire Ironworks, North Ormesby, Middlesbrough, was held on the 17th June at the Queen Hotel, Middlesbrough. The statement of affairs prepared by Mr. John Braithwaite, the receiver and manager, was as follows: Liabilities to creditors unsecured £7,103 11s. 11d., to creditors fully secured £12,150. Assets, stock-in-trade £1,274 14s. 5d., book debts £600, furniture, fixtures, and fittings £3,203 14s. 11d. The creditors resolved to wind-up the estate in liquidation, and appointed Mr. John Braithwaite, of Middlesbrough, public accountant, trustee, with a committee of inspection, and Mr. Bambridge was entrusted with the registration of the resolutions.

FAILURES.

England.—The failure was announced on Tuesday, of Messrs. Alexander Collie and Co., of 17 Leadenhall-street, and of Manchester, with liabilities estimated at £3,000,000, a considerable portion of which will run off. The books were placed in the hands of Messrs. Turquand, Youngs, & Co. —As a result of the failure of Messrs. Alexander Collie and Co., Messrs. Rainbow, Holberton, and Co., of St. Helen's-place, Bishopsgate-street, have suspended payment, and their books have been placed in the hands of Messrs. Turquand, Youngs, and Co.—The cheques of Messrs. Robert Benson and Co., of King's Arms Yard, have also been returned. The liabilities of the latter are estimated at a million sterling.—The acceptances of Messrs. Shand and Co., East India merchants, have also been returned. The liabilities will probably exceed £250,000.—Advices from Manchester state that a petition had been filed in the County Court by Mr. John Mabon, engineer and boiler maker, trading under the style of Walter Mabon and Co. The liabilities amount to about £30,000.—Two failures in the boot and shoe trade have occurred in Manchester, those of Michael Conlan, Deansgate, with liabilities £3,500, and Samuel F. Langham, High-street, with liabilities £7,160. Messrs. Young, Borthwick and Co., bill brokers, of Lombard-street, have stopped payment, with liabilities on bills bearing their guarantee of about £2,500,000, including £700,000 to £800,000 on the drafts of Messrs. Collie and Co. The failure may be considered as entirely due to that of Collie and Co., and the liquidation, of course, depends upon the extent of the dividend to be paid by that house.—The books have been placed in the hands of Messrs. Harding, Whinney and Co., of 8 Old Jewry. The stoppage was announced on Thursday, of Messrs. John Anderson and Co., of Philpot-lane, whose transactions were chiefly in connection with Ceylon. The liabilities amount to about £200,000, including acceptances for Messrs. Collie and Co. for £60,000. Messrs. Turquand, Youngs, and Co., are in possession of the books of the firm.—Messrs. John Strachan and Co., East India merchants, of 121 Bishopsgate-street, have stopped, with liabilities of about £200,000. The books are in the hands of Messrs. J. Waddell and Co. The assets are not yet ascertained, and the liquidation depends mainly upon the out-turn of consignments.—Messrs. Henry Adamson and Sons, of 75 Mark-lane, ship and insurance brokers, established in 1869, have failed for between £80,000 and £100,000. The books are in the hands of Messrs. Turquand, Youngs and Co.—The circular announcing the stoppage of Mr. J. C. Fowlie, of 18 Leadenhall-street, established in 1866, has been issued, and the books are in the hands of the same firm of accountants. Liabilities about £100,000. The bills were returned on Thursday of Messrs. Octavius Phillips and Co., of 91 Great Tower-street.—Two other firms were announced on Thursday, viz., Messrs. Malcolm Hudson and Co., of 5 Crosby-square, Japan merchants, established in 1868, who express hopes that the difficulties would be but temporary, liabilities about £100,000; and Messrs. A. Gonzales & Co., of Palmerston-buildings, Old Broad-street, whose books have been placed in the hands of Messrs. R. Fletcher & Co.—The firm of J. P. Westhead & Co., of Piccadilly, Manchester, merchants, engaged in the home trade, suspended payment on Thursday, with liabilities estimated at over £200,000. The cause of the stoppage was the use of accommodation bills between Alexander Collie and Co., and Messrs. Westhead and Co., amounting to £110,000, which by the failure of the former rank against the estate of the latter. This is a more serious failure as effecting Manchester than then that of Alexandra Collie and Co., as the bulk of the losses by the stoppage fell outside Manchester; but in the case of Westhead and Co. the liabilities fall chiefly upon the manufacturers and agents of Lancashire and Yorkshire. Their books have been placed in the hands of Messrs. Beloitte and Halliday, accountants.—The failure is announced of Hillel Harris, merchant, Frederick-street, Birmingham, with liabilities estimated at £15,000,

Scotland.—The suspension was announced on Tuesday, of Mr. Archibald Bow, 16 Ingram-street, Glasgow, manufacturer of druggets and wool shirtings. Liabilities believed to be small.

America.—American advices report the failure of Messrs. F. F. Cole and Co., of Chicago, in the provision trade, with liabilities of £10,000. Messrs. J. H. and A. J. Sypher, planters, Louisiana, have failed, with liabilities of £28,000; assets £5,000. An old established leather manufacturing firm in Quebec had also suspended, involving two banks to the extent of £24,000.—American advices to hand on the 16th report the failure of Mr. Stephen J. Hooker, lard merchant, Chicago, with heavy liabilities.—The suspension of Messrs. Winning, Hill and Ware, an old established firm at Montreal, distillers and manufacturers of gins, cordials, &c., had also transpired. Liabilities and assets not known.—Messrs. William Trigg and Son, fancy goods, and Mr. George Groves, wholesale crockery, both of Montreal, had suspended.—Messrs. R. S. T. Davidson and Co., dry goods, London, Ont., failed.—The Hamilton Clothing House had made an assignment, owing to their being involved with Messrs. Henry Davis and Co., of Montreal. Liabilities £20,000.—Messrs. R. F. Taylor and Son, Toronto, have also made an assignment.—Messrs. Frier and Dale, Hamilton, Canada West, have also stopped.

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CANADA.—Advices from Montreal report the failure of Messrs. Henry Davis and Co., of Montreal, with liabilities amounting to £270,000, of which £140,000 is unsecured. This firm has been chiefly engaged in importing woollen goods, so that a large portion of their liabilities falls on Leeds, Dewsbury, Huddersfield, and the woollen manufacturers of Germany. The holders of the £130,000 secured are chiefly bankers. This is the largest failure that has ever taken place in Canada on dry goods. Consequent on this failure, Messrs. Empey Johnson, and Co. have suspended, with liabilities of considerable extent in Manchester and Yorkshire. Messrs. Henry Davis and Co. are indebted to Messrs. Empey Johnson and Co. to the extent of £35,000. Messrs. John Armstrong and Co., St. John's N.B., are also involved with Messrs. Henry Davis and Co., and have likewise suspended.

The *National Zeitung* reports the suspension of Vito Israel and Co., of Trieste; liabilities about £20,000.

Mr. Robert A. McLean, accountant, notifies that he has removed from 8 Lothbury to 8 Old Jewry, the firm of Barnard, Clarke, McLean and Co. having being dissolved by mutual consent.

PROGRESS OF THE REVENUE.—Two months of the current financial year have now elapsed, and there can be little doubt, we think, that the progress so far, especially considering the moderation of the last Budget estimates, must be exceedingly satisfactory to the Chancellor of the Exchequer. The revenue in these two months has been £12,040,000, and in the corresponding period of last year it was only £11,166,000, or an increase of nearly a million, although the taxes were substantially the same in the two periods, or if any thing the differences are in favour of 1874, because the now abolished sugar duty was then in force for some weeks, and the arrears of income-tax were then at 3d. instead of, as now, at only 2d. per pound. For 1874, also, the account is brought down to the 30th of May, whereas this year it is only to the 29th, thus giving an extra day to 1874; but we do not insist upon this, as it is no doubt partly compensated by the circumstance of Easter week not having fallen this year within the two months just passed. In any case there is apparently about a million to the good in the first two months of the financial year, as compared with the last. Taking into account also, according to our usual practice, only those main branches of revenue—Customs, Excise, and Stamps—which come in most regularly, the results of the last two months appear almost equally satisfactory. The comparison is:—

	Two Months, 1875-6.	Two Months, 1874-5.	Increase in 1875-6
Customs	£3,018,000	... £3,014,000	... £4,000
Excise	4,152,000	... 3,664,000	... 488,000
Stamps	1,840,010	... 1,773,000	... 67,000
Total	9,010,000	8,451,000	559,000

As we showed in our article on the Budget, the total increase in the year which Sir Stafford Northcote has estimated for these three branches of revenue is only £676,000, so that even if the revenue is stationary for the rest of the year the Budget estimates will be made good. The real increase also is probably greater than the apparent increase above shown, in consequence of the circumstance already referred to—that something was received in April and May, 1874, from the now abolished sugar duty. But for this the Customs would show a larger increase. Comparison is no doubt being made at present with months of small return last year, in which a serious falling-off of revenue was threatened; we must not expect a corresponding increase all through the rest of the year; but, all allowances being made, the beginning is extremely favourable, and the Chancellor of the Exchequer has every prospect of possessing a much larger surplus to deal with next spring than he had in his last Budget, while an additional surplus will have accrued with which to reduce the Debt under the old sinking fund arrangement.—*Economist.*

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Alliance Property and Land—Capital £10,000, in £10 shares.
Amazonas Gas—Capital £50,000, in £10 shares.
Bedford Trust—Capital £5,000, in £5 shares.
Belfast and Carrickfergus Salt Works—Capital £17,500, in £10 shares.
Bradford Commercial Joint-Stock Banking (Unlimited)—Capital £1,000,000, in £100 shares.
Fisken and Co.—Capital £30,000, in £20 shares.
Fothergill and Co.—Capital £35,000, in £5 shares.
Hunt's Playing-card Manufacturing—Capital £12,500, in £20 shares.
Lancashire Freeholders--Capital £502,500, in £7 10s. shares.
Liverpool Carriage—Capital £50,000, in £10 shares.
Manchester Oil Manufacturing—Capital £1,000, in £1 shares.
Maritime Passengers' and Mariners' Insurance—Capital £25,000, in £5 shares.
Mersey Ship-owning—Capital £50,000, in £5 shares.
Oldham Mutual Investment—Capital £10,000, in £5 shares.
Patent Lithotype —Capital £70,000, in £10 shares.
Pateley Bridge Lead Mines and Smelting—Capital £20,000, in £5 shares.
Redcar and Coatham Grand Stand—Capital £4,000, in £5 shares.
Ridgway, Wooliscrofts, and Co.—Capital £5,000, in £5 shares.
Rose Bridge and Douglas Bank Collieries—Capital £200,000, in £100 shares.
Reuben Entwistle and Co.—Capital £80,000, in £5 shares.
Shorthorn Society of the United Kingdom of Great Britain and Ireland—Limited by guarantee to £10.
Sabden Weaving—Capital £4,800, in £12 shares.
Wham Mill Cotton Spinning and Manufacturing—Capital £20,000, in £20 shares.

PARTNER OR CREDITOR.—At the Oldham County Court, on Monday, before Mr. C. Hutton, judge, and jury, a case came on for hearing in which it was sought to decide whether John Marland, of the Grange, Hollinwood, was entitled to prove against the debtor, John Ashton, joiner and builder, and a bankrupt, for a debt of £7,000 in that bankruptcy. Mr. Addison appeared for Marland, in support of his proof as a plaintiff, and Mr. Leresche defended the debtor. From the evidence of the plaintiff, who is a colliery proprietor, it appeared that on representations made to him by a minister of a chapel of which he was the deacon, he took an interest in the commercial welfare of Ashton, who was then a young man, and just commencing business. He advanced him sums of money on various occasions with the view of helping him in his business, and received I.O.U.'s, which were subsequently exchanged for promissory notes. He continued in this course for a considerable length of time, and the debtor not succeeding in his business, was obliged to liquidate. At the time the liquidation was made he (the plaintiff) proved for £7,500. Up to that time the word "partner" had never been mentioned between them, and no agreement of any nature had been made. He had no entries made of the several amounts that were paid to Ashton. Ashton, in his evidence, stated that in April, 1873, Mr. Marland agreed to enter into partnership with him in his business, saying, at the same time, that he would provide what capital was required, for which he would be paid 5 per cent., and that Ashton should have the same percentage on the stock, and it was decided that the profits should be divided equally. In cross-examination he said that it had been arranged that Marland should be put forward as a creditor and not as a partner, if any thing wrong turned up. It was not exactly Mr. Marland who put him up to this. The jury, after an hour's deliberation, found that there had been no partnership, and gave a verdict for Marland.

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BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, June 16:—

Thursday, June 10	£13,345,000
Friday, June 11	15,253,000
Saturday, June 12	21,552,000
Monday, June 14	17,380,000
Tuesday, June 15	17,496,000
Wednesday, June 16	40,371,000
	£125,397,000

The total at the corresponding period of last year, which also comprised a Stock Exchange settlement, was £136,269,000.

LATE ADVERTISEMENTS.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF WARWICKSHIRE, HOLDEN AT BIRMINGHAM,

IN the matter of Proceedings for Liquidation by arrangement, or composition with creditors, instituted by WILLIAM JAMES, of No. 12 Eign-street, in the City of Hereford, in the County of Hereford, Wine and Spirit Merchant, and Licensed Victualler, trading under the style or Firm of James and Son.

A First Dividend of Ten Shillings in the Pound has been declared in the matter of these proceedings, and will be paid by me, the undersigned (the Trustee of the Estate), at my offices, No. 1 King-street, Hereford, on and after Thursday, the 24th June, instant, between the hours of ten and five o'clock.

Dated this 11th day of June, 1875.

CHARLES PEMBER,
Trustee.

Offices,
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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 29.] SATURDAY, JUNE 26, 1875. [PRICE 6D.

IN THE LONDON BANKRUPTCY COURT.

A First and Final Dividend of Fourteen Shillings and Twopence in the Pound has been declared in the matter of the Separate Estate of ALFRED THOMAS PITCHFORD, of The Island Lead Mills, Limehouse, in the County of Middlesex, adjudicated a Bankrupt on the 16th day of February, 1874, and will be paid by me at No. 8 Walbrook, in the City of London, on Thursday, the 1st day of July, 1875, or on the following day, between the hours of 11 and 2.
Dated this 24th day of June, 1875.

C. F. KEMP,
Trustee.

IN THE LONDON BANKRUPTCY COURT.

A First and Final Dividend of Fourteen Shillings and Fourpence in the Pound has been declared in the matter of the Separate Estate of EDWARD BEAUMONT PITCHFORD, of No. 5 Belsize Square, Hampstead, in the County of Middlesex, adjudicated a Bankrupt on the 16th day of February, 1874, and will be paid by me at No. 8 Walbrook, in the City of London, on Thursday, the 1st day of July, 1875, or on the following day, between the hours of 11 and 2.

C. F. KEMP,
Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE HOLDEN AT HALIFAX.

A First Dividend of Two Shillings and Sixpence in the Pound has been declared in the matter of the joint estate of WILLIAM PICKLES, THOMAS HANSON, JOHN JAGGER, JAMES HELLIWELL, LEVI BOTTOMLEY, and SAMUEL WOODHEAD, all of Halifax, in the County of York, Stuff Manufacturers, carrying on business in co-partnership, at Bailey Hall Works, in Halifax, in the County of York, under the style or firm of "HANSON, PICKLES, AND CO.," adjudicated bankrupts on the 24th day of March, 1875, and will be paid at the offices of the undersigned Jonathan Ingham Learoyd (to those Creditors only who have proved their debts), on the second day of July, 1875, between the hours of Four and Six o'clock in the afternoon.
Dated this 18th day of June, 1875.

CHRISTOPHER TATE RHODES,
Ward's End, Halifax, and
JONATHAN I. LEAROYD,
The Square, Halifax,
Accountants, Trustees.

GODFREY RHODES,
7 Horton-street, Halifax,
Solicitor acting in the Proceedings.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT HALIFAX.

A Dividend is intended to be declared in the matter of JOHN SHACKLETON, formerly of Brinton Terrace, Halifax in the County of York, but now of Haley Hill, Halifax aforesaid, Wool Dealer and Manufacturer, carrying on business at Cow Green, Halifax aforesaid, under the style or firm of "JOHN SHACKLETON AND SON," adjudicated a Bankrupt on the 14th day of December, 1874. Creditors who have not proved their debts by the 30th day of June, 1875, will be excluded.
Dated this 18th day of June, 1875.

C. T. RHODES,
Accountant, Ward's End, Halifax,
Trustee.

HOLROYDE AND SMITH,
10 Cheapside, Halifax,
Solicitors acting in the Bankruptcy.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT HALIFAX.

A First Dividend of Two Shillings and Sixpence in the Pound has been declared in the matter of a Special Resolution for liquidation by arrangement of the affairs of CHARLES HAIGH and JOHN SPEAK, both of Halifax, in the County of York, trading together under the style or firm of "HAIGH AND SPEAK," Woolstaplers, and will be paid at the offices of the undersigned Christopher Tate Rhodes, of Ward's End, Southgate, Halifax aforesaid (to those Creditors only who have proved their debts), on the third day of July, 1875, between the hours of four and six o'clock in the afternoon.
Dated this 18th day of June, 1875.

CHRISTOPHER TATE RHODES,
Accountant, Ward's End, Halifax,
Trustee.

GODFREY RHODES,
7 Horton Street, Halifax,
Solicitor acting in the Proceedings.

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The Accountant.

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The Accountant.

JUNE 26, 1875.

We have said so much about auditing accounts, and the strong necessity that exists for such a duty being

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intrusted only to the most competent persons, that we should not have returned to the subject this week, but for the fact of the discussion in Parliament relative to the Friendly Societies Act. This is a measure which, in various ways, affects the interests of accountants, whose profession must necessarily bring them into contact with many of these associations; and some of its clauses bear directly on the subject of adequate and efficient auditing. In asking that accountants might have some voice in suggesting changes and improvements in the Bankruptcy Act, we were, we consider, only acting in our undoubted right. Till the whole commercial system of the country is changed, accountants must play a considerable part in the administration of estates. But though this fact is but too evident, there are many who look with strange and narrow jealousy on the intervention of accountants in this matter, and loudly claim that none but a duly certified lawyer shall have any share in any business which is more or less remotely connected with a special department of the courts of law. Suggestions as to amendment of procedure may be made to the proper quarter, and will be duly received and considered; but they must emanate from private individuals and not from a profession. Popular prejudice is strong, and we can quite understand that the Lord Chancellor may not have cared to run counter to the fancies and feelings of the powerful and organised body of which he is the chief. But as to any comments or suggestions in respect to the Friendly Societies Act, the same objections cannot be raised. Here accountants are speaking within their province, and have a right to be heard. The great outcry that has been raised against the friendly societies, is caused mainly by the manner in which their accounts are kept. Inaccurate balance-sheets, improperly valued securities, and an inadequate table of calculations and probabilities, are as great evils as reckless management, and too profuse expenditure; and to set such right, is one of the familiar duties of every accountant.

Many difficulties and defects are undoubtedly removed by the Government Bill, and the Ministry deserve credit for the attempt they have made to grapple with them. But it is precisely on the point of auditing that the bill is at its weakest, and that permissive legislation appears at its worst. The system of providing that a thing shall be done in the right way, but that if people like they may do it in a wrong one, may be a very comfortable one for all those concerned, but is sure to prove disastrous in the long-run. Yet this hesitating style of law-making is exactly what we find in the Act. It is enacted that a central office shall be established, which shall prepare model forms of accounts and balance-sheets, which shall compile statistics and issue corrected tables of payments calculated to meet any emergencies, for the guidance of the officials of the societies. The great question of a proper audit is met by the declaration that a yearly balance-sheet shall be prepared, and transmitted to the registrar by two or more persons appointed as the rules of their society provide, whose names and addresses are to be sent to the registrar and also posted for three months in the board-room of the society. Once in every five years a valuation of assets and liabilities is to be made by a valuer appointed by the society, and transmitted to the registrar, duly signed by the valuer and stating his address and profession; or an abstract of the necessary documents may be sent to the registrar, and the valuation made by a valuer appointed by him. Power is given to the Treasury to appoint auditors and valuers for the purposes of the Act, and to determine their remuneration; but it is not obligatory on any society to employ them.

However much these provisions may be an improvement on previous legislation, it is impossible to consider them as satisfactory. The most mismanaged association, or the most insolvent assurance company, could scarcely desire more than to have its valuations made by a nominee of the company, who need not be a man possessing the slightest knowledge of accounts. This argument is usually met by declamatory chatter about insult to the common sense of the community, and especially to the working-class members thereof. But without denying that there are many friendly societies perfectly solvent, carefully managed, whose affairs are readily patent to scrutiny and investigation, and whose directors are men as honourable and competent as can be, we must again remark that audits and valuations are made not only to point out the good, but to restrain and keep in check the evil. A man who wants to insure his life for a thousand pounds can make his choice between perhaps a hundred rival establishments; a poor man's choice is more restricted. It is in the interests of the weak and feeble of the community, that we ask that the work of auditing should be intrusted only to competent hands. Let the task be done by government valuers and public auditors; or, if too much supervision is objected to, let it be provided that the certificate of a public accountant

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shall alone be held as complying with the terms of the Act. Strictness in the present instance will make it all the easier for the government which has the courage to place all associations on one footing, and to prescribe a real and genuine audit of all public companies. To give legislative sanction to such a delusive system as is established by the Friendly Societies Act, will be a serious hindrance to all future reform. We trust this will not be overlooked when the House of Lords comes to debate these clauses.

If, as Lord Dundreary considers, there are some things which no one can understand, there are a great many other things which every one believes that he both ought to and does understand. All Englishmen are supposed to comprehend the points of a horse by a sort of natural instinct inherent in them, and the consequence is that there is no country in which horse-copers drive a more thriving trade than in England. Englishmen, too, are a business people, they are gifted with a profound common sense which is far superior to the wild rhapsodies of theorists and visionaries, and which is somehow considered to have been the main cause of the national prosperity. A keen insight into figures is a portion of this faculty; and a question of mere account is looked upon as being too simple for more than the most superficial consideration, and requiring but the very slightest modicum of professional training for its solution. It is possibly owing to this national propensity that so many political battles rage on questions of finance, and that every now and then the world is amazed to find how greatly the most eminent authorities differ on the meaning to be deduced from the plainest possible set of figures. The famous controversy as to the extravagance of a Conservative Government which Mr. Gladstone carried on as an election cry in 1868, in which he demonstrated to the satisfaction of his party that what every body else had considered to be a saving in expenditure was in reality a very considerable increase, was a memorable instance of this. But the late discussion as to the Savings Banks Bill has afforded a still more striking example of the proverbial fallaciousness of figures, and the difficulty which the outer world has in adequately comprehending the authoritative statements of experts. The old savings banks are carried on at a slight loss, and the new savings banks, under the control of the post-office authorities, show a profit more than sufficient to cover the deficiency. In the first case, a loss was incurred in a space of little over a year of £111,460; while the post-office savings banks during the same period had made a profit of no less than £118,687. Sir Stafford Northcote proposed, therefore, to throw the two accounts into one, and to extinguish the deficiency by the gradual appropriation of the surplus—an amount which would, he calculated, increase in value every year. The measure would have been allowed to pass probably, without more than that average amount of opposition and denunciation which is so essential to the free government of our country, but for the figures contained in another return. According to this, which, in compliance with an Act of Parliament, is annually compiled and laid before the House of Commons by the Commissioners for the reduction of the National Debt, the deficit on the funds of the old societies had during the year which had elapsed from November 1873 to November 1874, increased from £4,382,231 to £4,552,421, or by the sum of £170,190.

Thereupon, the not unnatural inference was drawn that the Chancellor of the Exchequer had somehow or other blundered in his calculations, and forthwith the organs of public opinion and the Opposition generally gave tongue, and with one voice and much fervid rhetoric proclaimed the collapse of the system of finance which Sir Stafford Northcote has advocated. The Chancellor was, however, perfectly firm and impenitent. He assured his critics generally that it was all right, and that the discrepancy was in no way real; but to allay the excited feeling, he directed the Comptroller of the National Debt office to prepare a short statement, which would make the imaginary nature of the deficiency perfectly plain. This statement shows plainly where the confusion lay; and the explanation of Mr. Rivers Wilson is perfectly satisfactory. But there are, doubtless, a good many persons who, though they defer to authority, will in their hearts still remain unconvinced. The case may teach a useful lesson to directors of companies. Accounts that are kept on perfectly sound principles, and are in themselves exactly correct, may, notwithstanding, convey a wrong impression to the outside observer. It would be as well if they would not only invariably employ auditors of such high professional position, that their signature and approval would re-assure the most timid and nervous of shareholders, but if they would also sometimes

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append a few words of explanation, which might tend to appease even the most suspicious.

Pending any subsequent decision by the House of Lords, it may be considered as settled law that if the joint creditors of a partnership agree to take a composition, a dissenting creditor of the joint and separate estate can sue one of his debtors. The decision seems in accordance with common sense. The fact is too often overlooked, that a composition, if it is favourable to the debtor, is also favourable to the creditors, as securing to them a certain sum without the delay and uncertainty of further proceedings; and they may be held to have considered the possibility of a further sum being realised from the separate estate. As between creditors and debtors, it is clear that the former have a right to use every remedy; and it certainly seems hard, that a creditor who can claim against two separate estates, shall be barred of his rights, because the creditors of one of the estates find that it will pay them only a nominal dividend, and therefore prefer to take an immediate composition. The decision seems, with every respect to the Lord Chief Baron, entirely correct.

Correspondence.

COMPOSITIONS.

To the Editor of the Accountant.

SIR,—An important case was decided on the 10th instant by the Court of Appeal, to which the attention of your readers should be particularly directed. I refer to the case of *Ex parte Till in re Ratcliffe*, a report of which appears in your issue of the 12th inst:—The decision of the Lords Justices reversed that of the Chief Judge and confirmed the order of the local Court, refusing to register a resolution for accepting a composition of 2s. 6d. in the pound, on the ground that the resolution by which the composition was accepted was passed at an adjourned meeting, the same proposal having been made to, and rejected by, the original meeting. The question turned in great measure upon the construction of Rule 275 of the Bankruptcy Rules of 1870, under which the court is required to have regard only to such resolutions as are reduced into writing and signed by the creditors. The resolution rejecting the 2s. 6d. at the original meeting not having been recorded by the chairman in the minutes of the meeting, the Chief Judge was of opinion no notice could be taken of it; but the Lords Justices were of a different opinion, and held that the Registrar was right in taking evidence as to the proceedings at the meeting. An important principle is laid down by their Lordships with respect to adjournments. With many practitioners it has been a question whether a meeting under the liquidation clauses can be adjourned, or if adjourned, whether by a special or ordinary resolution of creditors. As a matter of practice, I believe that adjournments are by no means uncommon, and that they are carried by ordinary resolutions of creditors. I have always considered this a mischievous practice, because it is generally resorted to under the following circumstances:—A debtor makes his creditors an offer which perhaps more than one-fourth in value of those present reject; the debtor and the friendly creditors, representing a majority in value, move and carry an adjournment, with the hope that the dissentient creditors may not turn up at the adjourned meeting, of which no notice is required to be given: and the chances are the hostile creditors are absent on the adjourned day, and the debtor carries his resolutions. This practice must now, it seems to me, necessarily be put a stop to. Lord Justice James lays it down, that when a proposal has been duly voted upon and rejected, the meeting is at an end, and a resolution to adjourn is a perfectly idle one, which cannot be put to the vote. And in this view Lord Justice Mellish concurred. But if creditors have no power to adjourn after rejection of an offer of composition, it must appear desirable that they should have power to consider the advisability of accepting an *increased* offer; looking, however, at the decision strictly, it seems that they have no such power. The result will, under any circumstances, I think be beneficial to creditors generally. It will compel a debtor who contemplates a composition, to make, once for all, the best offer he can to his creditors, knowing that if his offer be rejected, he will have no chance of increasing it, but will be driven into Bankruptcy or Liquidation. One point is clearly illustrated by the case under consideration, that is, the inefficiency of the chairmen elected by meetings of creditors. The chairman in this case should have made a minute of the putting of the resolution, and of its rejection; but I fear that in very few instances do chairmen keep a proper record of the proceedings at meetings of creditors. This points to the desirability of a change, the necessity of which is now being generally conceded, viz., that all these meetings should be presided over by a Registrar, or officer of the court. While commenting on the question of composition arrangements, I may perhaps be allowed to point out what seems to me a great absurdity in the present system—the holding of *two* statutory meetings to carry a composition. The idea was, probably, to give more power to the creditors, and more time for consideration; but the practical effect has been, in many instances, to hoodwink the creditors, and by this means, viz., a debtor summons a meeting, at which he attends, and to satisfy certain hostile creditors who may be present, offers a respectable composition—never intending to carry it out. The creditors are satisfied, and consider the matter ended. Notice of the second meeting is given, to confirm the resolution,—which notice, by the way, does not even state the effect of the resolution passed at the first meeting. At the second meeting, the debtor, and a few friendly creditors, attend: the debtor states his inability to pay the proposed composition, and a resolution for liquidation is agreed to; a friendly trustee is appointed, and the debtor's discharge is granted. This practice ought to be prevented, and the prevention might be easily effected. Let the debtor state his offer of composition before the notices of the first meeting are sent to the creditors, and let that offer be communicated to the creditors in the notice of meeting. They will then be able to consider it before the meeting, and will be in a position to finally accept or reject it at the first meeting,

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and the expense and delay of a second meeting would be obviated. As composition arrangements are on the increase, while the amounts of composition in the pound are rapidly decreasing, it seems most desirable that this method of arrangement should receive serious attention from those interested in securing satisfactory dividends, and I cannot help thinking that the judicious decision of the Lords Justices *in re Ratcliffe* will prove to be a step in the right direction.

Yours truly,
A TRUSTEE.

London, June 24, 1875.

COURT OF ERROR IN THE EXCHEQUER CHAMBER.

June 18.

(*Sittings in Error from the Court of Queen's Bench, before Lord* Coleridge, *Mr. Justice* Brett, *Baron* Cleasby, *Mr. Justice* Grove, *Baron* Pollock, *and Baron* Amphlett.)

Simpson v. Heming.—This case raised an important question of mercantile law—whether, if the joint creditors of a partnership agree to take a composition, a creditor of the joint and separate estate who has dissented can sue one of his debtors. The Court of Queen's Bench had held that he can, and the majority of this Court, it will be seen, have also so held, though the Lord Chief Baron dissented. The case arose thus:—Two partners had given a joint and several note to secure a partnership debt. The creditors of the firm agreed to take a composition of 8s. in the pound, but the resolution was come to by the joint creditors only, and the holder of the note was not a party to the resolution and had sued one of the partners separately, who set up the composition. The Court of Queen's Bench held that it was no answer, and the defendant appealed. The case was argued before a Court constituted of the Lord Chief Baron, Mr. Justice Brett, Mr. Justice Archibald, Baron Pollock, and Baron Amphlett. The Court had taken time to consider their judgment. Baron Amphlett now delivered the judgment of the majority of the Court—himself, Mr. Justice Brett, Mr. Justice Archibald, and Baron Pollock—in favour of the plaintiff, affirming the judgment of the Court of Queen's Bench. It would, he said, be monstrous that a resolution of a statutory majority of the creditors should deprive a dissentient creditor of his right to go against a surety, and a similar principle applied to creditors of partners. It would be just as monstrous to deprive a dissentient creditor of the partnership who was also a separate creditor of his right to go against the separate debtor. The joint estate might, perhaps, only pay a dividend of 1s., while the separate estate might pay 20s. in the pound; and it would be most unjust if a statutory majority of the joint creditors by accepting 1s. in the pound could force the separate creditor to forego his right against the separate estate. It would be hardly possible to conceive greater injustice. In any view the creditor would have a right to elect between the two estates, and if he did not receive 20s. in the pound it would be for the Court of Bankruptcy to determine whether he could claim a dividend for the residue. Baron Pollock read the judgment of the Lord Chief Baron, dissenting from the view of the majority, and holding that the creditor was barred by the composition. It was so, said the Lord Chief Baron, with a composition at Common Law, and in his view there was nothing in the Bankruptcy Act to alter it. The composition was made binding on all the creditors present or absent, if the required majority concurred in accepting it, and that thereupon the debt was gone, and the remedy could not remain. To hold otherwise, he thought, would be to alter and to make the law, not to declare it. He, therefore, was of opinion that the composition was a bar, but, of course, as the majority of the Court thought otherwise, the appeal was dismissed, and judgment in favour of the plaintiff affirmed.

VICE-CHANCELLORS' COURTS, Lincoln's Inn.

June 22.

(*Before Vice-Chancellor* Sir C. Hall.)

Taylor v. Gillott.—This case raised a question of some interest as to the operation of the Bankruptcy Act of 1869, in cases where a lessee grants an underlease and subsequently becomes bankrupt. A Mr. John Pask being lessee from the executors of Mr. George Gillott, deceased, of the house No. 36 Strand, for the term of 21 years from Lady-day, 1868, at a rent of £400 per annum, on the 18th of October, 1871, agreed to grant to the plaintiff a lease of the ground floor and part of the basement of the house for the residue of his term at a rent of £200 per annum, and the plaintiff paid Pask a sum of £100 by way of premium for such agreement. The plaintiff then on the 31st of October, 1871, entered into an agreement with Messrs. B. Hembry and Co. (of which firm the plaintiff's son, Mr. A. E. Taylor was a member) to grant them a lease of the same premises for the same term, less seven days, at a rent of £250 per annum, and in pursuance of this agreement Hembry and Co. entered into and had ever since continued in possession of the premises. In the month of March, 1872, Pask was adjudicated bankrupt on the petition of G. Gillott's executors, as creditors for arrears of rent, and on the 24th of May following Pask's trustee in bankruptcy availed himself of the provisions of the 23rd section of the Bankruptcy Act of 1869, and with the leave of the Court, disclaimed all interest in Pask's lease. By this section it is enacted that when any property of the bankrupt acquired by the trustee under the Act consists of land of any tenure burdened with onerous covenants, the trustee, notwithstanding he has endeavoured to sell or has taken possession of the property, may, by writing, disclaim such property, and after such disclaimer the property disclaimed shall, if a lease, be deemed to have been surrendered on the same date, and shall revert to the person entitled on the determination of the interest of the bankrupt, and any person interested in the disclaimed property may apply to the Court, and the Court may order possession of the property to be given up to him, or may make such other order as to the possession as may be just, and any person injured by the operation of the section shall be deemed a creditor of the bankrupt to the extent of the injury, and may prove for the same as a creditor under the bankruptcy. As the effect of this disclaimer was to put an end to the terms by virtue of which Pask had given the plaintiffs the agreement for a lease under which they held, Gillott's executors, after some fruitless negociations with the plaintiff as to granting him a lease of the premises, brought an action of ejectment against the plaintiff, and the plaintiff then filed his bill in this suit, in order to compel Gillott's executors to grant him a lease in accordance with Pask's agreement, and to restrain the action of ejectment. The plaintiff's case was not only that the Act was not intended prejudicially to affect the equities of third parties, but also that Mr. Gillott's executors had been aware of Pask's agreement with the plaintiff, and had informed his son that Pask was not prohibited by his lease from underletting (although it turned out that he was so prohibited), and that they had moreover so acted by the acceptance of rent from the plaintiff and otherwise, as to take away any right they might otherwise have had to refuse to carry out Pask's agreement with the plaintiff, and, in fact, to bind themselves to perform that agreement in Pask's place and to grant the plaintiff a lease. The defendants, on the other hand, denied that they had represented to the plaintiff's son that Pask was not prohibited from underletting, and maintained that they had only accepted rent from the plaintiff in the character of tenant from year to year. Mr. Dickinson, Q.C., and Mr. Romer were for the plaintiff; Mr. Karslake, Q C., and Mr. Dumerge for the defendant, Gillott's surviving executor. Mr. Dickinson having been heard in reply. The Vice-Chancellor, after stating the facts, said that the effect of the disclaimer by Pask's trustee in bankruptcy, the underlease not having been granted in pursuance of the

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agreement of the 18th of October, 1871, was a question not without difficulty. But for the purpose of considering the effect of that disclaimer it was necessary to consider, first, what was the conduct of the original lessors, and, secondly, how far the contract for the underlease or the underlease itself harmonized with the contract entered into by the original lessors. It was said that if an original lessee granted an underlease on his own terms of a portion of the property originally demised to him, taking a premium, the effect of the surrender of the original lease was to leave the under tenancy subsisting as against the original lessor, who must be content with accepting whatever rent and covenants the underlessor might have been content to accept. It was unnecessary in the present case to go so far as to determine that abstract question, because the mode in which the case was presented by the plaintiff was that there was, first, an original lease, and secondly, an agreement for an underlease, and he maintained that the underlease should contain the covenants in accordance with the lease. An agreement for a further underlease to Messrs. Hembry and Co. was stated to be one of a similar kind, so that all the leases were to harmonize the one with the other, and if the case had been one of granting an underlease of the entire property, and the covenants had been the same throughout, much might have been said as to the effect of the disclaimer in keeping on foot the underlease when the original lease was gone. But to say that when a lessor who had granted a lease found himself in such a position, by reason of the bankruptcy of the lessee, as to be bound to grant an underlease with the benefit only of such rent and covenants as the underlessor might be content to take from the underlessee, was a very startling doctrine to be asserted. Now, what were the stipulations of the lease and the agreement for the underlease? His Honour then compared the stipulations of the two instruments, pointing out that there was very considerable variance between them, and in particular that the agreement for the underlease contained no provision for re-entry on breach of covenant, as in the lease. He then proceeded:—It was said that the original landlords were bound to grant this lease to the plaintiff, but he could not find anything in the Act of Parliament which could give such an effect to the operation of the disclaimer and surrender. What would have been the effect of the underlease, if actually granted, it was not necessary for him to say; he did not say it would have any different effect, but, in his opinion, it was not intended by the Legislature in such a case that a landlord, who by his original lease had agreed to bargain away his property for a certain term on certain conditions, and reserving to himself a right of re-entry for breach of those conditions, should find himself bound, by no act of his own, to be put in a position entirely different from that in which he had intended to be; he therefore could not apply the section in question as as to give that effect, and it seemed to him it had not that effect. In his judgment such an effect would be so inequitable that he could not give the plaintiff the relief he asked. He must now proceed to say something of the mode in which it was endeavoured to help out the plaintiff's case. It was said that there was an intention on the part of the defendant that the plaintiff should have an underlease; that the plaintiff had received rent from him on the footing that there was an agreement for an under-lease; that the defendant had, in fact, acted on and adopted the agreement, and that he was, therefore, bound specfically to perform it, and must be treated by this court as the party to grant the lease. He was, however, of opinion that the evidence did not come up to that, and, indeed, fell very short of making out any such case as that. With regard to the provision in the original lease against underletting, the evidence satisfied him that the plaintiff had distinct notice that Pask had no power to underlet. As to the payment of rent by the plaintiff, it seemed to him that it was not just to conclude that that rent was ever received by the defendant as for rent payable under this alleged agreement of the 18th of October. The matter was under some obscurity, but this payment of rent he could not regard under the circumstances as having been made under the agreement. He thought the true conclusion was that the agreement was not made known to the lessors in such a manner as to entitle the plaintiff to say that the acts and conduct of the original lessors were such as to give the plaintiff an equity to have the agreement carried into execution by this Court. He therefore considered that the plaintiff's case was not made out, and failed both in law, as to the effect of the Act of Parliament, and because no special case had been made out by the acts of the parties. The plaintiff having accordingly failed to establish his case, the bill must be dismissed with costs.

ROLLS' COURT, CHANCERY-LANE.

June 21.

(*Before the* MASTER *of the* ROLLS.)

IN RE PELOTAS COFFEE COMPANY (LIMITED)—KARUTH'S CASE.—This was an application by the official liquidator of the Pelotas Coffee Co. (Limited), to fix a director with qualification shares, although not registered in his name. The company was incorporated in April, 1873, with a capital of £50,000, divided into 10,000 shares of £5 each. The object of the company was to prepare from the "Pelotas berry" and vend to the public "a good, wholesome, aromatic coffee, at a retail price not exceeding 1s. per lb." It did not appear from the prospectus what the "Pelotas berry" was, the monopoly of which, according to the prospectus, had been secured by the company, but it was stated to be a sort of acorn. It was provided by the articles of association that the first directors of the company should be Sir James Randoll Mackenzie, Frank Oscar Karuth, and Julius Liebert; that the qualification of a director should be the holding of not less than 50 shares; and that the office of a director should be vacated if he ceased to hold the prescribed number of shares. Mr. Karuth consented to become a director of the company before its formation, and signed the memorandum and articles of association for 10 shares which he admitted he was liable to take; but he disputed his liability as to the remaining 40 shares, on the ground that such shares had never been applied for or allotted to him prior to the winding-up. It appeared that within three days after the publication of the prospectus in May, 1873, he gave notice in writing to the secretary of his withdrawal from the company, on the alleged ground of gross misrepresentation of the company's nature and objects, and had never acted as a director. Mr. Fischer, Q.C., and Mr. Horton Smith, for the official liquidator, contended that Mr. Karuth, having signed the articles of association, in which he was expressly named a director, must be deemed to have agreed to take the proper number of qualification shares; but the Master of the Rolls, without calling upon Mr. P. B. Abraham, who appeared for the alleged contributory, gave judgment, reviewing the authorities at some length, from the "Marquis of Abercorn's case" downwards, and stated their result to be that the mere acceptance of the office of director does not necessarily bind the person accepting it to take shares in a company, even where the articles of association provide that the holding of a certain number of shares shall be the qualification for the office; but that where a person who has accepted the office afterwards acts as a director, with knowledge that a qualification is required of him, the fact of his so acting will be regarded as an implied agreement on his part to qualify himself within a reasonable time. Here the alleged contributory had not acted as a director, and if he had, he had withdrawn himself, and repudiated the agreement before the reasonable time for acquiring a qualification had expired, and consequently, he was not a contributory, except as to the 10 shares.

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COURT OF BANKRUPTCY.

June 19.

(*Before the* Hon. W. C. Spring-Rice, *sitting as Chief Judge.*)

In re Pellatt.—The debtor, a wine merchant, carrying on business in Arthur-street West, under the style of M. M. Pellatt and Co., has filed a petition for liquidation by arrangement. Debts about £5,000; assets of considerable value. Upon the application of Mr. Finlay Knight, for creditors whose claims amounted to £2,000, his Honour appointed Mr. Leslie, accountant, to act as receiver. Mr. Chidley, solicitor, appeared for the debtor.

In re Isidore Leveaux.—The bankrupt, formerly engaged in the wine trade, and described as of 2 Carlton-road, Maida-vale, applied to pass his examination. His liabilities amounted to £13,325, with assets £14. Mr. T. Lumley appeared for the trustee; and Mr. F. Hughes for the petitioning creditor. His Honour allowed the bankrupt to pass.

In re Joseph Nixon.—The debtor is a wholesale hosier carrying on business in Wood-street, and his debts are returned at £15,500, and the assets comprise stock, £4,500; cash, £300; and book debts £4,000. His Honour now appointed Mr. Holah, accountant, to act as receiver under a liquidation petition filed by the debtor, and granted an interim injunction to restrain actions.

Re Jose Smith de Vasconellos.—The debtor had filed his petition for liquidation by arrangement or composition with his creditors, estimating his liabilities at £120,000. He traded as a merchant at Lombard-street, Liverpool, and Brazil. At the first meeting of the creditors, no resolution having been passed, the liquidation fell through, and a few days since an alleged creditor in Paris, claiming £69,000, had filed a petition for adjudication in bankruptcy, which is at present *sub judice* before Mr. Registrar Roche. Mr. Robertson Griffiths now applied, on behalf of the receiver and manager appointed under the former liquidation proceedings, for the leave of the Court to pay two of his acceptances of £500 each given in respect of a consignment of cotton sent by a house in Rio Janeiro to the debtor in Liverpool. The learned counsel stated that the cotton referred to had been sold by the manager, and it was desirable that the proceeds thereof should be applied to the retirement of the bills given by the consignors for the purchase of the cotton. The bills were made payable at the Bank of England, where the money realised by the sale of the cotton stood to the credit of Mr. Lovering, the receiver and manager appointed by the Court. His Honour stated that as the bankruptcy petition had been partly heard by Mr. Registrar Roche, he preferred that that learned registrar should be applied to upon the subject. The motion must therefore stand over for that purpose.

June 21.

(*Before Mr. Registrar* Hazlitt, *sitting as Chief Judge.*)

In re W. J. Prosser.—The bankrupt was a wine merchant, carrying on business at 50 Mark-lane, formerly trading in partnership with John Prosser, under the firm of Prosser, Brothers. He now applied to pass his examination. The accounts showed debts amounting to £34,102, of which £28,527 were due to unsecured creditors, with assets consisting of stock in trade, book debts, furniture, and other items £13,142. The bankrupt had filed a petition for liquidation, but at the first meeting the creditors failed to pass any resolution, and an adjudication in this court followed. Mr. Bagley, for the trustee, did not oppose. The bankrupt passed his examination.

June 22.

(*Before Mr. Registrar* Roche, *sitting as Chief Judge.*)

In re A. Gonzales.—Mr. Rawlins mentioned this case to the court upon an application for the appointment of a receiver and manager. The debtor is a merchant carrying on business in Palmerston-buildings, Old Broad-street. He has filed a petition for liquidation, with debts and liabilities £230,000, assets about £80,000. In support of the application an affidavit was produced, which showed that the business was of a very extensive character, a considerable portion of it consisting in the acceptance of bills of exchange drawn upon the debtor by firms abroad under credits opened in their favour, they being under engagement to remit "in cover," and to provide for the payment of the bills before maturity. Bills of that character amounting to £66,000 were now outstanding, and as remittances were arriving it was necessary that they should be properly applied. Mr. Registrar Roche: Is this one of the recent failures? Mr. Rawlins: Yes; the petition was filed yesterday, and the application is supported by creditors for £65,000. His Honour, being satisfied with the evidence, appointed Mr. Robert Fletcher, accountant, Moorgate-street, receiver and manager.

(*Before Mr. Registrar* Keene.)

In re C. E. Alforth.—The debtor, who was a timber merchant, of Gracechurch-street, recently failed for £95,000, of which secured creditors claimed £54,356. The available assets were £23,859. Mr. Munns, of the firm of Lewis, Munns, and Longden, now applied to the learned registrar to register a resolution of the creditors to liquidate the estate by arrangement and not in bankruptcy. It appeared that creditors to the amount of £11,000 had not been served, but as they did not effect the majority, and had been served with this application, and did not oppose, the learned registrar allowed the registration to go, but expressed a strong opinion that all the creditors should be served, because, although they did not effect the majority, yet it was quite possible that had they had the opportunity of attending the first meeting, they might have made out a case to induce others not to vote for the resolution; and his Honour stated that it was within his personal knowledge that creditors who had not been served, frequently came to the court, and stated that had they had notice of the meeting they should have attended and opposed the resolution. Registration ordered.

June 23.

(*Before Mr Registrar* Murray.)

In re P. H. Patterson.—This debtor, who is described as of 49 Redcliffe-terrace, South Kensington, and Newburgh, Fifeshire, Scotland, of no occupation, has petitioned the Court under the liquidation clauses of the Act, estimating his liabilities at £25,000. The property consists of the reversion to large landed estates in Scotland and a bond on which interest was paid, also various articles of personal property. Mr. Finlay Knight, in applying for the appointment of a receiver to the estate, said that bankruptcy proceedings had been commenced, but he believed they had been stayed to allow of the present application being made. His Honour said that, so far as he could see, no reason for the appointment was shown on the affidavit, and he must refuse the application. If it should be renewed at any time, notice must be given to the petitioner before making it.

False Prospectus Case in Scotland.—A decision was given on Wednesday in the Court of Session in an action brought by Mr. Richard Gibbs against the British Linen Banking Company for £2,500, the price of 250 shares in the Phospho-Guano Company, of which Messrs. Lawson, of Edinburgh, are managers, on the ground that the prospectus contained false and fraudulent statements. Lord Shand found that falsehood on Messrs. Lawson's part had been proved, and assoilzied the defenders with expenses. Altogether £100,000 in claims depend on this action.

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HALIFAX COUNTY COURT.

(*Before Mr.* GIFFARD, *Judge.*)

RE HANSON, PICKLES AND CO.—This was a case (partly reported in last week's *Accountant*) adjourned from the previous court day in order to enable the respondents to produce further evidence. Mr. West, barrister, of Leeds, instructed by Mr. Rhodes, appeared in support of a motion by Messrs. C. T. Rhodes and J. I. Learoyd, who are trustees under the above bankruptcy, to restrain Mr. Thomas Fleming, card maker, and owner of West Grove Mill, and Mr. William Holdsworth, auctioneer, who acted as Mr. Fleming's agent, from proceeding to sell certain property belonging to the estate of the bankrupts which the respondents had distrained. Mr. Jubb opposed the motion. John Jagger, one of the bankrupts, said he had an interview with Francis Fleming with respect to the terms upon which the room was to be let. There were 17 frames in all; they generally reckoned 96 spindles to one frame, and the amount of rent was based upon the number of spindles; some frames had 120 spindles. In answer to the judge, the witness said no arrangement was made as to the exact number of spindles they were to have in the room. They had paid for rent at various times the sum of £14, £17 10s., and £21 10s. per frame; the same being payable half-yearly. In answer to Mr. Jubb, witness said they paid in proportion to the increase or decrease of the number of spindles. Thomas Hanson said they took the premises half-yearly, and had never paid the rent quarterly, and upon this, it may be observed, hinged the whole case. In cross-examination Hanson said it was always understood that the rent should be paid in accordance with the number of spindles. When the final bargain was made Mr. Fleming, his son Francis, Jagger, and the engine man were present. Francis Fleming deposed that he called at the office of Mr. C. T. Rhodes; he could not swear as to the exact day. He had some conversation with him with reference to his father's claim for rent. He never said to him that it was agreed to pay the rent half-yearly. It appeared from Mr. Rhodes's statement that on the 1st of May, Mr. Fleming left at his office an account of his claim against the bankrupts' estate. In consequence of that Mr. Rhodes wrote to Mr. Fleming to the effect that he was in receipt of his claims for £106 16s. 7d. for three months' rent, rates, and extra coals, due to him from the estate, adding that his co-trustee was then on the continent, and on his return Mr. Fleming's claim should receive prompt attention. In the mean time it would facilitate matters very much if he would kindly furnish him with full and detailed particulars, as to the amount due for rent proper, the amount due for power, rates, &c. also his view of the terms of tenancy. Shortly afterwards Mr. Fleming called again at Mr. C. T. Rhodes' office, and declined to furnish a detailed account of his claim as required. Mr. West contended that it was a six months' agreement, and it was a rate issuing out of the furnishing of room and power. In summing up, his Honour said he could not regard the evidence as satisfactory on either side. They had the distinct oath of two of the partners that the rent was payable half-yearly. Helliwell said the plaintiff offered to allow the rent to stand over for another quarter; looking at it from that statement alone, one would certainly infer that the rent was paid quarterly, but he should not rest the question entirely upon that. Mr. C. T. Rhodes said that Francis Fleming distinctly stated that the original agreement was that the rent should be paid half-yearly; but that in consequence of some previous annoyance he had had with a former tenant (Kershaw), who it appeared was a half-yearly tenant, an alteration had been made as to the payment of rent. He regarded Mr. Rhodes as a disinterested party in the affair, and he felt bound to accept his statement, as if this conversation had not taken place (part of which Fleming admited), how came Mr. Rhodes to know any thing about the trouble Fleming had had with Kershaw. He thought the rent was no definitely fixed sum, but rather an amount to be fixed by certain calculations, and, of course, it would be easier to ascertain what the rent was for two or three months than for a longer period. It appeared upon the whole case that the balance of the evidence was in favour of the trustees, and that the rent would not be due until next August. The order allowed as prayed for. Costs of both parties to be paid out of the estate.

BRADFORD BANKRUPTCY COURT.

June 22,

(*Before* Mr. W. T. S. DANIEL, Q.C., *Judge.*)

EX PARTE BRADFORD OLD BANK RE LISTER GREENHOUGH.—His Honour gave judgment in this case, which had been argued at a previous sitting of the court, when Mr. Tindal Atkinson (instructed by Messrs. Taylor, Jeffery and Little), was for the bank, and Mr. Watson for the trustess. His Honour said: This is an application made on behalf of the Bradford Old Bank, Limited, in the matter of proceedings for liquidation of the affairs of Lister Greenhough, of Dudley Hill, Bradford, wool-top maker, for an order declaring the amount for which the bank are entitled to prove against the estate of the debtor. The petition for liquidation was filed on the 29th April, 1874, and on the 23rd June the bank tendered a proof against Greenhough's estate for £2,487 11s. 7d. This proof the trustee admitted to the extent of £1,016 18s. 1d., but rejected to the extent of £1,470 13s. 6d., insisting that the bank ought to have deducted from their claim two sums of £120 and £350 13s. 6d., together £470 13s. 6d., and that as to a sum of £1,000 the bank are not entitled to any proof in respect thereof. The facts out of which the questions arise have been agreed, by the bank and the trustee and a statement of the facts so agreed is on the file of proceedings. It appears that at the time of filing the petition for liquidation the bank held five bills of exchange, of which Foster and Hinings were drawers, amounting together to £3,560 12s. 6d. Foster and Hinings were customers of the bank, and all these bills had been discounted by the bank for Foster and Hinings, and all were duly presented and dishonoured at maturity, and all were then in the hands of the bank. Of these bill two were acceptances of the debtor Greenhough for £786 2s. and £648 16s. respectively, together £1,434 18s. Two others of the bills were acceptances of Daniel Hainsworth for £831 12s. and £571 18s. respectively—together £1,403 10s. The fifth bill was an acceptance of Benjamin Waite for £722 4s. 6d., the whole of the five bills amounting together to £3,560 12s. 6d. Besides these five bills the bank also held another bill for £295 11s., drawn by Thomas Schofield upon and accepted by the debtor Greenhough, which the bank had discounted for Schofield, and which was also duly presented and dishonoured at maturity, and of which the bank were then the holders. The affairs of Foster and Hinings and Daniel Hainsworth, as well as Lister Greenhough, are all under liquidation in this court. On the 31st March, 1874, the two bills—one for £786 2s. accepted by Greenhough, the other for £831 12s. accepted by Hainsworth—having become due and been dishonoured, Messrs. Foster and Hinings paid to the bank the sum of £120 generally on account and the bank did not specifically appropriate it to either acceptance. On the 2nd of April, 1874, the bank issued a writ against Foster and Hinings endorsed to recover £1,619 11s. 6d., principal and interest due to them on the two bills for £786 2s. and £831 12s. On the 14th of April, 1874, the bank issued another writ against Foster and Hinings endorsed to recover £1221 8s 10d., principal and interest on the two bills for £571 18s. and £648 16s., both of which had now become due and were dishonoured in the hands of the bank. And the same 14th of April the bank issued a writ against Lister Greenhough endorsed to

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recover the sum of £1,437 10s. 3d., the amount of his said two acceptances for £786 2s. and £648 16s. On the 17th April, 1874, Messrs. Foster and Hinings, being pressed by the bank for furthur security, deposited with them a bill of exchange for £350 13s. 6d., drawn by them upon and accepted by Isaac Tempest and Co., dated 16th April and due 19th July, 1874, accompanied by a memorandum in writing, signed by Foster and Hinings, that the said bill was to be held by the bank as a collateral security against all or any of the bills of exchange held by the bank, and bearing Foster and Hining's endorseemnt. This bill was paid by the acceptors at maturity, and the amount received by the bank generally, and without any specific appropriation towards any of the bills in their hands. This last payment was made after proof tendered by the bank to the trustee. The bank continued their pressure upon Foster and Hinings, and in order to stay execution on judgment in the actions against them they, on the 21st April, deposited with the bank a bill, dated 21st April, for £1000 drawn by them upon and accepted by the debtor Greenhough at three months, and also another bill for £800, dated the same 21st April, drawn by them upon and accepted by Hainsworth, payable four months after date, and in depositing the bills Foster and Hinings informed the bank that these bills were for goods supplied. That statement has since been ascertained to be untrue; the bills were in fact accommodation bills. The bank also continued their pressure upon the debtor Lister Greenhough, and on the 24th April he paid to the bank £250 on account generally, and without any specific direction as to the application of it. The bank in their proof, as presented to the trustee, gave credit for this payment of £250, but not for any other sum. Upon the hearing before me the counsel for the bank admitted that credit must also be given for the sums of £120 and £350 13s. 6d., but suggested that the credit should be apportioned between the two acceptances of Greenhough, amounting to £1,434 18s., and the two acceptances of Hainsworth, amounting to £1,403 10s., and this suggestion was assented to by Mr. Watson on behalf of the trustee. I think, however, upon the same principal that the acceptance of Waite for £722 4s. 6d., of which Foster and Hinings are the drawers also, should, if the bank desire it, have its proper apportionment of the two sums of £120 and £350 13s. 6d. Those sums will, therefore, be apportioned rateably between the sums of £1434 18s., £1403 10s., and £722 4s. 6d. or only between the two former sums, at the option of the bank, and the sum to be thus apportioned in respect of the £1434 18s. will be deducted from the proof. The question then remains as to the acceptance for £1,000 deposited with the bank by Foster and Hinings on the 21st April. The trustee contends that the bank are not entitled to any proof in respect of it. But no reason is stated, nor any authority cited, for such contention, and I am unable to find either reason or authority for it. The acceptance was deposited as a collateral security for the debt then due from Foster and Hinings to the bank, which amounted to £3560 12s. 6d.; and to deny the bank the right of proof upon this bill, as the acceptor has become bankrupt, would be to deprive the bank of all benefit of their security, as such proof is now the only mode in which the security can be made available. It was then contended on behalf of the trustee that the proof must be limited to the amount of the balance actually due on Greenhough's acceptances for £786 2s., £648 16s., and £295 11s., giving credit for the £470 13s. 6d. and the £250, leaving the whole of the £470 13s. 6d. as applicable exclusively to Greenhough's acceptances. It was admitted that this exclusive application could not be maintained against the will of the bank, and that the £470 13s. 6d. should be apportioned between Greenhough's acceptances and Hainsworth's acceptances, and this apportionment should also, I think, be extended to and include Waite's acceptance for £722 4s. 6d. if the bank desire it. But I think it is erroneous to limit the proof to the balance due on the three acceptances of Greenhough's, whatever that balance may be. The acceptance for £1,000 was a collateral security for the whole debt of Foster and Hinings, and not merely that portion of it which consisted of Greenhough's dishonoured acceptances; and the proof will therefore be upon the £1,000, but so regulated that the bank do not by means of their proofs against Greenhough's estate, Hainsworth's estate, and Foster and Hining's estate, and any sum they may recover from Waite in respect of his dishonoured acceptance for £722 4s. 6d., receive more than 20s. in the pound on their debt against Foster and Hinings. The proof by the bank will therefore be reduced by the proper apportionment of the sum of £470 13s. 6d. in the measure before directed. The bank will bear their own costs of this application, and the trustee will take his costs out of the estate.

LEEDS COUNTY COURT.

June 21.

(*Before Mr. Serjeant* TINDAL ATKINSON.)

THE RIGHTS OF SOLICITORS IN THE COUNTY COURT.—Mr. Ferns drew the attention of the judge to a paragraph in a legal paper, which stated that Mr. Fisher, judge of the Bristol County Court, had come to the conclusion that he could not in future allow cases to be conducted by agents other than certified solicitors, and that all railway and other incorporated companies must appear by solicitors. His Honour replied that that was the rule in his district, and he introduced the same into the Halifax district. Mr. Ferns said what he more especially wished to call attention to was that a firm of accountants, calling themselves Beswick and Co., conducted a large amount of business in this court. He had not an opportunity of being present on Friday when a case in which he was defending was brought before the court, but he received from them a legal document, which was headed, "From Beswick and Co., accountants, Manchester, Leeds," &c., and which ran as follows:—

In the County Court of Yorkshire holden at Leeds.—Plaint No. C. 5518, between William Beecroft, plaintiff, and William Winkworth, defendant.—Take notice that we have withdrawn the above case from court. Pro BESWICK & Co, Plaintiff's Agents, Leeds.

He submitted that that ought not to be tolerated in this court or in any other. His Honour asked if it was not a matter which should be brought before the Law Society rather than before him. The Registrar (Mr. T. Marshall) remarked that he would yield to no one in wishing to preserve intact the prerogatives of the profession, but he was bound to say that it would be quite impossible to satisfactorily conduct the business of the court if in regard to cases taken by him as registrar, and which were undefended, a rule were to be laid down that agents were not to appear. The cases heard before the registrar were in the great majority of instances for small sums, in which it would be quite impossible for the parties to bear the expense of having professional assistance. Those cases were put by tradesmen into the hands of agents—Messrs. Beswick and Co. and others—who appeared with a long list of cases, and they adduced proof where there was not an admission, brought the persons who had sold the goods, and so on, They were permitted to that extent to conduct cases; and it would be quite impossible, as he had said, to satisfactorily conduct business if any rule were to be laid down that that practice was not to be permitted, because, although the agents might not know so much as solicitors, they knew a great deal more than tradesmen and others primarily concerned, and moreover they did not at all interfere with cases where solicitors ought to be consulted. Mr. Ferns said he did not refer to the class of cases to which the Registrar had alluded. His Honour would understand that his application was against people who took upon themselves the duties of solicitors. His Honour observed that in all cases which came before him in the shape of defended causes, where parties were brought face to face, and he had to decide on the merits, he permitted no agent to interfere in any shape or way. Parties must

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either conduct their own cases or have the advantage of the ability, skill, and experience of a solicitor. That was his rule, and would continue to be so; but in all those cases taken by the learned registrar, the debt collector served a useful office, so long as he did not interfere with the graver duties of a solicitor. Mr. Ferns said there were graver duties interfered with by people of that class than he was at liberty to mention, but what he complained of was that these parties knew that the defendant had filed the usual defence in matters of that sort through him, and that instead of referring the plaintiff to an attorney they took upon themselves to draw up and file notices of discontinuance in this court. His Honour further remarked that it was a case not for him, but for the Law Society. The Registrar observed that in the great majority of cases the plaintiff himself could do that without consultation with an attorney. His Honour assured Mr. Ferns that whilst he sat on the bench he would watch jealously that no agent should take upon himself in the practice of the court the office of attorney. If he found any agent doing so he would then avail himself of the powers he had. He did not think, however, that any trouble would arise; but still Mr. Ferns had done quite right in calling attention to the matter. Mr. Ferns said he did not object to agents acting as debt collectors, but if they went beyond that they were infringing on the rights and privileges of solicitors. The subject then dropped.

COURT OF BANKRUPTCY, DUBLIN.

June 22.

(*Before the* Hon. Judge Miller.)

In Re John M'Elroy.—The bankrupt was a grocer in Enniskillen. The meeting was for final examination. Thomas Breen, auctioneer, and George Breen, his clerk, were examined as to the sale of the bankrupt's goods. Judge Miller said the sale of the bankrupt's property had been a scandalous affair. The scandal resulted from the trade assignee's intermeddling with the proper duty of the official assignee. The trade assignee appeared to have employed an auctioneer who was under the influence of drink, and who protracted the sale of £140 worth of goods for 14 days. This all arose through the interference of a man of influence in Belfast. The auctioneer must lodge the proceeds of the sale with the official assignee before he was allowed any fees. The case was then adjourned.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointments of Liquidators and Auditors for insertion in this column.*]

Vice-Chancellor Bacon has appointed Mr. James Wood Sully official liquidator of the Davis Maestig Merthyr Colliery Company, Limited.

Vice-Chancellor Hall has appointed Mr. James, of James and Edwards, provisional official liquidator of the Indestructible Paint Company, Limited.

Winding-up.—Petitions have been presented to the Court of Chancery for the winding-up of Acklom's Refrigerating Waggon Company, Limited; the Borough of Hackney Newspaper Company, Limited; and the Dartmoor Granite Company, Limited.—A petition for the winding-up of the Indestructible Paint Company, Limited, is to be heard before Vice-Chancellor Hall on the 2nd prox.

CREDITORS' MEETINGS.

H. Merrell (Keighley).—A meeting of the creditors of Mr. Hartley Merrell, worsted spinner and stuff manufacturer, of Spring Head Mill, near Keighley, was held on Monday at the office of Messrs. Wood and Killick, solicitors, Bradford. A statement of the debtor's produced by Messrs. Blackburn, public accountants, Bradford, showed the liabilities £17,795 3s. 5d., and the assets £12,241 15s. 9d. A composition of 12s. in the pound, in three equal instalments of 4s., payable in three, six, and nine months, the last being guaranteed, was offered and accepted by the meeting, and Mr. John Blackburn was appointed the trustee to see this arrangement carried out.

Mason, Eadie, & Co. (Glasgow).—At a meeting of the creditors of Messrs. Mason, Eadie, and Co, power-loom woollen manufacturers, held at Glasgow, the liabilities were stated at £37,738, and assets at £13,407. A composition of 6s. in the pound was offered, but a committee of investigation was appointed.

E. O. Child (Huddersfield).—A meeting of creditors was held herein at the offices of Messrs. John Sykes and Son, solicitors, Huddersfield, on Saturday the 19th inst. Liquidation was resolved upon, Mr. W. Schofield, accountant, being appointed trustee, with a committee of inspection.

J. Turner (Sowerby Bridge).—The first general meeting of creditors in this matter was held on Monday last. An offer of 12s. in the pound was accepted, payable at 4, 7, and 10 months, Mr. S. J. Beswick, of the firm of Beswick & Co., being appointed trustee.

A. E. Westbeach (London).—The creditors of A. E. Westbeach, of Fenchurch-street (who recently suspended payment), have resolved to liquidate by arrangement, and have appointed Mr. Robert A. McLean (R. A. McLean and Co.) to be trustee, with a committee of inspection. The liabilities are £112,000, of which £34,000 are expected to rank against the estate. The assets are £27,000, consisting chiefly of estimated reversions from consignments from India, China, and Australia. Messrs. Lawrence, Plews and Co., are solicitors in the matter.

J. P. Robertson & Co.—A meeting of the creditors of Messrs. J. P. Robertson and Co., yarn agents, was held on Tuesday. The statement submitted showed the liabilities to be £18,801 11s. 11d.; assets, £2,820 5s. 4d.; showing 3s. in the pound, exclusive of expenses.

E. Corry.—At a meeting on Thursday of the creditors of Mr. Edward Corry, in the metal trade, who stopped payment on the 4th inst., the balance sheet prepared by Messrs. Quilter, Ball, and Co., showed liabilities amounting to £172,770, including acceptances for the Aberdare Iron Company for £154,709. Pending a meeting of the creditors of Messrs. Fothergill, Hankey and Co., it was resolved to adjourn till the 5th of August.

C. Page (London).—In the matter of Charles Page, on the 22nd inst, a meeting was held at the Bankruptcy Court, Basinghall-street, for the appointment of trustee. Mr. W. L. C. Browne, of the firm of Browne, Stanley and Co., was appointed to act with the committee of inspection. The statement of affairs filed under the liquidation proceedings, which fell through, disclosed total debts £2,196 17s. 9d., against total assets £567 8s.

E. Carnie (London).—A meeting of the creditors of Mr. Charles Carnie, 25 New Broad-street, merchant, was held on Thursday. The debtor had, it appeared, accepted bills amounting to about £56,500 for Alexander Collie and Co., and the assets and liabilities outside these acceptances represented only a few hundred pounds. The meeting was adjourned.

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FAILURES.

ENGLAND.—The suspension was announced on Friday of Messrs. N. Alexander, Son, and Co., 23 Great Winchester-street. The firm is of long standing, and well-known in the East India trade. The estimated liabilities are about £300,000. The books are in the hands of Messrs. J. Waddell and Co., of Mansion House-chambers, 11 Queen Victoria-street.—The failure is announced of the Medlock Smallware Company, Brook-street Mills, Manchester, consequent on that of Messrs. J. P. Westhead and Co., Manchester.—The bills have been returned of Mr. Lewis Stewart, East India agent, of St. Mary Axe, whose liabilities amount to about £100,000, including acceptances for Collie and Co. for £60,000.—The suspension is announced of Messrs. J. H. Rudall and Sons, merchants, of King William-street, with liabilities amounting to about £180,000, a large portion of which, however, is secured. The books have been placed in the hands of Messrs. J. Waddell and Co., accountants.—Messrs. S. and J. Graham, of Wood-street, have suspended payment. The books of the firm have been placed in the hands of Messrs. Chatteris, Nichols, and Chatteris, of Gresham-buildings, Basinghall-street. The liabilities are not serious.—In Birmingham the suspension was announced on the 18th, of a firm of jewellers and merchants, Messrs. Gompers and Marcoso, with liabilities amounting to about £20,000.—Messrs. Mather and Lee, oil and colour merchants, &c., have suspended payment. Liabilities nearly £3,000, and assets £1,000.—Messrs. Tolley and Jones, colliery proprietors, Old Bury, have filed a petition for liquidation. Their liabilities are estimated at £9,000.—At the Manchester county court, on Tuesday, an adjudication in bankruptcy was made against Mr. William Marshall, merchant and commission agent, of Brown-street, in that city. It is estimated that the liabilities will amount to nearly £100,000. Messrs. Wm. Shaw, Son and Co., woollen merchants, Huddersfield, have filed a petition in the Huddersfield County Court for the liquidation of their affairs by arrangement, and their liabilities are estimated at £30,000. The debtors' solicitor is Mr. Charles Mills, and Mr. W. Schofield, accountant. The first meeting of creditors is fixed for the 8th of July.—The failure is reported of Messrs. William Chard and Co., provision merchants, of Bristol, with liabilities for £22,000.

SCOTLAND.—Messrs. Smith and Buchanan, corn factors, 57 Oswald-street, Glasgow, have suspended payment.—The old-established firm of James Muirhead and Sons, jewellers, 90 Buchanan-street, Glasgow, have been unable to meet their engagements. The liabilities of the Messrs. Muirhead are said to amount to about £40,000.—The suspension is announced of Messrs. J. and A. Simpson, yarn and commission merchants, 49 Hutchinson-street, Glasgow. In a circular addressed to their creditors, the firm attribute their failure to several recent and heavy losses. The books are with Mr. John Wight, C.A., Glasgow.

AMERICA.—New York papers announce the suspension for the second time of Messrs. Turner Brothers, bankers, of that city. Previous to and just succeeding the panic of September, 1873, the firm had made large advances to Western railroad enterprises, which were afteward crippled, dragging down the banking-house. An extension was secured, however, and the firm had already paid 40 per cent. to its creditors up to the time of its second suspension. The general dulness throughout the country has prevented Messrs. Turner Brothers from realising on their assets except at a ruinous sacrifice. American advices report the suspension of the old-established and highly respected leather house of Messrs. O. L. Richardson and Sons, of Quebec, who are said to owe a quarter of a million, and to have offerd 50 per cent. by way of compromise. The failure of the well-known firm of Messrs. Strang and Holland Brothers, wool dealers, 142 Duane-street, had also transpired. Rumours were also afloat when the mail left of a woollen concern being in difficulties, as also that of a Providence wool house, but nothing definite had been declared.

According to the latest advices from Japan the depression of trade there has increased, and the authorities of the Deutsche bank have found it expedient to close their different establishments and retire from the country.

CREDITORS' POWER TO ADJOURN MEETINGS.

A correspondent of a legal contemporary says :—

"In *Ex Parte Till, Re Ratcliffe*, the Lords Justices on appeal have reversed the decision of the Chief Judge as to the power of creditors at a meeting in liquidation or composition *to adjourn*. It has been considered very generally that, as in bankruptcy (sect. 16, sub-sect. 7) it was competent for a majority in value of the creditors present to pass an *ordinary* resolution, and it was thought that Rule 93 pointed to the like conclusion, for by it less than a competent number for other matters may yet pass a resolution for adjournment, and I apprehend that it was less than a number competent to carry the debtor's proposition in *Re Till* that carried the resolution for adjournment. But the Lords Justices have decided that when the debtor's proposition has once been put and negatived *the meeting is at an end;* so that if a meeting reject a proposition, and that rejection arose from their dissatisfaction with the debtor's statement or his replies to their questions, the creditors are now precluded from adjourning the meeting, although they may desire it in order to test the accuracy or *bona fides* of the debtor. It is of course desirable to prevent fictitious creditors wearying *bona fide* creditors by numerous adjournments, but the power to do so may best be used by an application to the court to expunge the proofs of such fictitious creditors. Indeed, does it not resolve itself into this, for, *assuming the adjournment be carried by the debtor's solicitor, and that his motive be simply to obtain further proxies*, to take away the power of adjournment is only to narrow the creditor's rights without protecting them from the annoyance of repeated meetings, or prevent the accession and use of proxies? On an application to the court, after the present decision, a new first meeting would doubtless be directed to be held, or, if refused, a fresh petition would be filed and then—what? Why the creditors, the malcontents among the rest, are drawn from their businesses to attend the new meeting (or virtual adjournment) and to find that, instead of the former offer of, say 5s. in the pound, the extra expense of the new proceedings makes only 3s. 4d. possible, which the additional proxies enable the debtor's solicitor to carry at the creditor's expense."

Mr. Philip Triggs announces that the partnership hitherto existing under the firm of Hancock, Triggs & Co., public accountants, Bristol, having been dissolved by mutual consent, he purposes to carry on the business at 39 Broad Street, Bristol.

AUDIT OF ARMY AND NAVY ACCOUNTS.—In the House of Commons on Monday, in reply to Mr. J. Holms, Mr. W. H. Smith said,—The committee to which the hon. member for Hackney refers was appointed under the superintendence of the Financial Secretary to the Treasury, and made some progress in its inquiries. Various circumstances, however, occurred to delay it, and no report has been presented. I have had the subject under consideration, and I trust that I shall be able to suggest a satisfactory solution of the question. For that purpose I propose at my earliest leisure to resume and complete the inquiry; and the report which we shall present will, of course, be communicated to the Departments concerned and submitted to Parliament.

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NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Argyll Coal and Cannel—Capital £50,000, in £5 shares.
Bagnoles de L'Orne Mineral Waters and Baths—Capital £140,000, in £20 shares.
Broad Oak (Accrington) Manufacturing—Capital £20,000, in £10 shares.
Buffalo Hide Hore-shoe—Capital £60,000, in £5 shares.
Carlisle Good Templars' Hall—Capital £1,500, in £1 shares.
Cheetham Liberal Club—Capital £3,000, in £1 shares.
Christian Globe Newspaper Association—Capital £15,000, in £5 shares.
Clanwilliam Quarrying and School Slate Manufacturing—Capital £25,000, in £10 shares.
Danubian Industrial—Capital £1,000,200, in £10 and £1 shares.
Dronfield Brick and Tile Works—Capital £10,000, in £10 shares.
Gloucester Chamber of Commerce—Limited by guarantee to £10.
Great Grimsby Sterling Buildings—Capital £10,000, in £10 shares.
Hamer, Giles, and Co.—Capital £25,000, in £5 shares.
Howard Mills Cotton-Spinning and Doubling—Capital £15,000, in £10 shares.
Hull Incorporated Chamber of Commerce and Shipping—Limited by guarantee to £5.
Incorporated Trade Protection Society of Liverpool—Limited by guarantee to £1 1s.
London and Westminster Clothing—Capital £10,000, in £5 shares.
Nelson Dock—Capital £30,000, in £500 shares.
People's Hall—Capital £50,000, in £1 shares.
People's Newspaper and General Publishing—Capital £2,000, in £1 shares.
Rochdale Equitable Permanent Money—Capital £5,000, in £5 shares.
Roath Public Hall—Capital £4,000, in £2 shares.
Tunbridge Wells Skating Rink—Capital £6,000, in £10 shares.
Welsh Mineral—Capital £10,000, in £10 and £1 shares.

LATE ADVERTISEMENTS.

DISSOLUTION OF PARTNERSHIP.

NOTICE OF REMOVAL.

39 BROAD-STREET, BRISTOL,
JUNE 24TH, 1875.

The PARTNERSHIP hitherto existing under the Style or Firm of HANCOCK, TRIGGS, & CO., having been DISSOLVED by mutual consent, I beg to give notice that I purpose henceforth to CARRY ON BUSINESS as a PUBLIC ACCOUNTANT at the above address.

PHILIP TRIGGS.

TOLMIE, SON, & CO.,

ACCOUNTANTS AND PROPRIETORS OF

TOLMIE'S MERCANTILE OFFICES,

116 St. VINCENT STREET, GLASGOW.

Proofs prepared, and proxies obtained from Scottish Creditors in English Bankruptcies.
Meetings of Creditors attended and the proceedings reported.
Debts recovered, and business inquiries made, in all parts of Scotland.

Correspondence invited.

LOVEWELL BLAKE, PUBLIC ACCOUNTANT, RECEIVER, AND TRUSTEE IN BANKRUPTCY.
SECRETARY TO THE GREAT YARMOUTH TRADERS' ASSOCIATION.
OFFICES: HALL QUAY CHAMBERS, GREAT YARMOUTH.

J. F. TITCHMARSH, PUBLIC ACCOUNTANT AND AUDITOR.
17 PRINCESS STREET, IPSWICH.

RECEIVER AND TRUSTEE IN BANKRUPTCY AND LIQUIDATION.

MONEY to LEND to BORROWERS residing in town or Country, from £50 upwards, repayable in one sum, from one to five years, at five per cent. interest on personal security; also on mortgage of freehold or leasehold property from 3 per cent., for a term of years to be agreed upon. No commission.
Apply to R. F. PRESTON, Esq., 120 Southampton-row, London, W.C.

THE BIRKBECK BUILDING SOCIETY'S ANNUAL RECEIPTS EXCEED THREE MILLIONS.

HOW TO PURCHASE A HOUSE FOR TWO GUINEAS PER MONTH
With immediate Possession and no Rent to pay.—Apply at the Office of the BIRKBECK BUILDING SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

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With Immediate Possession, either for Building or Gardening purposes.—Apply at the Office of the BIRKBECK FREEHOLD LAND SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO INVEST YOUR MONEY WITH SAFETY AT £4 PER CENT. INTEREST.
Apply at the Office of the BIRKBECK BANK. All sums under £50 repayable upon demand. Current Accounts opened similar to ordinary Bankers. Cheque-books supplied. English and Foreign Stocks and Shares purchased and sold, and Advances made thereon.
Office Hours from 10 till 4; on Mondays from 10 till 9, and on Saturdays from 10 till 12 o'clock.

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"They come as a boon and a blessing to men, The Pickwick, the Owl, and the Waverley Pen."
"The misery of a bad Pen is now a voluntary infliction."
Another blessing to men! The Hindoo Pen.
1,200 Newspapers recommend them. See *Graphic*, 17th May, 1873.
Sold by every respectable Stationer. Post 1s. 1d.

Patentees, MACNIVEN & CAMERON, 23 to 33 Blair-street, Edinburgh.

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Known as the BODEGA, now under the new management of Mr. L. BOECKER, late of 13 Idol-lane, City.
Luncheons from the joints, hot or cold, including vegetables and bread, 1s. 3d
Dinners from 12 till 4 o'clock, from the joint, with soup or fish, vegetables, cheese and bread, 2s.
Dinners from 6 till 9 o'clock, from 2s. 6d. to 10s. 6d.
Private Dining Rooms for large and small Parties on the Second Floor.

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NEW DECORATIONS for the DINING TABLE.
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STORER'S Patent Perpetual Perfumed CRYSTAL TABLE FOUNTAIN, for Dining, Hall and Drawing Rooms, in Crystal and Gilt, £2 17s. 6d. to 100 guineas.

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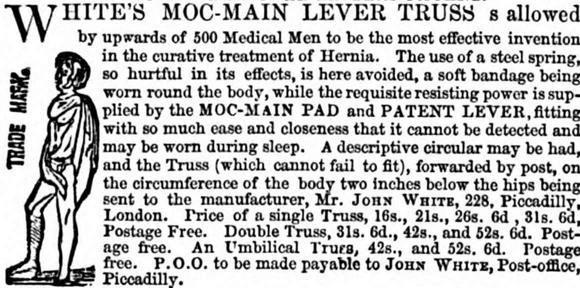

NEW PATENT ELASTIC STOCKINGS, KNEE CAPS, &c. for Varicose Veins, and all cases of Weakness and Swelling of the Legs, Sprains, &c. They are porous, light in texture, and inexpensive, and are drawn on like an ordinary stocking. Price from 4s. 6d , 7s, 6d., 10s , to 16s. each. Postage free.

CHEST EXPANDING BRACES, for both sexes. For gentlemen they are a substitute for the ordinary braces. For children they are invaluable; they prevent stooping and preserve the symmetry of the chest. Prices for children, 5s. 6d. and 7s. 6d. Adults, 10s. 6d., 15s. 6d., and 21s. each. Postage free.—JOHN WHITE, Manufacturer, 228 Piccadilly, London.

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Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 80.] SATURDAY, JULY 3, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF GLAMORGANSHIRE HOLDEN AT NEATH.

IN the matter of Proceedings for Liquidation by Arrangement or Composition instituted by DAVID SAUNDERS GRIFFITHS of the Town of Neath, in the County of Glamorganshire, Draper.

The Creditors of the above-named David Saunders Griffiths who have not already proved their debts are required, on or before the 10th day of July, 1875, to send their names and addresses, and the particulars of their debt or claims, to me, the undersigned BARTLETT PHELPS THOMAS, of 10 Temple Street, Swansea, Public Accountant, the Trustee under the liquidation, or in default thereof they will be excluded from the benefit of the dividend proposed to be declared.

Dated this 29th day of June, 1875.

BARTLETT PHELPS THOMAS,
Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT SHEFFIELD.

IN the Matter of JOHN ASTILL, of Sheffield in the County of York, builder, adjudicated a bankrupt on the 2nd day of May, 1872.

TAKE NOTICE that a meeting of the creditors of the above named Bankrupt will be held at the offices of Messrs. Wing, Wing, and Company, Public Accountants, Prideaux-Chambers, Change-Alley, Sheffield, in the County of York, on Monday, the 19th day of July, 1875, at three o'clock in the afternoon, for the purpose of considering an application to be made by me to the Court on Thursday, 22nd day of July, 1875, at 12 o'clock at noon, for an order for my release as trustee pursuant to section 51 of the Bankruptcy Act, 1869, an order having been made closing the Bankruptcy.

J. UNWIN WING,
Trustee.

DISSOLUTION OF PARTNERSHIP.

NOTICE OF REMOVAL.

89 BROAD-STREET, BRISTOL,
JUNE 24TH, 1875.

The PARTNERSHIP hitherto existing under the Style or Firm of HANCOCK, TRIGGS, & CO., having been DISSOLVED by mutual consent, I beg to give notice that I purpose henceforth to CARRY ON BUSINESS as a PUBLIC ACCOUNTANT at the above address.

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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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TO SUBSCRIBERS.

In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

JULY 3, 1875.

We presume that those gentlemen who lately took up with so much fervour the reform of the "unreasonable charges which so materially depreciate the value of estates," and put forward a scale applicable to all cases difficult or simple, smooth or complicated, would hardly wish to include the payment of law costs out of the estate among the sums which the trustee is to pay out of the remuneration which he receives; otherwise his position will be less worth accepting than it at present is, if all judges consider that "costs out of the estate" is to be the general order on any question which a creditor may think to raise. And in the case of *Hanson, Pickles & Co.*, which we reported last week, we cannot help thinking that the judge showed undue leniency to the creditor, in not fixing him with the payment of, at any rate, his own costs. Probably he considered that as the point raised was one of some novelty, it might be considered as a representative case, and he may also have been influenced by circumstances not fully reported. But we refer to this merely to show that there may be occasions on which a very heavy expense to the estate is caused by circumstances which no trustee can control. Here a creditor makes an unfounded claim, so the judge held; the trustee is bound, in the interest of the general body of creditors, to resist it, and the result is that the estate, though the trustee is victorious, is saddled with heavy costs.

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The point which was raised is curious, and the Act seems to bear a little heavily on the landlord. If rent is due, the landlord may distrain, and pay himself the full value of his claim up to one year's rent, proving as an ordinary creditor for any excess. But if the rent is not actually due at the time, the creditor must prove for a proportionate part up to the day of adjudication, and the trustee can then exercise his discretion whether he will disclaim the lease, or treat it as a valuable asset, in which latter event the rent is paid in full. It was on this 34th section that the argument in *Hanson's* case turned. If the rent was payable in the ordinary manner, on the quarter-day, the distraint was perfectly correct; if, on the other hand, the rent was only payable half-yearly, no rent was actually *due*, and the distraint was illegal. It may be noticed, that the 34th section is rather ambiguously worded. It says simply that "a landlord, or other person to whom any rent is due from the bankrupt, may at any time, either before or after the commencement of the bankruptcy, distrain, &c.," which might almost imply that he might distrain if the rent fell due after the bankruptcy, provided that his distraint was in other respects formal. This section must, however, be interpreted by the light of the 11th section, which defines the date of the commencement of bankruptcy, and of course of the adhesion of the term bankrupt. It seems rather hard on a landlord, that if bankruptcy takes place on the Boxing day, he may obtain the payment of his claim in full by distraint; but is reduced to the rank of an ordinary creditor, if the adjudication has been made on Christmas Eve; and it might be as well to provide that the rent which has accrued during the current quarter up to the date of adjudication shall rank as a preferential claim with those enumerated in the 32nd section. It seems however, clear on the wording of the Act, that at present the date of adjudication has an essential bearing on the amount which the landlord is entitled to receive, and we think that more justice would be done by the adoption of our suggestion; otherwise landlords may be like the working men of whom Lord Robert Montagu gave so touching a description the other day, and adopt the system of "minute contracts," a plan which would rather derange the secure relations of landlord and tenant.

The letter of our correspondents I and B, raises a somewhat curious question of practice, which, in our present number at least, we can only answer tentatively. A bankrupt has absconded, leaving an estate which, on realisation, will yield a large surplus. The wife has applied for an allowance, and a gift of certain furniture, which the trustees are advised they have no right to make except to the debtor himself. We do not quite gather whether the "usual allowance to a debtor of £20 for wearing apparel and bedding" is included under the head of "allowance," but if so, we think on this point our correspondents have scarcely been correctly advised. The Act says nothing whatever about an allowance of £20 for wearing apparel. The section which bears on this point is the 15th, which defines the property of the bankrupt which will vest in the trustee, and exempts from such operation (subsection 2) "the tools (if any) of his trade, and the necessary wearing apparel and bedding of himself, his wife, and children, to a value, inclusive of tools and apparel and bedding, not exceeding twenty pounds in the whole." The trustee will therefore not only be justified in letting the wife have twenty pounds' worth of clothes and bedding, but is actually bound to leave such an amount in her possession; and should at once restore it if he has, under any misconception, removed it. The second point, as regards an allowance being made to the wife, may also be solved in a fair manner. In the first place, as the chief duty of the trustee is to declare as large a dividend as he possibly can; and as his powers of sale and realisation are as extensive as can well be,—he may, we take it, deal with the bankrupt's estate as he thinks best. He may sell such portions of it as he chooses, and leave untouched any other portions; and so long as he declares a dividend of twenty shillings in the pound, no exception can be taken to his proceedings. Under such circumstances, he is merely taking the place of the debtor. It is the duty of a man to pay his debts; and for that purpose, he will naturally realise such parts of his personal estate as can be best spared. If, instead of doing this, he chooses to run away, and have this task performed for him by a trustee in bankruptcy, he cannot complain of the trustee for doing it. On these grounds, we think that the trustee would be perfectly justified in handing over the furniture to the wife, if he has enough to pay all debts and expenses without it, arising from the sale of other portions of the estate. As regards an allowance of money, the 88th section provides that the trustee, after the necessary formalities, may make an allowance to the bankrupt for "the support of the

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bankrupt and his family;" and it would probably be considered that an allowance to the wife would be deemed to be an allowance to the bankrupt, so as to form a complete answer to any claim the bankrupt might make on his return. Otherwise, the wife might pledge her husband's credit to procure necessaries, and those creditors would then make their claim against the fund in the hands of the trustee, or take proceedings in bankruptcy in their turn. In the present instance, if creditors and trustee are both willing, we see no very great difficulty. The first point is quite clear; the second may be solved by the joint efforts of the trustee and committee of inspection; and the third may be submitted to the opinion of the Court. We are inclined to think that the result would be more favourable than our correspondents anticipate.

We are sorry to see by the letter of our correspondent N. that the Chancellor of the Exchequer has in a moment of weakness struck out of the "Friendly Societies Act" the provision as to publishing the names and addresses of auditors in the board-room of a society. Surely, if an audit is to be really efficacious, it must be conducted by competent men; and the reason of the publication of the names was obviously to ensure that fitting men, and those who would give satisfaction to the society, should be chosen, and that the power of members to object to the nomination would act as a useful check on the directors. At present, there is no hindrance to the appointment of any one; and in some of the shaky societies the usual results will follow, which are so familiar to every accountant. We are not referring, we may as well say, to societies which are managed in a fraudulent manner, and whose officers would naturally select an auditor whom they could easily hoodwink. But, as we have over and over again insisted, the auditor is the physician who certifies to the general health, or points out boldly the signs of disease. The result of the Act will be, that some local magnate will be appointed auditor—a good easy man, anxious to make every thing pleasant, and afraid of appearing to doubt the honour of his electors if he examines too closely into things. Auditing ought to be the vigorous shock which braces up the nerves, which corrects defects, and sets things going again. If there has been carelessness or remissness, which in their way are well-nigh as dangerous as fraud, rigid auditing is the finest of correctives. We again commend this point to the consideration of the House of Lords.

The Lords Justices have followed the example set by Vice-Chancellor Malins in the Emma Mine case, and referred the question as to what course should be taken in the winding-up of the City and County Bank to a general meeting of shareholders, thus overruling the order of Vice-Chancellor Bacon in the Court below. The objections to the order were very characteristic of our judicial system. First, it was said that the petitioner ought to have stated in his petition that he had held his shares for six months, otherwise he was guilty of the sin of insufficient allegation, and had no *locus standi*. Next, an advertisement in the *Telegraph* of the petition termed the company, "The City and County Banking Company," instead of "the City and County Bank," a circumstance which greatly shocked Lord Justice James, who, differing from the well-known doctrine of Romeo, held that no line could be drawn, and that where a public company had a registered name, that name must always be used. Lastly, the petition ought to have been heard on the 29th of May; as the Courts always loyally keep holiday on the Queen's birthday, the Vice-Chancellor had heard the petition on the day previous. The first and last objections were, however, both set aside, and their Lordships reversed the Vice-Chancellor's decision on the merits. They thought the proposed arrangement, by which Messrs. Brown, Jansen and Co. took over the business, a very good and economical one; and provided the shareholders approved of it, and did not exhibit a preference for ruin by being compulsorily wound-up, they would sanction it. Thus the interests of technical law and human finances are alike considered.

FRAUDS ON A BUILDING SOCIETY.—On Monday Thomas Isham Rose, late secretary of the Warwick Building Society, was brought up on a habeas corpus from Warwick Gaol, where he awaits trial for a similar offence, charged with embezzling three sums belonging to the society amounting to nearly £200. The prisoner entered correct sums in the depositors' books, but only half the amount, in the treasurer's accounts, and he kept duplicate books to deceive the auditors. He was committed for trial at Warwick Assizes on each case. The total defalcations are stated at about £600.

At a special meeting of the shareholders in Messrs. John Bagnall and Son's Company, held at Birmingham a committee was authorised to take legal proceedings for the recovery of £85,000 paid as promotion money on the establishment of the concern.

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Correspondence.

To the Editor of the Accountant.

SIR.—A singular point in reference to the present Bankruptcy Law has arisen in a case in which we are concerned. A debtor absconded and an adjudication in bankruptcy followed, one of our firm being appointed trustee. The estate is equal to 20s. in the pound, with an estimated overplus about £400 to £500 in excess of all claims and expenses. The debtor's wife and five children have applied for an allowance and gift of sundry furniture, including the usual allowance to a debtor of £20 for wearing apparel and bedding. The trustee is advised that he has no power to make such an allowance, other than to the debtor himself, nor to give the debtor's wife any of the furniture. An application to the court for the same purpose would probably be met with a negative, on the ground that the registrar trustee will (after the close of the bankruptcy and release of the present trustee) possess the trust for *the debtor only*. We do not require to know the power of creditors to voluntarily subscribe a sum of money. The trustee and creditors would like that some provision or allowance be made to the wife and children out of the estate.

Can any of your readers suggest a legal remedy?

We are, Sir, your obedient servants,

I. & B.

To the Editor of the Accountant.

SIR,—In the valuable leader contained in your last week's issue on the subject of the audit of Friendly Societies, you have fallen into a slight, but excusable error, in stating that the names and addresses are to be posted for three months in the Board Room of the Society; this provision, simple as it may appear, was, as you will observe by a perusal of the previous Tuesday's debate, upon the representation of the Officers of the two largest friendly societies, "that it would most seriously interfere with the workings of their organisation, without at the same time producing any beneficial results," struck out of the bill by the Chancellor of the Exchequer; but how such a simple arrangement could in any way act as represented, I confess I am at a loss to conceive. The Chancellor of the Exchequer, wisely I think, for his own credit, did not attempt to explain the mode in which it could work so improbable and unlikely a result.

Your obedient servant,

N.

June 29th, 1875.

COUNTY COURTS.—In the House of Commons on Monday the House went into committee *pro formâ* on this bill, which was ordered to be reprinted with amendments.

REVENUE.—The receipts on account of revenue from the 1st April, 1875, when there was a balance of £6,265,322 to the 26th instant, were £17,522,727, against £17,219,821 in the corresponding period of the preceding financial year, which began with a balance of £7,442,854. The net expenditure was £16,706,590, against £16,739,762, to the same date in the previous year. The Treasury balances on the 26th instant amounted to £6,300,338, and at the same date in 1874 to £7,204,660.

HOUSE OF LORDS.

June 26.

BUTCHER V. STEAD AND ANOTHER.—This appeal from the Court of Appeal in Chancery sitting in Bankruptcy, which affirmed a judgment of the Chief Judge in Bankruptcy reversing a decision of the Manchester County Court Judge, raised a very important question as to what constitutes a fraudulent preference on the part of a bankrupt—namely, whether it is sufficient to constitute such a fraudulent preference that the bankrupt shall have the intention of making a fraudulent preference, or whether it is essential not only that the bankrupt shall have such an intention, but also that the creditor to whom payment is made must have notice of such intention. Mr. Herschell, Q.C., and Mr. F. North appeared for the appellant; Mr. Benjamin, Q.C., Mr. Marten, Q.C., and Mr. Jordan for the respondents. The appellant, William Butcher, is the trustee of the property of James Stenhouse Meldrum and Albert Wydler, bankrupts, who previously to their bankruptcy carried on business as calico printers, under the style of the Belfield Printing Company, and also carried on the business of dyers at the Boarshaw Dye Works. The respondents, Messrs. Stead. are cotton spinners and manufacturers of cotton cloths, and carry on business at Manchester as merchants. The bankrupts commenced to purchase cotton cloths from the respondents in May, 1868, and continued to trade with them up to November, 1873. The arrangement entered into between the bankrupts and the respondents was that the former should have the option of paying cash within 14 days from the time of delivery of any goods bought, receiving a discount of 2½ per cent. off, or of paying according to Manchester terms, or of paying after the expiration of 14 days, but before the expiration of the time allowed by Manchester terms, and receiving a rebate of interest on the sum paid for the period from the time of payment to the end of the time allowed by Manchester terms, calculated at the Bank rate on the day of payment. According to Manchester terms, all goods that are purchased before the 25th day of one month are to be paid for on the first Tuesday in the following month, but if bought after the 25th day of any month, then they are to be paid for on the first Tuesday in the next month but one. This arrangement was carried out, and the bankrupts exercised their option of paying as it suited their convenience. In September, 1873, and for some time previously, the bankrupts were in insolvent circumstances, because they owed a large sum to one Charles Souchay, who had originally sold them their works, and had advanced them money from time to time, but of this fact the respondents had no knowledge whatever. The bankrupts purchased from the respondents cotton cloth on the 30th of September, 1873, to the value of £141, and on the 9th of October following to the value of £46. In October and November, 1873, the debtors, having become aware that they were hopelessly insolvent, gave orders to their clerks to sell the stock-in-trade and other property, and with the proceeds to pay their ordinary trade creditors, but not to pay Charles Souchay and certain particular creditors, to whom they were largely indebted for advances. On the 22nd of November, 1873, the £186 13s. 9d. in question was paid by one of the debtors' clerks in pursuance of these instructions, to Messrs. Stead, the respondents, and the question was whether, under these circumstances, the latter were protected by the proviso at the end of the 92nd section of the Bankruptcy Act, 1869. The section enacts that all payments involving fraudulent preference within three months of the bankruptcy shall be void, and the proviso is as follows:—"But this section shall not affect the rights of a purchaser, payee, or incumbrancer in good faith and for valuable consideration." The Court below decided that the payment to the respondents came within the proviso, and that, therefore, the trustee in bankruptcy was not entitled to recover the sum so paid from them. Their Lordships took time to consider.

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COURT OF CHANCERY.

JUNE 24.

(*Before the* LORDS JUSTICES *of* APPEAL.)

IN RE THE WEST HARTLEPOOL IRON COMPANY.—Two petitions have been presented for the winding-up of this company—one in the Court of Vice-Chancellor Bacon, the other in the Court of Vice-Chancellor Hall. That in Vice-Chancellor Bacon's Court was presented first, but the other would, in the natural course of things, have come on for hearing first, the petition day in Vice-Chancellor Hall's Court being Friday, whereas that in Vice-Chancellor Bacon's Court is Saturday. Mr. Robinson, for the petitioner in the first petition, moved for an order to transfer the second petition to the Court of Vice-Chancellor Bacon. Mr. Dickinson, Q.C., and Mr. Caldecott, for the second petition, opposed. Lord Justice James said it had already been laid down as a general rule that when a suit had been instituted in one branch of the Court, a person who, knowing of the first suit, instituted another relating to the same subject matter ought to institute it in the same branch of the Court. That rule applied to this case, and the transfer must be ordered as asked for. Lord Justice Mellish concurred.

IN RE THE LONDON, BELGIUM, BRAZIL, AND RIVER PLATE ROYAL STEAMSHIP COMPANY, LIMITED.—TAIT'S CLAIM.—This was an appeal from a decision of Vice-Chancellor Bacon. The question was as to a claim by the trustees of the estate of Sir Peter Tait and Co. to be allowed to prove in the winding-up of the above company for a sum of £1,236 17s. 4d., due to them on a balance of accounts. Whether the balance was in favour of one party or the other depended on the right of Messrs. Tait to a sum of £5,000, which they claimed in connection with a contract they had entered into to sell to the company four steamships, and a concession from the Belgian Government for the carriage of mails. The Vice-Chancellor held that Messrs. Tait and Co. were not, under the circumstances, entitled to the £5,000, and accordingly rejected the claim. The trustees appealed. Mr. Jackson, Q.C., and Mr. F. Thompson were for the appellants; Mr. Kay, Q.C., and Mr. Davey were for the liquidator. Their Lordships affirmed the decision of the Vice-Chancellor.

June 25.

IN RE THE CITY AND COUNTY BANK (LIMITED).—This was an appeal from the order made by Vice-Chancellor Bacon on the 28th of May for the winding-up of the above company compulsorily. The order was made upon the petition of a shareholder holding 10 shares of £5 each, on which £2 10s. per share has been paid. The nominal capital of the company is £500,000, but only the nominal amount of £62,260 has been subscribed, and £25,000 only paid up. The debts of the company are nearly £96,000, and the nominal value of their assets in bills, mortgages, and other similar securities about £99,000. The majority of the shareholders desire a voluntary liquidation, and to carry out an arrangement which has been provisionally entered into with Messrs. Brown, Jansen, and Co., who had acted as the bankers of the company in the Clearing-house, that the whole assets of the bank, exclusive of the good-will of the business, should be handed over to them, and that they should pay all the debts in full, accounting for any surplus. It appeared now that practically the whole of the creditors also assented to this scheme. There were several technical objections raised to the petition. One was that the petitioner had not stated in his petition that he had held his shares for six months, the 40th section of the Companies Act of 1867 providing that a shareholder who has not held his shares for that period cannot present a winding-up petition. The Lords Justices overruled this objection. Another objection was that one of the advertisements of the petition in the *Daily Telegraph* described the company by a wrong name, as the "City and County Banking Company, Limited," instead of the "City and County Bank, Limited." This mistake was corrected the next day. A third objection was that the advertisement in the *London Gazette* was not, as it ought to have been according to the rules, published seven clear days before the day appointed for the hearing. The petition was presented on the 19th of May, and was advertised in the *Gazette* of the 21st of May. The ordinary day for hearing petitions in Vice-Chancellor Bacon's Court is Saturday, and this advertisement would have been in proper time for Saturday, the 29th of May; but that day being observed as Her Majesty's birthday, the Court of Chancery was closed, and Vice-Chancellor Bacon's petitions were heard on the 28th of May. This day was mentioned in the advertisement as the day fixed for the hearing of the petition, but the notice was too short by one day. The Vice-Chancellor thought as every one interested was represented before him he had a discretion to dispense with the full notice, and he overruled the other objections also, and made the winding-up order. The company appealed. Mr. Little, Q.C., and Mr. E. Chitty were for the company; Mr. Kay, Q.C., Mr. Swanston, Q.C., and Mr. Graham Hastings were for the petitioner; Mr. Jackson, Q.C., and Mr. E. Cutler for a committee of shareholders; Mr. J. Pearson, Q.C., and Mr. E. C. Willis for creditors; Mr. Waller, Q.C., and Mr. W. Latham for other creditors; and Mr. Dauney, for Brown, Jansen, and Co., supported the appeal. Lord Justice James thought that the misdescription of the company rendered the advertisement in which it occurred absolutely void. There could be no reason on earth why, when a company had a name, any other name should be used to describe it. Where could the line be drawn? The proper name ought to be used. As to the objection about the seven days, his Lordship thought that the Vice-Chancellor had a discretion to dispense with the full time, though this was a thing which ought not to be done lightly. But in this case he thought the Vice-Chancellor had exercised his discretion rightly, and that this Court ought not to interfere with what he had done. Upon the merits his Lordship thought that on the face of it the proposed arrangement with Brown, Jansen, and Co. appeared to be a highly beneficial one, and no doubt the assets would be realised by them as carefully and economically as by a liquidator appointed by the Court. The petitioner's interest was a very trifling one, and he was certainly not entitled to interfere with the wishes of the majority of the shareholders, who ought to determine what was best to be done. Under the circumstances, it would not be right to ruin the company by making a compulsory order, and to render it impossible for them to carry out the proposed arrangement. The order of the Vice-Chancellor must be discharged, with liberty to the directors to summon a general meeting of the shareholders to consider the question of a voluntary winding-up, and the sanction of the proposed arrangement. Meanwhile the petition must stand over. Lord Justice Mellish concurred.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

June 26.

(*Before Vice-Chancellor* SIR R. MALINS.)

RE THE EASTBOURNE COAL COMPANY, LIMITED.—In this matter a petition was presented for an order to wind-up the company. It was stated that there was enough property to pay 10s. in the pound of the company's bills. Mr. J. Napier Higgins, Q.C., was for the petitioner; Mr. T. A. Roberts, for the largest creditor, consented to the prayer of the petition. The Vice-Chancellor made an order to wind up the company compulsory.

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RE THE WEST CENTRAL WAGGON COMPANY, LIMITED.—In this matter a petition had been presented by creditors of the company to the amount of £1,198, for an order to wind up the company voluntarily, under supervision. The paid up capital of the company was £47,600. Two liquidators had been appointed by the company, and the creditors wanted two others to be appointed to act with those of the company, to protect the interests of the creditors. Mr. Montague Cookson was for the petitioners; Mr. Stallard was for the company. The Vice-Chancellor made an order to continue the voluntary winding-up, under supervision, and appointed two liquidators, nominated by the creditors, to act with those selected by the company.

RE THE PETERSBURG AND VIBORG GAS COMPANY—EX PARTE EVERINGHAM.—In this case a petition for winding-up the company by the Court was presented by a contributory, and opposed by the company, but the petitioner now consented to its dismissal, with costs. Mr. Glasse, Q.C., and Mr. E. Beaumont appeared for the petitioner; Mr. John Pearson, Q.C., and Mr. Brooksbank for the company; Mr. Montague Cookson for other parties opposing the petition.

RE THE SAME COMPANY—EX PARTE THE PATENT GAS COMPANY.—This petition, also by contributories, was dismissed without costs. Mr. John Pearson, Q,C., and Mr. Brooksbank appeared for the company; Mr. Glasse, Q.C., and Mr. Latham were for the petitioners.

RE THE SANITARY MILK COMPANY, LIMITED.—In this matter a petition was presented for an order to wind up the company compulsorily. The nominal capital of the company was £200,000, in £1 shares, of which, however, only £1,856 shares had been taken up. The whole concern, which was really a small one, had completely failed. Mr. Freeman was for the petitioner. The Vice-Chancellor said he should not make the order asked for without looking into the case himself. He did not approve such small matters being brought into Chambers. The parties to them ought to settle their own affairs. Indeed, he disapproved entirely of these companies being commenced and carried on with so small an amount of paid up capital. Of a nominal capital, in this instance, of £200,000, only 1,856 shares had been taken. He would much like to see an Act of Parliament introduced to throw all the debts of a company on the directors of it who began their business before at least one half of the capital was paid up.

ROLLS' COURT, CHANCERY-LANE.

June 26.

(*Before the* MASTER *of the* ROLLS.)

IN RE ANGLO DANUBIAN STEAM NAVIGATION COMPANY—EX PARTE INTERNATIONAL FINANCIAL SOCIETY.—This was an application by the International Financial Society for leave to prove in the winding-up of the Anglo-Danubian Company for the nominal value of 18 debentures of £1,000 each, carrying 6 per cent. interest, which in June, 1865, had been issued by the directors of the company to nominees of the society at a discount of 25 per cent. Mr. Davey, Q.C., in support of the summons, referred to the articles of association, which provided that the directors might from time to time borrow on behalf of the company any sum of money not exceeding one half of the nominal capital for the time being of the company (£220,000), and might secure the repayment of or raise any money authorised to be borrowed by them by the issue on behalf of the company of debentures, promissory notes, or bills of exchange, or in such other manner as the directors deemed expedient. Mr. Hull, for the liquidators of the Anglo-Danubian Company, contended that the directors had no authority to issue debentures at a discount, in the absence of express words empowering them to do so; but the Master of the Rolls held that the words "raise any money authorised to be borrowed by them," enabled the directors to raise money by the issue of debentures to a larger nominal amount than the sum raised, and admitted the proofs.

COURT OF BANKRUPTCY.

June 25.

(*Before* MR. REGISTRAR PEPYS, *sitting as Chief Judge.*)

IN RE ALEXANDER RICHARDSON.—The bankrupt, who was formerly secretary and afterwards a director of the International Life Assurance Society, appled for an order of discharge. Adjudication had been obtained upon the petition of Mr. Frederick Maynard, the official liquidator of the Society, in respect of a debt of £2,738, due under an order of the Court of Chancery. The accounts returned liabilities of £4,461, and there were no assets. At a meeting of creditors recently held a resolution was passed to the effect that the failure to pay a dividend of 10s. in the pound had arisen from circumstances for which the bankrupt could not justly be held responsible, and the creditors desired that an order of discharge should be allowed. No opposition was offered by the trustees, and his Honour granted the order.

June 26.

(*Before the* HON. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE ROBERT BENSON & CO.—The debtors, Messrs. Robert James Wigram, Richard Henry Glyn, Robert Henry Benson, and Constantine William Benson, are merchants carrying on business at 10 King's Arms-yard, Moorgate-street, and also at Liverpool, and at Boston, in the United States, under the firm of Robert Benson and Co. They have filed a petition for liquidation, by arrangement or composition, with liabilities estimated at £750,000. Mr. Bagley, for the petitioners, and with the concurrence of creditors, applied that Mr. Edwin Waterhouse, accountant, 13 Gresham-street, should be appointed receiver of the property. The learned counsel produced an affidavit stating that in the opinion of creditors it would conduce to their benefit if such appointment were made. It appeared that remittances were constantly being received from foreign houses who were indebted to the estate. Mr. Registrar Spring Rice. Is the application limited to the appointment of a receiver? Mr. Bagley. Yes. I am glad to be in a position to state that although the failure occurred some little time since, and the debtors at once placed themselves in the hands of their creditors, not a single writ has been served upon them. His Honour granted the application.

IN RE LEWIS STEWART.—The debtor, a merchant and East India agent, carrying on business in St. Mary Axe, has filed a petition for liquidation, with debts £76,000 (a large portion of which would appear to be fully covered), with assets about £17,000. Mr. J. W. Jones (Nicholson, Nicol, and Son), now applied, with the concurrence of creditors, that Mr. J. Smith, accountant (Harding, Whinney, and Co), should be appointed receiver. The evidence showed that the assets consisted for the most part of debts due to the petitioner from persons in India, and of shipments of goods in respect of which remittances were arriving. His Honour granted the application.

June 29.

(*Before Mr. Registrar* KEENE.)

IN RE M'ARTHUR AND CO.—The debtor in this case, William M'Arthur, who traded at Greenwich and Millwall and Cannon-street as an ironfounder and merchant, applied to the Court to register a series of resolutions by which his creditors had determined to wind up his estate under the liquidation clauses of the Act and not in bankruptcy, and appointing a committee

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of inspection with a trustee. From the accounts filed it appeared that the liabilities unsecured amounted to £150,370, as against assets to the amount of £3,503 8s. A claim is set down against the Iowa Pacific Railway Company for £32,017, but there is no estimated value in the accounts in respect to that claim. Messrs. Elmslie and Co. applied on the part of the debtor, but it appearing that out of 60 creditors no less than 29 had not been served with notice of the first meeting, His Honour absolutely declined to entertain the application, observing that if they had been served with notice it was quite possible that they might have attended the meeting, and influenced the other creditors to vote in a different way. Registration was accordingly refused.

In re F. R. Brett, Ireland.—This debtor, who was a merchant, carrying on business at Cannon-street, and at Middlesboro', Yorkshire, failed in May last, and the statement of affairs since filed shows total unsecured liabilities to the extent of £63,467, against assets £10,054 6s. At the first meeting the creditors agreed to a resolution accepting a composition of 3s. in the pound, payable in three instalments at one, four, and eight months from the date of registration. Mr. Jones (Lewis, Munns, and Co.) applied to his Honour to direct registration. The proof of one of the creditors had been objected to, but was now withdrawn. His Honour accordingly directed registration. Mr. Swithinbank, accountant, of Laurence Pountney-lane, City, and Newcastle-on-Tyne, is appointed the trustee to distribute the dividend.

BRADFORD BANKRUPTCY COURT.

June 22.

(*Before* Mr. W. T. S. Daniel, Q.C., *Judge*.)

Re David Booth.—This was a motion on behalf of the trustee in the estate of David Booth, of Idle, cloth manufacturer, asking for an order directing Wm. Daglish, of Leeds, to deliver up to the trustee certain title-deeds relating to twenty-six cottages at Idle which had been given to him by the debtor. Mr. Jordan, barrister, of Manchester, appeared in support of the motion, and Mr. West, barrister, of Leeds, opposed it. From the counsel's opening statement it appeared that on the 20th February, 1874, the debtor Booth, being in want of money, obtained a bill for £500 from Mr. Wm. Daglish, of Leeds, that bill being accepted by the firm of which Daglish was a member. In order to secure the debtor's meeting the bill when it became due, Booth gave to Daglish a memorandum assigning to him the deeds of twenty-six cottages at Idle in which Booth had an interest. The bill on becoming due was met by Booth, but with money obtained by discounting another bill which was accepted by Daglish and handed to Booth. After that there were other bill transactions between the parties, but the deeds were not removed from Daglish's custody. Both Booth and Daglish's firm failed, and the amount of the bills which had been drawn by Booth and accepted by Daglish had been proved against Booth's estate. Mr. Jordan contended that as Booth had fulfilled the conditions of the agreement by meeting the first bill, the trustee was entitled to the deeds, as no further equitable charge had been created. It appeared that while the estate of Daglish & Co. was in liquidation, a trustee having been appointed, Daglish had himself made a composition with his separate creditors, and no trustee had been appointed in that estate. The proceedings under the composition were not in court, and his Honour said he could not decide the matter without knowing what was the position of Daglish's affairs. The case was ordered to stand over to the 6th July.

Re David Hainsworth.—This was an issue which his Honour had directed to be tried by a jury, as it involved a question of fact arising out of an application to the Court in the liquidation proceedings of David Hainsworth, of Farsley, cloth merchant. Mr. Tindal Atkinson appeared in support of the motion, and Mr. Watson opposed. The facts of the case had been previously before the Court, and were, that Mr. Hainsworth, previous to his failure, had been used to get raw material from John Rayner, mungo merchant, of Bishopsgate-street, Leeds. Up to the time of the failure of Hainsworth, Rayner alleged that he had not the slightest idea that he was in difficulties. On the 21st April, 1874, a quantity of mungo which had been sold some time previously to Hainsworth was returned by him to Mr. Rayner. The value of this mungo was £180. Shortly after, Hainsworth failed, and some months after the failure he made an affidavit, in which he stated that when he sent back the goods he did it with the intention of preferring Rayner to his other creditors. The trustee therefore claimed the right to deduct the value of the goods returned from Rayner's proof. On behalf of Rayner, it was contended that the transaction was one in the ordinary course of trade, and this was the question which the jury were called on to decide. After the counsel had addressed the jury, and evidence had been given, his Honour summed up the case, and gave the following questions for the jury to answer: 1. Were the goods received and dealt with in good faith? 2. Were the goods received and dealt with in the ordinary course of business? 3. Were the goods received and dealt with in the ordinary course of business as between Rayner and Hainsworth? 4. Were the goods received and dealt with in the ordinary course of business as between Rayner and the other creditors? 5. Were the goods received and dealt with after Rayner had received notice of the insolvency of the debtors? To the first four of these questions the jury, after a lengthy consideration, returned answers in the negative, and to the last one an answer in the affirmative. His Honour then said that the verdict would be for the trustee. He might say that he thoroughly concurred in every one of the findings of the jury. It was only because—when he read on the previous occasion the affidavit of Rayner, and when he disbelieved it, as the jury had now disbelieved it—it was only because he was told that that gentleman was of high character in Leeds, that he had wished a jury to decide the question. He hoped the verdict that had been given would have the effect of stopping these proceedings, which seemed to have been so prevalent lately in cases of that nature.

LEEDS BANKRUPTCY COURT.

June 30th.

(*Before* Mr. Daniel, *the Judge*.)

Re James Holroyd.—Mr. Pullan appeared for Mr. J. G. Brex, who was formerly London agent for Messrs. James Holroyd and Co., woollen merchants and manufacturers, Leeds and Barnard Castle, asking leave to prove against the estate of that firm by two promissory notes for a debt which had been rejected by the trustee. In February, 1874, the debtor appointed Mr. Brex as his agent in London, and forwarded to him from time to time goods of considerable value. Mr. Holroyd then became desirous of forestalling the value of these goods, and induced Mr. Brex to allow him (the debtor) to draw on him for the value of such goods,—the arrangement being that when these bills fell due at maturity, the debtor should provide funds to meet them, and that meanwhile Brex should always retain the goods as security for such acceptances. The promissory notes now in question represented a certain bill for £1,082, which he had thus accepted for Mr. Holroyd. The bills themselves were in the hands of two banks, who had proved against the estate for them. The question now was whether the admission of Mr. Brex's promissory notes would be double proof of the same debt. The judge: What is the consideration? Mr. Pullan said the consideration was that Brex had returned, for the benefit of Holroyd's estate, the goods upon which he had held a lien or mortgage. Mr. Bond (who appeared for Mr. J. W.

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Close, the trustee) said Mr. Brex was really asking to prove again for a debt already proved by the bill holders, and in fact, to prove in competition with his own creditors, as he was a party to the bills. The Judge said that he had not at present any evidence before him that any specific consideration, such as could be taken into account in bankruptcy, was given for these two promissory notes. Mr. Brex had apparently no right to the possession of the cloth except on the terms of paying the bills. The promissory notes were, in fact, mere indemnities to a surety. If this application were granted, it would be a double proof against the estate, the alleged consideration not being one entitling to proof for these promissory notes. It was not every right of action which entitled parties to prove in bankruptcy.—The application was dismissed with costs.

ALLEGED FRAUDULENT BANKRUPTS.

At the Town Hall, Nottingham, William Oliver Howitt was charged with having, while an adjudicated bankrupt, and within four months before the presentation of a petition in bankruptcy upon which he was adjudicated a bankrupt, quitted England and feloniously taking with him property to the amount of £20 or upwards, to wit, £300 or thereabouts which ought by law to be divided amongst his creditors. Mr. David Loewenstein, lacemaker, of Cotton-yard, said he had dealings for some time with the prisoner, who carried on business in Clarke's factory, Russell-street, as a lace manufacturer. On the 25th July, 1874, the prisoner called at witnesses's warehouse, and asked him to advance £130 to meet a bill then about due. The bill was for a larger sum than he asked to be advanced. Witness agreed to lend him the £130 for the purpose of meeting the acceptance. Mr. William Haskard, clerk in the service of the last witness said he was present on the 25th July, 1874, when Mr. Loewenstein agreed to lend the prisoner £130. Witness saw the money given to him during the same day. Mr. John Simpson, manager of the Equitable Loan and Discount Company Limited, carrying on business in Nottingham, said he knew the prisoner. On the 25th of July, 1874, he came to witness at his office, and a bill of exchange was discounted for him, the amount being £96 15s. Witness gave him a cheque for £91 18s. 3d., which he believed was duly paid by the bank upon which it was drawn. The cheque had been returned to him by Messrs. Moore and Robinson as paid, and he produced it. It was endorsed "W. Howard," and to the best of witness's knowledge the signature was in prisoner's handwriting. Mr. Richard Thornton Higham, cashier at Messrs. Moore and Robinson's bank, said on the 25th July, 1874, he cashed the cheque produced by Simpson. It was endorsed when paid, and the money was handed over the counter, but to whom he could not recollect. Mr. J. Place sub-manager of the Nottingham and Notts. Bank, spoke to paying £85 in notes for a cheque drawn by the prisoner on the firm of Howitt and Son. Witness believed prisoner himself presented the cheque. The prisoner and his mother had an account at the bank. Mr. R. H. Lacey said he was a clerk in the Nottingham Bankruptcy Court, and produced the proceedings in bankruptcy of the prisoner. He was adjudicated a bankrupt on the 14th August, 1874. Witness produced the order of adjuication, and also the order of court for prosecution of the prisoner. The prisoner made a statement to the effect that he received several sums of money from Loewenstein, and from Mr. J. Simpson, and the Nottingham and Notts. Banking Company. He left Nottingham on the 27th July, and went to Stockholm. He stayed at the latter place. When he left Nottingham he took the whole of the money with him, amounting altogether to about £330, which ought to have been divided amongst his creditors. He left England knowing that he was insolvent, and unable to pay his creditors, and his motive for going away was to avoid them. As soon as he knew a warrant was out against him he came to Nottingham and gave himself into the hands of the police. Mr. J. Thornton, accountant in Nottingham and trustee in the bankruptcy of the prisoner, deposed to being present on the 19th June, 1875, when the above statement was made by the prisoner. Witness attended for the purpose of examining him as to his affairs. He made the statement voluntarily, and placed his signature to it. This being the whole of the evidence, the magistrates committed him for trial at the assizes.

At the Guildhall Police-court on Wednesday, William Richardson, a cheesemonger, formerly of No. 299 Fulham-road, surrendered to his bail before Mr. Alderman Allen to answer several charges of concealing his estate from his creditors, he having been adjudicated a bankrupt. Mr. Besley, instructed by Mr. Aird, prosecuted by order of Mr. Registrar Pepys; Mr. Jones was engaged for the defendant. It appeared that defendant was indebted in the sum of £379 3s. 11d., and about Christmas last Mr. Charles Brown, a wholesale cheesemonger, pressed him for the payment of an account of £63 9s. 9d., and not getting it, took out a trader debtor summons against him, and finally made a bankrupt of him. Before those proceedings could be arranged the defendant removed the best of his furniture to No. 3 Meyrick-road, Clapham Junction, in the name of his mother-in-law, Mrs. Smith, and subsequently sold it for £18, and never accounted to the trustee for that money. A horse and cart were sold, and for the proceeds of that he had not accounted. The fixtures he stated he had left on the premises for the landlord in lieu of rent due up to Christmas. The other furniture was removed to No. 20 Spencer-street, Park-road, Battersea, and on the defendant's examination before Mr. Registrar Pepys he stated that the Sheriff of Surrey had seized it, and that Mr. Berry, of the Woodland Tavern, Woodland-street, Dalston, bought it, and permitted him to use it. The sheriff of Surrey was instructed to seize them, and the result of the sale was that he obtained £15 18s., which he had paid in to the credit of the bankruptcy. Out of the debts that were put down as likely to realise £5 2s. 3d., the trustees had only received the sum of £1. There was also a wardrobe and sausage machine, the former of which had been disposed of and not accounted for, and the latter was given to the defendant's cousin, Mr. Keen, of Wandsworth, for a debt of £8, the machine having cost from £20 to £25. There was also a policy on the defendant's life, which was worth about £8, and which had been concealed from the defendant's creditors, but it being discovered it was given up on the order of the Registrar. A great deal of evidence was gone into, but at the request of the defendant, the cross-examination of the witness was reserved, as Mr. Jones was not present. Mr. Alderman Allen then remanded the defendant.

At the Worship-street Police-court on Thursday, Henry Webb, of 44 Brushfield-street, Bishopsgate, a china and earthenware dealer, appeared to answer a charge of having failed and neglected to discover and to deliver up to trustees appointed under a petition in liquidation of his affairs certain of his property. Mr. Besley asked that the defendant be committed on two charges. In September, 1874, the defendant filed his petition under the Liquidating Debtors' Act. A receiver was at once appointed, and in October he was relieved by trustees appointed by the court. During the interval, however, there was no doubt that the defendant managed to elude the vigilance of the person put into possession of his estate, and to remove goods from his premises which were not afterwards accounted for. The defendant had carried on business at 115 High-street, Stoke Newington, as well as in Brushfield-street. His debts were scheduled at £1,740 5s. 4d., his assets in stock and book debts were returned at £712 18s. 2d., but as a fact the amount realised by the sale of stock and debts recovered did not exceed £200. In his statement the defendant had put down cash in hand as *nil*, but subsequently on examination before the court he admitted that at the time of his petition he had £50 cash, and then, in explanation of its disposal, said he had used it to bribe his creditors to accept a composition. Cross-examined on this, he mentioned

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only one name—a Mr. Oldacre—but it was not true. There was thus, said Mr. Besley, an actual discrepancy in his accounts and in his examination. There was also no doubt that there was a large deficit of stock, and there would be proof given that there were two removals of goods subsequently to the filing of the petition, and that as to neither did the defendant make account to the trustee.—The case was adjourned, the defendant being released on his own recognisances.

A BARRISTER-AUCTIONEER.—The following is from a provincial paper.—"Call to the Bar. The London papers of this week announce that Mr. George Russell Butler, of Reading, has become a Barrister-at-Law. We are requested to state that in thus gratifying the dictates of an honourable ambition, Mr. G. R. Butler, does not mean to withdraw from the active practice of his profession as an estate agent and auctioneer. In becoming a barrister he has fitted himself for a yet more thorough discharge of his business responsibilities than would be possible to one who was unacquainted with the Law of Real Property, which is one of the essential subjects in which students of an Inn of Court must pass before they can receive the certificate which alone entitles them to be called to the Bar under the recent regulations." The *Law Times* in commenting upon this "extraordinary announcement," says—that the statement, if true, makes the demand for a relaxation of the rule affecting solicitors irresistible. It is impossible to say that there may not be circumstances in which an auctioneer might not fairly ask to be called to the Bar. As to whether the case at Reading is one of these we offer no opinion. But compare such a case with that of Mr. Gresham, a solicitor in the City of London, who, when a student of Gray's Inn, was expelled and his fees forfeited. And why? Because he was under articles of clerkship to his father, who was and is well known, and fills a very responsible public office in the city. The advantage which the auctioneer and barrister-at-law at Reading will have over solicitors is enormous; he will be able to sell real or personal property one day and prepare a conveyance of it to the purchaser the next. He can value property in one part of England one day, and can the next appear at Westminster and conduct a cause in which his experience as an auctioneer, &c., &c., will be of advantage to him and his clients. Reading newspapers are before us, and we find what completely bears out the statements in our correspondent's letter, advertisements of sales of household furniture, including books, kitchen utensils, &c., in fact, the usual catalogue; but in the case of land, also advertised for sale, it is competent for this gentleman to prepare the conditions of sale, and, indeed, do the work of auctioneer, solicitor, and counsel. In another advertisement of this gentleman we find "rents collected, inventories and valuations of *every description* of property made for administration and other purposes." In another instance we find this auctioneer and barrister-at-law described as "*an accountant*"—whether a member of any of the accountant societies, or not, we do not know. In short, it is certain that a highly respectable auctioneer, doing a large, extensive, and varying business, in which he has been engaged without interruption up to the day of his being called, is now at liberty to practise as a barrister in court and out of court; and, at the same time, conduct his other business also —except, perhaps, when he goes circuit, or is engaged at sessions, at which, according to the etiquette of the Bar, he cannot, we believe, refuse to hold a brief, if offered, at all events if he is present in court. It is with the principle involved in the action of the Benchers, and not with this gentleman, that we are concerned. It is not the only case by any means, as the Benchers of the several Inns know, and the time has arrived when justice to solicitors demands compensation from the Inns of Court, and which can be afforded by sweeping away altogether and unjust and impolitic regulation."

[We may answer the query of our contemporary, by stating that the name of Mr. Butler does not appear in the published list of accountants.—ED. *Accountant.*]

CREDITORS' MEETINGS.

J. B. MURRAY (GLASGOW).—At a meeting of the creditors of John Bence Murray, yarn merchant, Glasgow, a composition of 4s. in the pound was accepted on liabilities of about £13,000.

J. CHAPMAN (BRADFORD).—A meeting of the creditors of Mr. John Chapman, dyer and finisher, Bradford, was held on Monday. The statement of affairs showed liabilities £12,564, and assets £7,934. It was resolved to liquidate by arrangement, and Mr. Buckley was appointed trustee.

W. COOK & CO. (NEWCASTLE).—At a meeting of the creditors of William Cook, jun., and Co., of Newcastle-upon-Tyne, chemical brokers and general merchants, the statement showed liabilities amounting to £12,993, a large proportion of which consists of accommodation bills. The assets are put down at £917, and liquidation by arrangement was agreed upon.

R. C. PATCHETT (HALIFAX).—The first meeting of the creditors of this debtor, who is a wine and spirit merchant, at Crown-street, Halifax, in the county of York, and who has filed a petition for liquidation, will be held at the White Lion Hotel, Halifax, on the 12th July, at 11 a.m. Mr. C. T. Rhodes, accountant, Halifax, has been appointed receiver. Mr. F. Jubb, of Halifax, is the solicitor acting in the matter.

J. DAWBARN (LONDON).—A meeting of the creditors of Mr. James Dawbarn, of Lombard-street, Thetford, Norwich, and Winford, mine owner, whose failure was recently announced, was held on Wednesday. Mr. Wintle (Johnstone, Cooper, Wintle, and Co.) presented a statement of his affairs, showing liabilities amounting to £30,000, with assets, including property held by creditors, stated at £20,000. Liquidation by arrangement was resolved upon, and Mr. Wintle was appointed trustee to act with a committee of inspection, chosen from the general body of creditors.

SWALLOW & CO. (HECKMONDWIKE).—The second statutory meeting of the creditors of Messrs. Swallow and Co., carpet and blanket manufacturers, Heckmondwike, was held on the 29th June, at Dewsbury. The resolution of the former meeting accepting a composition of 7s. in the pound was confirmed, and the payments satisfactorily secured.

R. EARNSHAW (COLNE).—The first meeting of the creditors of Robert Earnshaw, bank manager, of Colne, who recently absconded from that district, was held at the Burnley County Court on the 29th June, before Mr. Hartley, registrar. The meeting was held in connection with the proceedings in bankruptcy. Debts amounting to £1,600 were proved. Mr. Foden, accountant, of Burnley, was appointed trustee, with a committee of inspection.

A. HOOK.—At a meeting of creditors held in this matter, at which the debtor's statement of affairs showed liabilities £1,527 4s. 6d., assets £389 5s. 0d., it was resolved to liquidate by arrangement, and Mr. Edmund Charles Chatterley, public accountant (C. Browne, Stanley, and Co.), was appointed trustee.

EDWARD SIMMS LEIGH.—At a meeting of creditors held in this matter, a statement of affairs was placed before the creditors showing liabilities £2,197 17s. 11d., with assets £695 14s. 2d.: it was resolved to proceed by liquidation, and Mr. Edmund Charles Chatterley, public accountant (C. Browne, Stanley and Co.), was appointed trustee.

J. LESLIE (LOWESTOFT).—A meeting of the creditors of John Leslie, of Lowestoft, tailor and draper, was held at the office of Mr. C. H. Wiltshire, solicitor, Yarmouth, on the 28th June, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, being appointed trustee, with a committee of inspection.

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FAILURES.

ENGLAND.—The failure is announced of Messrs. E. Jones and Co., of 2 King William-street, with liabilities of £120,000. The assets are understood to be considerable. Their books have been placed in the hands of Messrs. Andrews and Mason, of 7 and 8 Ironmonger-lane.—Messrs. Thomas Woodley and Co., tube manufacturers, of Spon Lane, South Staffordshire, have failed. Their petition for liquidation is in the Oldbury County Court. The liabilities are believed to be from £10,000 to £12,000.—The cheques have also been returned of Messrs. Kilburn, Kershaw, and Co., East India and siik brokers, of St. Mary-axe, but the extent of their liabilities has not yet transpired.—It is stated that a Bristol firm in the corn trade have announced their inability to meet their engagements, and that the liabilities are expected to range between £150,090 and £180,000.—The failure was announced on Wednesday of Messrs. Da Costa, Raalte, and Co., of 13 Leadenhall-street, merchants. The firm is understood to have failed through giving too much of its attention to Egyptian finance and other speculative business, which has not turned out well. The books are in the hands of Messrs. Turquand, Youngs, and Co., accountants.—A petition in liquidation has been filed in the Bradford County Court by Messrs. J. & J. Glover, worsted spinners, Newe Lands Mill, Bradford. The liabilities are estimated at £8,500. The principal creditors have resolved, at a private meeting, to accept a composition of 7s. 6d. in the pound.

SCOTLAND.—The failure is announced of Messrs. John Knox and Co., coalmasters, of Glasgow, with liabilities "understood to be large."—The failure is also announced of Messrs. John Anderson and Son, of Glasgow. The books have been placed in the hands of Messrs. Spears and Jack, accountants, 138 Hope-street.—Messrs. Laing and Irvine, of Hawick and Peebles, have suspended payment. In a circular making the announcement, the suspension is attributed to the collapse of Messrs. Collie and Co. The extent of the liabilities has not yet been announced.

CANADA.—Telegraphic advices report the suspension of the Jacques Cartier Bank in Montreal. The business of this house has been chiefly with French Canadians, but the losses which have led to the suspension have been caused through its connection with several railways. The capital of the bank is £400,000, all paid up. Their liabilities in December, 1874, were £600,000, and their deposits £250,000.

AMERICA.—American advices report the liabilities of Mr. Abraham Jackson, defaulting lawyer at Boston, as about £82,000.—Mr. Charles P. Button, Burlington, Vt., had suspended owing to the depression in the oil trade, with liabilities of £12,000.—Mr. Henry Bucking, wool puller, 20 Spruce-street, New York, had also suspended, and it was stated that the Bucking Wool and Leather Co., in which he is a stockholder, would be able to carry on.—Advices from New York, received July 1st, announce the suspension of the prominent firm of Messrs. Melius Trask and Ripley, boot and shoe manufacturers, 539 Broadway. When the mail left the amount of their liabilities had not transpired, but it was expected their assets would show a surplus of nearly 100,000 dollars.

AUSTRALIA.—Australian advices report an extensive failure in the grain trade, that of Mr. Coombe, miller and grain dealer, Sydney, a firm of only recent standing, with liabilities amounting to £41,000, of which three-fourths is fully secured. —It is stated that Stubbs & Co., auctioneers, of Sydney, have failed. Their liabilities are 500,000 dols. Rumours were prevalent in commercial circles owing to mining speculations in 1873 and 1874, and a crash was feared to be likely.

Edward Blacker, late Accountant-General of the Bank of Ireland, has been committed for trial on a charge of having embezzled the sum of £2,400 in New South Wales Bonds, the property of one Peter Smith, a customer of the bank. His bail was fixed at £4,000.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Mr. Flaxman Haydon, of the firm of Messrs. Haydon and Vivian, public accountants, 29 New City Chambers, 121 Bishopsgate-street Within, has been appointed receiver and manager of the estate of J. Beane and Company, corn and coal merchants, of Tunbridge Wells, in bankruptcy.

THE SOCIETY OF ACCOUNTANTS IN ENGLAND.—The monthly meeting of the Council of the Society of Accountants in England was held on Wednesday, at the offices of the Society, 2 Cowper's-court, Cornhill; present, Messrs. John Bath (Vice-President, in the chair), J. C. Bolton, E. C. Foreman, J. Beddow, F. Nicholls, E. N. Harper, G. E. Ladbury, and Alfred C. Harper (Secretary). Mr. Samuel Hall, Curzon-street, Derby, was admitted an associate of the Society.

A meeting of the creditors of Messrs. Fothergill, Hankey, and Co. is called for the 21st of July.

SAVINGS BANKS FUNDS.—Mr. C. Rivers Wilson, Secretary to the National Debt Commissioners, has supplied in a public letter an explanation of the supposed discrepancy in the Commissioners' accounts of (trustee) savings banks' and friendly societies' funds. The loss in the year by the excess of interest allowed by the Commissioners over the amount received by them for interest does not correspond with the year's increase in the deficiency shown by the capital account, as compared with the amount actually due to depositors, but this is because the two accounts are of different natures. The former is simply a statement of fact, the year's income and the year's expenditure. But the capital account involves a valuation of the securities held. This valuation should be at the market price of the day; but the terminable annuities held are not marketable, and therefore can have no proper market price. It was decided many years ago to value them, for the purpose of the annual account, on the principle that they should pay 3¼ per cent. interest, about the average realized by investments in the public funds. But a considerable amount of the annuities held by the Commissioners were granted at 3½ and 3¾ per cent. interest. Such annuities, therefore, stood in the accounts at a greater value in the first instance than the sums advanced for them; and this makes so much the larger the annual drop in their nominal value as they approach their termination. Accordingly, in 1873, the Commissioners' accounts showed £25,557,004 as the value of the terminable annuities held, but in 1874 the assets of a like nature are valued at £23,901,563, a decline of £1,655,441; a valuation on the basis of cost price, instead of attributed market value; would have brought the increase of the deficiency more nearly to agreement with the excess of interest credited to trustees. The annual movement or "turnover" of the savings banks and friendly societies' funds is of very large amount; in the year 1874 it was about £8,500,000, of which over £2,800,000 was invested in new securities. But it is submitted that the amount of interest accrued to the Commissioners on their large investments and re-investments during the year tends to show that their purchases have been made in securities of sufficient real worth, for their income from this source has been fully maintained. Mr. Wilson adds that if it were worth the time and labour it could no doubt be proved in detail that the interest account and the capital account are not inconsistent, but are in exact arithmetical accordance.

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COMMITTAL OF A BANKRUPT.– At the Lancaster Quarter Sessions, on the 29th June, John Collinson Williamson, 25, shoemaker, was charged with breaking and entering, at Barrow, on the 25th April, the shop of Thomas Williamson and Robert Byran Holmes, and stealing 315 pairs of boots and shoes and a large quantity of household furniture. The case was a very extraordinary one. For some time prior to December last, prisoner carried on the business of a boot and shoe dealer at Barrow, and on the 22nd of that month he filed a petition in bankruptcy. A Mr. Graham was appointed receiver by the court, on the 11th January, at a meeting of creditors, the prosecutors agreed to purchase the debtor's estate at 10s. in the pound, and to pay the expenses of liquidation. When Messrs. Williamson and Holmes purchased the estate, they instructed Mr. Graham to take charge of it for settlement, and he did so, engaging the prisoner as salesman at £3 per week. Owing to some dissatisfaction, prisoner was discharged from his situation in March, and he was given to understand that he had nothing more to do with the business. He was allowed to remain in the house and to use the furniture, but the entrance to the shop from the house was boarded up, the front door only being used for access. In April the shop was closed altogether, and the stock was catalogued. On the the 24th Mr. Graham discovered that 495 pairs of boots and shoes had been removed, and that the boarding separating the shop from the house had been removed. He also discovered that the greater portion of the furniture in the house had disappeared. It was subsequently ascertained that the prisoner had engaged a carter, named Neave, to convey three or four barrels to the Dalton and Ulverston Railway stations. These barrels were consigned from "John Taylor, of Dalton, to Thomas Jones, of Nottingham Station, till called for." In those barrels were discovered 315 of the 495 missing pairs of boots and shoes. It was further ascertained that Neave had been engaged to cart away the furniture, which was afterwards recovered. Prisoner was found guilty, and the court sentenced him to twelve months' imprisonment with hard labour.

THE MONEY-MARKET.—The *Economist* says:—"The bank reserve has augmented, and money is constantly falling in value. There is now over £25,000,000 of coin and bullion altogether in the bank—a larger amount than has been seen for a long time, and the reserve in the banking department is over £13,000,000; and these figures tend to give the public confidence. There are no new failures reported, and the best opinion is that we have got to the end of the worst which is going to happen 'this time.' All such opinions must be taken only for what they are worth. Extremely few people would have predicted the failures which we have seen—indeed, probably no one person could have predicted more than a few of them—and therefore we must not rely too confidently on the fact of no bad prediction as an indication of a good future. Still we may take it as a very good sign as far as it goes. The value of money will continue to tend downward, though there exist some peculiar tendencies in the bullion market, consequent on the recent change of the law in Holland and on the state of things in Germany, which may arrest its progress.

BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, June 30:—

Thursday, June 24	£11,510,000
Friday, June 25	12,921,000
Saturday, June 26	15,048,000
Monday, June 28	13,605,000
Tuesday, June 29	13,972,000
Wednesday, June 30	40,198,000
	£107,254,000

The total at the corresponding period of last year, which also comprised a Stock Exchange settlement, was £134,436,000.

EX PARTE TILL.—A correspondent of a legal contemporary writes:—"Surely the Lords Justices, in *Ex parte Till Re Ratcliffe*, have misconstrued the 275th rule. That rule, so far as it is necessary to be cited, is as follows:—"The resolution passed at the first general meeting (or first and second general meetings as the case may be) shall determine whether the affairs of the debtor are to be liquidated by arrangement, and not in bankruptcy, or whether any and what composition shall be accepted in satisfaction of the debts due to the creditors from the debtor, or it may reject either of such modes of arrangement. . . . Only such resolutions as are reduced into writing, and are signed by or on behalf of the statutory majority of the creditors assembled at a meeting shall be taken cognisance of by the court." The Lords Justices seem to have lost sight of the words underlined. Lord Justice Mellish in particular would appear to have based his judgment on the supposition "that neither the Act nor the rules contain any provision about the way in which the rejection of such a resolution" (a resolution relative to the acceptance of a composition) "is to be proved." But surely the latter part of the 275th rule, applies to the alternative resolution of rejecting either of the previously mentioned modes of arrangement. What other construction can possibly be put upon the rule? In the particular case, the resolution for the acceptance of a composition does not appear to have been confirmed at a duly convened subsequent meeting under rule 282, and therefore not entitled on that ground, to registration; and had that been the basis of the decision of the Lords Justices, no fault could have been found with it, but as it stands, it is to my mind inconsistent with the 275th rule, and I cannot but think the construction put upon that rule by the Chief Judge to be the right one. Z.

EUROPEAN ASSURANCE SOCIETY ARBITRATION.—The first sitting of the committee appointed to inquire into the above matter took place on Thursday, Sir Spencer Walpole in the chair. Sir Edmund Beckett said this was a bill for making certain alterations in the Act of 1872, rendered necessary by the death of Lords Westbury and Romilly. The object of the bill of 1872 was to refer to the determination of a single arbitrator, with absolute power, all questions involved in the winding up of the European Assurance Company, and 44 other societies which had been gradually affiliated with it. The learned counsel gave a *resumé* of the proceedings which led to the adoption of the principle of arbitration in the cases of the European and the Albert Societies, and the London, Chatham, and Dover Railway. The costs of the Albert in Chancery amounted to £72,000, and the amount which had been recovered under the arbitration was only £2,500. The European Company, before it got into arbitration, spent something like £120,000 in Chancery upon itself and its affiliated companies, and in their case they had not even recovered £2,500, as in the case of the Albert. The present bill, the learned counsel explained, had been introduced by direction of the Lord Chancellor and Lord Justice James, with a view to remedy the inconsistencies which had taken place in the decisions of Lord Romilly and Lord Westbury on the question of novation. In addition to the want of uniformity of decision, they now had no arbitration. The supply of men was limited; for, according to the act of 1872, the Lord Chancellor was confined in his choice to persons having held judicial office. In connection with this matter, the name of Lord Selborne at once suggested itself; but he was authorised to say the noble lord had positively declined the office. Mr. Justice Keating had retired on account of ill health, and Chief Justice Erle and Mr. Justice Martin on account of old age, and it was known that Mr. Justice Byles would not serve. Under these circumstances the Lord Chancellor had brought in the bill, which provided for the appointment as arbitrator of barristers of 15 years' standing. The decision of the barrister, however, was not to be final; for power of appeal was given to the very class of judicial persons from whom arbitrators were formerly drawn, and who, as a court, could not die like individuals.—The committee then proceeded to take evidence.

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WINDING-UP.—In the Rolls Court on Saturday orders were made to wind up the following companies compulsorily, viz.:—The Ballyclare Paper Mills Company; the Liverpool and Amazon Royal Mail Steamship Company; the Globe New Patent Iron and Steel Company; the Dartmoor Granite Company; and the New Amicable Life Assurance Company.—The winding up of the Borough of Hackney Newspaper Company and of Acklom's Refrigerating Waggon Company was directed to be continued under the supervision of the Court.—Petitions have been presented to the Court of Chancery for the winding up of the British and Foreign Water and Gas Works Company, Limited, and the Titfield Colliery Company, Limited.—It was resolved at a meeting of shareholders, on Wednesday, to wind up voluntarily the South Cleveland Iron Works, Limited. Mr. R. Dixon and Mr. F. Cooper (Cooper Brothers and Co.), were appointed liquidators.

Messrs. Slater and Pannell, of 1 Guildhall Chambers, notify that in the matter of William Turner Lord, of Great Portland-street, a dividend of 2s. in the pound will be paid at their offices on Friday, 2nd instant, and any following Friday.

NEW COMPANIES.

The *Investors' Guardian* furnishes the particulars relative to the following Companies, which were registered during the week:—

Association of Chambers of Commerce of the United Kingdom—Limited by guarantee to £5.
Brighouse Cotton-Spinning—Capital £20,000, in £5 shares.
Duneen Bay Mineral—Capital £20,000, in £10 shares.
Ferryhill Coal—Capital £40,000, in £100 shares.
Ilkley Working Men's Hall—Capital £1,500, in £1 shares.
Leeds Daily News—Capital £10,000, in £5 shares.
Mutual Plate Glass Insurance—Limited by guarantee to £10.
N. C. Szerelmey and Co.—Capital £100,000, in £5 shares.
Shakespeare Hotel Company, Buxton—Capital £30,000, in £500 shares.
Shakespeare Memorial Theatre—Limited by guarantee to 10s.
St. George's Club—Capital £5,000, in £5 shares.
Tonic Sol-fa College—Capital £10,000, in £1 shares.
Torquay Terra-cotta—Capital £5,000, in £10 shares.
Warrington Bottling and Ærated Water—Capital £10,000, in £1 shares.

LATE ADVERTISEMENTS.

CLERK.—Wanted in an Accountant's Office, a Clerk who has had experience in Bankruptcy and Chancery work.—Apply, stating salary, experience, and references, to A. B., British and Foreign Advertising Co., 3 Sherborne Lane, E.C.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 81.] SATURDAY, JULY 10, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF CARMARTHENSHIRE, HOLDEN AT CARMARTHEN.

IN the matter of a Special Resolution for Liquidation by arrangement of the affairs of DANIEL WALTERS, of Loughor, in the County of Carmarthen, Tailor, Boot, and Tea Dealer.

This is to certify that BARTLETT PHELPS THOMAS, of 10 Temple-street, Swansea, Accountant, has been appointed and is hereby declared to be Trustee under this liquidation by arrangement.

Given under my hand, and the Seal of the Court, this 2nd day of July, 1875.

WALTER LLOYD,
Registrar.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF CARMARTHENSHIRE, HOLDEN AT CARMARTHEN.

IN the matter of Proceedings for liquidation by arrangement or composition, instituted by DANIEL WALTERS, of Loughor, in the County of Carmarthen, Tailor, Boot, and Tea Dealer.

The creditors of the above-named Daniel Walters who have not already proved their debts are required, on or before the 19th day of July 1875, to send their names and addresses, and the particulars of their debt or claims, to me, the undersigned BARTLETT PHELPS THOMAS, of 10 Temple-street, Swansea, Public Accountant, the Trustee under the liquidation, or in default thereof they will be excluded from the benefit of the dividend proposed to be declared.

Dated this 5th day of July, 1875.

BARTLETT PHELPS THOMAS,
Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT BRADFORD.

IN the matter of JOHN VERITY, of Lowtown, Pudsey, the Parish of Calverley, in the County of York, Woollen Draper and Outfitter, a bankrupt.

ALEXANDER ATKINSON, of No. 15 Kirkgate, Bradford, in the said County, Public Accountant, has been appointed Trustee of the Property of the Bankrupt. The Court has appointed the Public Examination of the Bankrupt to take place at the said Court, on the 20th day of July, 1875, at Eleven o'clock in the forenoon. All persons having in their possession any of the effects of the Bankrupt must deliver them to the Trustee, and all debts due to the Bankrupt must be paid to the Trustee. Creditors who have not yet proved their debts must forward their proofs of debts to the Trustee.

Dated this 7th day of July, 1875.

GEORGE ROBINSON,
Registrar.

TERRY & ROBINSON,
9 Market Street, Bradford,
Solicitors to the Trustee.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT BRADFORD.

A DIVIDEND is intended to be declared in the matter of JOHN VERITY, of Lowtown, Pudsey, in the Parish of Calverley, in the County of York, Woollen Draper and Outfitter, adjudicated a Bankrupt on the 15th day of June, 1875. Creditors who have not proved their debts by the 28th day of July, 1875, will be excluded.

Dated this 7th day of July, 1875.

ALEXANDER ATKINSON,
Trustee.

DISSOLUTION OF PARTNERSHIP.

NOTICE OF REMOVAL.

89 BROAD-STREET, BRISTOL,
JUNE 24TH, 1875.

The PARTNERSHIP hitherto existing under the Style or Firm of HANCOCK, TRIGGS, & CO., having been DISSOLVED by mutual consent, I beg to give notice that I purpose henceforth to CARRY ON BUSINESS as a PUBLIC ACCOUNTANT at the above address.

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RE JOHN VERITY, Woollen Draper and Outfitter, Pudsey, near Leeds.—The Stock-in-Trade for disposal by private Invoice, price £396.—For particulars, apply, Mr. Alexander Atkinson, Public Accountant, Bradford, the Trustee.

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Begs to announce that in compliance with a wish expressed by some of the subscribers to the *Accountant*, he has made arrangements for the translation of legal and commercial documents, correspondence, &c., into the Principal European Languages. Members of the Profession are therefore respectfully informed that arrangements can be made for efficient and speedy translations into, or from, the French, German, Italian, Spanish, and Dutch Languages on Moderate Terms.

The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

TO SUBSCRIBERS.

In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

JULY 10, 1875.

[To SUBSCRIBERS.—Owing to press of matter, several communications are held over till next week.]

The unpleasant position of a trustee has been for a long time proverbial among lawyers. He takes upon himself an office from which he is prohibited from

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drawing any profit, while he is responsible to the utmost farthing, for any loss which may be incurred through his want of literal compliance with the terms of his trust. He is besieged by applications from his *cestuis que trustent* for advancement of portions, or for investment in more remunerative securities than the courts allow; and if he refuses to comply with these requests, or, like a wise man, goes at once to solicitor and counsel to know the exact limits within which he may act, he is looked upon as a tyrant, and accused of squandering the trust funds in law expenses. If, however, a trustee of private property is not afraid of the accusation of churlishness, and makes up his mind to follow literally his instructions, he may have the ultimate satisfaction of knowing that, if he has derived no good from his office, he has yet been free from personal loss, and when the final accounts are arranged, and a release given him, he may go home a free man, rejoicing at his escape.

A trustee in bankruptcy is, however, in a very different position. He may, by the exercise of great skill and acumen, and with the help of a fair share of luck, contrive to make as much profit out of his position, as if he had continued to devote his time to his ordinary business. But, on the other hand, he is responsible to two sets of masters, whose interests are directly antagonistic, and one of whom will scarcely look upon him with friendly eyes. He has to incur expenses which may never be repaid; he is personally responsible for the payment of claims the amount of which he can never recover; and he has, in many instances, to discover the true state of the law on any particular point, with the knowledge that a fortunate guess will bring him no special return, while a mistake in judgment may lead to his being mulcted in the penalty of very heavy costs. Our correspondent who signs himself "A Sufferer" is able to vouch practically for the accuracy of the opinion which we expressed in commenting upon the decision of the Lords Justices in *Ebbs v. Boulnois*, and suggests that the contingency of loss under such circumstances may well be taken into consideration in estimating the proper amount of a trustee's remuneration. Is there no way by which a trustee who is unlucky enough to become the victim of judicial error can be protected? He has divided his estate, or handed over a surplus to the debtor; and he finds that he has done wrong, and has to do what he can to recoup himself the loss incurred. But it is important to protect as far as possible trustees acting in discharge of their duty. There are many rules of law which, though doing hardship to individuals, yet find their justification in grounds of public expediency. Such is the doctrine of "innocent holders" of bills of exchange, which has protected thousands of fraudulent transactions, and has been a source of wealth to innumerable swindlers and tricksters. But to cast upon every holder of a bill of exchange, whose chief essential is its free negotiability, the duty of proving facts necessarily beyond his own knowledge, was justly thought to be more detrimental to commercial interests than the possibilities of fraud and hardship. So we say that it is to the public interest that trustees acting *bonâ fide* in the discharge of their duties should be protected; and that the interests of individuals, whether creditors or debtors, should be postponed to the due discharge of official functions. It is hard, that a man who has acted in conformity with reported decisions, should be mulcted in heavy penalties because of the error of the judge; and to declare that such decision should be considered as final, would be to do away with the right of appeal altogether. But this much might, we think, be enacted, and would meet fairly the justice of the case. At the present time a number of trustees are liable to actions, because the law has been changed. Law is, practically, what the judges declare. The declaration of a Court of Law is authoritative, and binds every one, unless and until it is varied upon appeal. Now, in altering the law by Act of Parliament, every respect is usually paid to vested interests, and retrospective action is as far as possible avoided. Suppose that a declaratory statute was passed, making it incumbent on holders of bills of exchange to prove in every case not only that they had given value for them, but that all intermediate holders down to the original makers of the note had given due consideration, and that the title of the original indorser or discounter was perfect, how many actions would at once arise, unless the retrospective action of the statute was clearly barred. So with regard to the results of the decision in *Ebbs v. Boulnois*. Virtually it is an alteration of the law, though formally it is only the correction of a wrong exposition. Let it be declared that the doctrine enounced is to apply only to the future, and that no transactions which were in conformity with the law as laid down by Sir James Bacon shall be re-opened, merely on the ground of this new decision. This will, we think, fully meet the difficulty; otherwise much serious derangement will arise. Let us suppose

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that the House of Lords, after consideration, reverses the decision of the Lords Justices, and restores the law to its previous condition. In that case, we might see the absurd result of men being fined and cast in damages for obedience to the law, if, in reliance on the views of the Lords Justices, they have proceeded to retrace the steps which they took on the authority of Sir James Bacon. If this be so, the worst fears of our correspondent will not appear to be in the least degree exaggerated.

The "Eupion" Gas Company has already attained some notoriety through the investigations of the police courts; and the little history told of the means by which the requirements of the Stock Exchange prior to granting a settling day were complied with, or, to speak perhaps more correctly, evaded, is full of suggestive interest to investors generally. The juggle very much resembled the well-known *ruse* employed to swell out theatrical pageants, by which every man on leaving the stage runs round at the back of the scene and enters again as part of continued processions. The money is originally lent by the Midland Bank to the promoters; it then appears as deposit-money paid by the shareholders; then it apparently becomes allotment money, and is finally re-transferred to the Midland Bank, in what capacity the court had to decide. According to the official liquidator, this money was the property of the shareholders; while the Bank contended it was a mere loan, which had been repaid. The Vice-Chancellor, in deciding in favour of the Bank, commented very sharply on the conduct of all persons concerned. We could wish, however, in the interests of justice, that he had come to a different conclusion in some respects. If, he said, in effect, the claim of the liquidator were to be allowed, this money would be applied in payment of debts and costs; and the surplus would have to be divided among the very persons who had concocted the fraud. But, with every deference to Sir Richard Malins, this would exactly meet the justice of the case. The bank would rank among the creditors of the company; but the dividend paid to them would depend upon the expenses of the liquidation, and the amount of the other debts, and would probably leave a large balance to be extracted from the contributories. It may be the case that the property in the money never passed out of the Midland Bank and was never meant to pass; but it might nevertheless be fairly inferred that it did. As it is, the bank has come out of the scrape with tolerable success, considering that its manager, for whose acts the bank must be held responsible, was as culpable as any of his confederates. The case, like too many others of which the Court of Chancery has to take cognizance, illustrates the fact that the most plausible schemers get assistance in carrying out their plans from quarters that ought to be above all suspicion.

People who look upon law as a highly technical science, bristling with pitfalls to the inexperienced, must be often amazed at the common-sense ordinary principles upon which many of our Appeal Judges often proceed in framing their decisions. The way in which Lord Justice James disentangled the case of *Ex parte Yglesias In re Gomez* from legal subtleties, and reduced it to a plain, simple examination of the intention of the parties, was a remarkable specimen of clear legal reasoning. The point was simply this:—Yglesias was in the habit of accepting bills for Gomez for a commission of 1 per cent. To meet these when they fell due, Gomez was in the habit of transmitting other bills, with the proceeds of which Yglesias met his acceptances at maturity. On the insolvency of Yglesias, he had in his possession various acceptances sent him by Gomez; and the question arose to whom they belonged. On behalf of Yglesias, it was said that they were his absolute property, and that as his creditors had released him, and accepted a composition, he was entitled to retain and apply them for his own purposes. On the other hand, it was urged that Yglesias held them as trustee for Gomez. They were sent to him for a specific purpose, namely, to meet the bills which Gomez had drawn; and though, so long as he did this, no question could be raised as to his right to negotiate them, he was bound to use them only for the purpose for which they had been entrusted to him. This view Lord Justice James upheld in an admirably clear and lucid judgment, though it turns too much on the merits of the case to form a useful precedent, or to cast much light on the troubled waters of trusteeship, other than throwing some doubt on a previous decision of Vice-Chancellor Giffard, from which it was easy to see that the superior court dissented. The principle of Yglesias' case is, that monies in the hands of a bankrupt destined for a particular purpose, revert to the original owner, unless that purpose is, or can be, fulfilled. On every ground, however, the judgment is worth special and careful study.

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ANSWERS TO CORRESPONDENTS.

DEFICIENCY.—It is very doubtful if a jury would convict under the circumstances you mention. It has been held that the prisoner must negative the intent to defraud, and that such intent will be assumed where a debtor disposes of all his property. But if the accounts have been carelessly kept, the debtor will probably escape. A public examination would perhaps disclose something further, and the trustee should, for his own protection, take the opinion of the body of creditors.

Correspondence.

IS A CRISIS AT HAND?

To the Editor of the Accountant.

SIR,—Many of our leading papers have for the last month endeavoured to show that there is no real cause for anxiety in the present state of trade; and that, notwithstanding the failures which have already taken place, trade is not in a bad state. In support of this argument, reference is constantly being made to the exports and imports of the country. I readily admit that the export and import returns *should be* the most reliable indications of demand and supply, but I must take exception to such returns—so far, at least, as exports are concerned—being treated as a reliable guide at present, unless (which is practically impossible) there be shown in a tabulated form the destination, cost, and realisation of the goods so exported. With a view to starting a discussion which may open the eyes of the nation to the necessity of bringing about some radical changes in our present mode of trading and financing, I purpose calling attention to some of the reasons which lead one to believe that there is much cause for anxiety—not only in the present, but also in the future of our country, if the existing course of trade is allowed to continue.

Of course, I am quite prepared to be regarded as an alarmist; but I shall I be only too glad to find that England is not to become a bye-word among trading, as she has among fighting, nations. Perhaps at no time has England been considered more wealthy than now. How much her wealth may become modified when she realises the whole of her losses under the heading of money lent to foreign states, and undertakings which were never intended to pay—has yet to be learnt; but those *bad debts* will have to be written off some day, and then, perhaps, English people will learn that there is some connection between high interest and low security. I will, however, confine myself to England's position as a trading, rather than as a money-lending nation.

The present crisis (for a serious crisis it will, I believe, prove to be) is what first concerns us. Those who have been at all behind the scenes during the past few years must have foreseen a portion of present events, which are only the *natural consequences* of the facilities I complain of.

For a long while money has been cheap (except during a short period); and for a long while also—the causes of which must be traced back to the general want of confidence arising out of the events of 1866—there was in *bona-fide* trade little real demand for money.

I would premise that I am not an opponent of *free trade*, provided it is not allowed to remain, as at present, a one-sided arrangement, neither do I object to *credit*, which, within proper limits, is the natural necessity and first cause of trade, as in contradistinction to the more primitive system of *barter*. In my humble opinion, the following are a few of the causes which have tended, and are tending, to bring about the present and coming state of affairs.

Firstly—The facilities granted by manufacturers and others to so-called merchants, who purchase goods say for 50 per cent. cash and 50 per cent. on acceptances, which are, of course, at once discounted; and immediately consign the goods for sale to India, China, or some other distant part, where a demand is *supposed* to exist, but where, in all probability, the markets are already glutted. Some bank most good naturedly advances 75 per cent. on the shipping documents, not at the rate of interest current in England, but at that of the place where the goods are to be sold. This rate may be taken at say 1 per cent. per month, and the loan is for a specified time, say 6 or 8 months. If the goods are sold, rebate of interest at perhaps 5 per cent. per annum is allowed, so that the bankers have a jolly time of it being, except in rare instances, fully covered. The sellers having consented to take only 50 per cent. in cash, and the bank advancing (less interest) 75 per cent. on the invoices, the " merchant " naturally gets the advantage of the margin, which enables him to extend his operations and repeat the game *ad libitum*. All goes on swimmingly until it becomes necessary to have remittances, when, notwithstanding all the glowing reports received from abroad, the markets are nearly sure to be against him (even if his agents act honestly towards him), and account sales arrive one after the other showing little or no margin wherewith to discharge his acceptances to the sellers, who have no alternative but to renew or force the merchant to suspend. This their own engagements will perhaps make it undesirable to do, and the renewed bills again go forward for discount, and so on, until the accumulation gets so great as to bring about the failure of one or both of the parties, when the English discount houses find themselves, as at the present time, the happy owners of unrealisable " promises to pay."

Now, sir, in a transaction of this nature there are, according to my ideas, three prime sinners:—(1) the manufacturers or sellers, who, finding no legitimate demand for their merchandise, adopt this course of converting it into cash, charging probably a proportionate increase for the risk; (2) the foreign banks, without whose aid (entailing as a rule no risk whatever on themselves) such transactions would be impossible; and (3) the merchant, who *should* know that in the long-run no consignment business can pay, unless in the first place the consignee's interest is by partnership identical with his own; and in the second place, he trades within the limit of his own capital, and is independent of advances by bankers. The merchant is, however, the one least to blame in the matter, for he only avails himself of facilities readily conceded to him, and to which our bankruptcy laws raise no objection whatever. The merchant is, in fact, almost in the same position as a small speculative builder who erects houses with other people's money; if things turn out well (that is, if his houses sell quickly), then *he* is all right, whereas if things turn out badly, *his creditors* are all wrong.

The remedy for this is in the hands of the sellers, who should refuse to execute orders on credit, unless certified copies of the indents are produced, or be debarred from proving for speculative transactions in the event of bankruptcy; and also by the insertion of a penal clause in the Bankruptcy Act for reckless trading.

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Secondly—The ease with which *trading firms* can put accommodation paper into circulation. There are times when the wealthiest houses require temporary accommodation, and there should be no difficulty in obtaining it upon a *true* representation of the facts. At present it is obtained by a legally permitted *lie*.

The remedy for this would be to make it compulsory to substitute on bills of exchange for the words "value received," the actual consideration given—such as "goods sold and delivered," or "money lent," "security held," &c.; and by law treating misrepresentations in this respect as frauds.

Thirdly—The manner in which the term "free trade" has by recent bankruptcy legislation been prostituted, until it has degenerated into a simple *license to swindle*. When imprisonment for debt was done away with, *some* remedy should have been left to creditors. That remedy exists *theoretically* in bankruptcy; but the *interpretation* of our existing bankruptcy laws renders any such attempted remedy a complete comedy. Fancy a man telling his creditors that he had purposely abstained from keeping books in order to suppress the evidence necessary to convict him under the Debtors' Act, and offering them the alternative of two shillings in the pound under a composition, or nothing in the pound in bankruptcy, no explanation whatever as to the deficiency of eighteen shillings in the pound being furnished. I have seen this done, Mr. Editor; and the creditors, appreciating the soundness of the argument, took the two shillings in the pound *like lambs*.

A bankrupt who now goes into court with any assets is a *fool*. If there are none, it is ten to one against any serious opposition being offered, and he can at his leisure generally get free, say twelve months later under a scheme of settlement by paying some ridiculously small instalment. And this is the Act which was to bring about arrangements of a minimum of ten shillings in the pound!

Fourthly.—The mania for speculation *(not trade or investment)* which pervades all classes. And fifthly.—The strikes in some of our principal specialties, which have already so seriously compromised our *prestige* as to reduce us from monopolists to open, and at times unsuccessful, competitors.

Before England can *hope* to resume her proud position as the head of the commercial world, very serious modifications must take place in her trade usages, and these modifications will not be effected unless the laws render them compulsory.

I am, Sir, your obedient Servant,

EXPERT COMPTABLE.

London, *3rd July*, 1875.

RESPONSIBILITIES OF TRUSTEES.

To the Editor of the Accountant.

Dear Sir,—Your issue of the 19th ultimo contains a report of the case of "Cornelius Bennett Harness," under which, liquidation by arrangement was duly registered, and, as since proposed, a scheme duly accepted by the creditors whereby he should purchase the whole of the assets (with a trifling exception) for a sum of £3,000, payable by instalments, and secured by the joint bond of the debtor and his father, the debtor paying the costs of the liquidation; the assets being estimated upon the statement of affairs at £5,222. It also appears by the report that Mr. Lamb, of the office of the liquidation department, having regard to the discrepancy in the figures, "and other circumstances," refused to certify that the proposal was fair and reasonable; whereas, the trustee stated that considerable depreciation had occurred in the value of the assets. The Court, holding that the resolutions were not in the nature of a scheme under the 28th section, declined to make the order, and left the trustee to take the responsibility upon himself of selling the property upon the terms of the resolution. It has always appeared to me that the *intention* of the marvellous Act of 1869, was practically to leave the administration of an estate in the hands of the creditors. Here, notwithstanding the concurrence of a statutory majority of creditors, the court has deliberately placed an obstacle in the trustee's way, or thrown upon him the *onus* of personal risk (I suppose as to possible dissenting creditors) in carrying out the views of those interested. This surely is a glaring anomaly! Are not the responsibilities of a trustee sufficiently great, without further obstacles being placed in his path? If the creditors choose to direct the trustee to release the estate upon credit, and, as they appear to believe, under conditions which are advantageous to themselves, why should the evident intentions of the Act be so stultified as to render it impossible for the trustee, except at a personal risk, to give effect to their views? Similar schemes of settlement have been brought forward under bankruptcies, of which I will cite the case of "Nokes and Carlisle, bankrupts," whose statement of affairs showed large *paper* assets, and yet nevertheless, one of the bankrupts put forward a scheme of settlement, whereby by deed he has to pay to the trustee under the bankruptcy a sum of £4,000, distributed in annual payments over ten years. Is it, or is it not a fact, that the creditors are to have control of their own estate? If not, why should they be humbugged into the belief that they have. The terms of the Act have, in realisation, proved very disappointing. The trading community originally believed that the Act would induce men to suspend while a dividend of ten shillings in the pound was yet forthcoming. Experience, however, teaches us that judicious bankrupts follow the principle of the old Act, and take care not to come into court until the whole of their assets are dissipated. It is, perhaps, not an honest course, but it has the advantage of reducing all hostility and opposition to a minimum. The old Roman law gave creditors the right to a man's carcase if he could not pay. More modern legislation gave them the right to make him forfeit his liberty. The present legislation is far more humane. Every facility is offered to fraud; and where the law falls short in protecting reckless or dishonest trading, creditors themselves are kindly coming to the rescue. Look how goodnaturedly the warehousemen and wholesale grocers are endeavouring to give the finishing touches to the existing facilities for fraud! The day may arrive when they will realise the fact that there is such a thing as being "penny-wise-and-pound-foolish." I assert that it is perfectly feasible to frame a law which will enable trustees to administer estates at a low and yet remunerative scale; but that in order to do so, it will be necessary to show a little sympathy both to creditors, and their agents the trustees.

Yours truly,

A TRUSTEE.

London, *July 2nd*, 1875.

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To the Editor of the Accountant.

DEAR SIR,—I have read with much interest the very full report of the appeal before the Lords Justices in "Ebbs v. Boulnois," and also the report "re F. Milnes" of Sheffield, both of which are contained in your issue of the 19th June last. At the time when the trustee in the latter case held a meeting, the creditors appear to have passed a resolution which was actually in accord with the highest legal decisions then given. The directions so given would, however, appear to be now diametrically opposed to the last decision of the Lords Justices. It is possible that many trustees may have acted in accordance with the pre-existing views, and now find themselves in the happy position of having divided their estates, and being called upon to defend suits at their own expense, and with the possibility of getting a heavy verdict against them. I particularly desire to call your attention to this risk, as I believe that many trustees are to a great extent ignorant of the responsibilities of their position, and creditors appear to persistently ignore that such responsibilities must of necessity form an item of calculation in the question of remuneration. Acting under the express directions of a committee of inspection, and with perfect good faith, I have already had the luxury of paying money out of pocket for *practical experience* as to the explanation of the word "trustee."

Allow me to suggest that the Societies of Accountants should take some opportunity of calling the attention of the public to the fact that the trustees do not hold absolute sinecures.

Yours truly,
A SUFFERER.

London, *July 2nd*, 1875.

To the Editor of the Acconutant.

DEAR SIR,—The report of the case "Sprunt v. Carr," contained in No. 28 of your paper, illustrates the fact that persons calling themselves "accountants" are not the only individuals who sometimes do curious things. It is interesting, as showing how hostile creditors occasionally consent to the extraction of their stings, and the utility of legal advisers in bringing about such very desirable arrangements.

Yours truly,
INNOCENT.

London, *July 2nd*, 1875.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Mr. Frederick William Sperring, of 26 Philpot-lane, Fenchurch-street, E.C., has been appointed Trustee of the estate of Mr. Thomas Jeffery, late of Dorking, Surrey, now of the White Horse Inn, Rupert-street, Haymarket.

Mr. Frederick William Sperring, of 26 Philpot-lane, Fenchurch-street, E.C., has been appointed Receiver and Manager of the estate of James Morrall and Son, the Grange, Grange road, Bermondsey, Surrey, calf kid leather dressers and tanners.

Vice-Chancellor Hall has appointed Mr. James, of James and Edwards, official liquidator of the Indestructible Paint Company, Limited.

THE BANKRUPTCY VOTE.

A correspondent writes:—The parliamentary proceedings of Tuesday last were not without interest to accountants practising in bankruptcy. On the motion to vote the sum of £38,635 to complete the amount required for the Bankruptcy Court, a short but somewhat interesting discussion took place. It was advocated by an eminent commercial member of the house (Sir A. Lusk) that the total abolition of the Court of Bankruptcy would be of the greatest benefit to trade, and that the establishment of a Court of Commerce would be found to be the only antidote against commercial frauds and swindles. We confess, it is taking a rather wide view of the matter to stigmatise bankruptcy proceedings as loop-holes through which swindlers, who become indebted "to the extent of millions," are enabled through the machinery of the Bankruptcy Act to creep safely out of their liabilities and obligations. Take the proceedings under the present Act as it stands, few cases are so greatly involved in fraud and deception as some may please to imagine. It must certainly be admitted that the administration is not what it ought to be; that there is existing a great want for reform, and that gross and nefarious transactions do at times become "whitewashed" through the medium of the court; but whether or not the total abolition of the court would be a wise or a necessary step, it would certainly be accompanied by the most serious consequences to the commercial classes. What, may be asked, will you put in its place? Bad it may be, and undoubtedly is; but what have you got better? In August 1874 a Commission, which on Tuesday received the happy qualification of "departmental," was appointed by the Lord Chancellor, to investigate the faulty features, and recommend alterations in the unfortunately framed Act of 1869. We have arrived at July 1875, and the public receives the terse and promising information that there is no probability of the report of this valuable and hard-working Committee being ready for presentation until after the prorogation. This, we must confess, will be scarcely re-assuring to the members of those societies by whom strenuous and timely steps were taken to be represented on the committee. It becomes obvious that the capacity of those appointed is either too weak to grapple with a prevailing nuisance, or that to rest on one's oars in the security of a fond hope that all will come right of itself is the order of the day. We cannot help expressing our gratitude to Sir A. Lusk for his observations on Tuesday night. It is generally admitted that it matters little whether the bull be taken by the horns or tail, so long as he be taken; even so to grapple with the present Bankruptcy Act, either by extinguishing it altogether, or amending it in part, matters but little, as long as a measure be framed and adopted that will be in harmony with the requirements of the day.

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COURT OF QUEEN'S BENCH, WESTMINSTER.

July 5.

(*Sittings in Banco at Westminster, before the* LORD CHIEF JUSTICE, *Mr. Justice* BLACKBURN, *and Mr. Justice* LUSH.)

LOW v. BLAKEMORE.—This case raised a short but important point, which for some years past has been much contested, whether a judgment creditor having an order to attach the debts due to his debtor is a "secured creditor" entitled to preference or protection under the Bankruptcy Act, 1869, in the event of a bankruptcy. Mr. Justice Lush delivered an elaborate judgment, in which the Lord Chief Justice, Mr. Justice Mellor, and Mr. Justice Field, who heard the case, concurred, to the effect that the judgment creditor under such circumstances is to be regarded as a "secured creditor" within the Bankruptcy Act, and they therefore decided in his favour against the receiver in Bankruptcy who claimed to be entitled to the money.

COURT OF APPEAL IN CHANCERY.

July 1.

(*Before the* LORDS JUSTICES *of* APPEAL.)

EX PARTE GOMEZ—IN RE YGLESIAS.—This appeal from a decision of Mr. Registrar Pepys, acting as Chief Judge, involved a question of some mercantile importance. The appeal was argued in Easter term, and this morning the judgment of the court was delivered. The question in dispute arose out of the insolvency of Messrs. Jose Antoni Yglesias and Carlos Michael Yglesias, merchants, of Jeffreys-square, St. Mary-axe, trading as J. R. Yglesias and Co., who filed a liquidation petition on the 20th July, 1874, under which Mr. William Turquand was appointed receiver of their property. Ultimately their creditors resolved to accept a composition of 3s. 4d. in the pound, and that the debtors should also assign a large debt then owing to them from J. Firmat and Co., of Buenos Ayres (which was considered doubtful), on trust for the benefit of the creditors rateably. The question on the present appeal was as to the right to the proceeds of some bills of exchange which had been remitted to Yglesias and Co. by Mr. R. M. Gomez, of Malaga, to meet other bills he had drawn on Yglesias and Co., and which they had accepted for his accommodation. The proceeds of these remitted bills, amounting to £5,545, came into the hands of Mr. Turquand as receiver, and the question arose who was entitled to them. Yglesias and Co. claimed them, and they were also claimed by some of the holders of their acceptances, on the authority of the well-known case of "Ex parte Waring" (19 Ves., 345). The Registrar decided against the billholders, and in favour of Yglesias and Co.; Gomez appealed. The bill-holders did not appeal. Mr. Cohen, Q.C., and Mr. Robinson, Q C., were for the appellant; Mr. De Gex, Q.C., and Mr. Daniel Jones were for Yglesias and Co.; Mr. John Linklater was for the receiver. The other material facts of the case were stated in the judgment of the court, which was delivered by Lord Justice James as follows:—Gomez, a merchant abroad, was in the habit of drawing bills of exchange on Yglesias, a merchant in London, who accepted those bills for the accommodation of Gomez, in consideration of a commission of 1 per cent. Either contemporaneously with the letters announcing that the bills were so drawn, or afterwards, other bills were remitted by Gomez to Yglesias, in order to provide the latter with funds to meet the acceptances, and to keep him out of cash advances. The two letters which I am about to read show the course of proceeding between the parties. His Lordship read the two following letters:—"Malaga, 8th July, 1874. Messrs. J. R. Yglesias and Co., London. Dear Sirs,—Yours of the 1st inst. crossed by mine of yesterday, which I confirm, is in conformity. I have drawn on you for £600, £400, £1,000, at three months' date, order of Banco de Castilla, which you will please accept to my debit in No. 1 account. I enclose first of exchange for £927 14s. 8d. at 60 days' sight, on Messrs, F. Huth and Co., to my credit in the same account. I am, &c., R. M. Gomez." "Malaga, 9th July, 1874. Messrs. J. R. Yglesias and Co., London. Dear Sirs,—I confirm mine of yesterday, and have to hand your esteemed of the 2nd inst., which is in conformity. I enclose first of exchange for £100, at three months' date on Wattengall, Campbell, for my credit in account No. 1, and £28 6s at eight days' sight on Sunderland, payable there (in London) to account No. 2. Yours, &c., R. M. Gomez." The account No. 1 was the account of the accommodation acceptances and of the remittances made in respect of them. The account No. 2. was the account of all other dealings and transactions between the parties. The fact that there were these two accounts between them appears to us to be a fact of the utmost importance in the case, and, unless controlled by something else, shown by or to be inferred from the course of dealing between the parties, shows conclusively, in our opinion, that the remittances were sent exclusively for the purpose of taking up the accommodation acceptances as they became due, and were appropriated for that purpose. It is suggested that the accounts kept by Yglesias, and periodically transmitted by him to Gomez and accepted by the latter, show that the remittances were received and treated by Yglesias as his absolute property, and that he had only to give credit for them as so much cash received. We are satisfied, however, on a careful examination of the account, that it had not and was not intended to have any effect in altering the legal relations between the parties, and the rights flowing from the fact that acceptances were given by Yglesias on the one hand, and remittances sent by Gomez on the other hand to provide for those acceptances. The dates on which the debits were made on the one side, and the credits were given on the other, appear to us to be a mere accountant's manipulation of figures, for the purpose of showing how the interest account would stand on the hypothesis that every bill would be honoured when due. It is not pretended that Yglesias became the purchaser of the remittances to him, or that he took them as absolute payment and discharge of so much money. On the contrary, when any of them were dishonoured the amount and costs were placed to the debit of Gomez. It is suggested that Yglesias had full right to discount the bills the moment he received them. But that is always the case in these matters. It is never expected or understood that a banker, or a man in the position of Yglesias, is to keep the things locked up in his drawer so long as he is going on and solvent. The mode in which he is to use the remittances for the purpose of putting himself in funds is for his discretion and judgment, and the right to interfere with them only arises (like the analogous right of stoppage *in transitu* or resumption of vendor's lien), where there is actual or imminent insolvency patent. We start then with this, that Yglesias was liable as surety for Gomez on a large amount of acceptances, and, on the other hand, he had the remittances to meet or provide *pro tanto* for those acceptances. In that state of things Yglesias failed, and at the time of his failure there were in his hands remaining in specie a large amount of Gomez's remittances which had been so specifically appropriated. It appears to us that, in accordance with principle and a whole current of authorities in Equity, (whatever might be the legal right of property in the bills, which it is not necessary to consider) Gomez had a right to take out of the hands of Yglesias those remittances, subject to any lien of the latter in respect of the liability he has incurred. Now, with respect to the latter, he has made a statutory composition of 3s. 4d. in the pound, and it is not suggested that that composition is not, as between Yglesias and the billholders, a valid and effectual discharge, so that all he has paid and all he is liable to pay for Gomez is the amount represented by that composition, and Gomez continues liable on his draughts for the remaining 16s. 8d. in the pound. It is stated

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(and if this is not admitted there must be an inquiry on this point) that crediting Yglesias in account with only the 3s. 4d. in the pound, the balance is not in his favour, leaving the above-mentioned remittances wholly free, and it is not suggested that if Gomez had actually paid or taken up the acceptances, paying the remaining 16s. 8d. in the pound, he would not be entitled to have the remittances given up to him, if we assume, as we have held, that they were specifically appropriated. It is, however, suggested that Gomez himself is in some sense insolvent, that he has not paid, and is not able to pay, the acceptances to the billholders. That cannot, in our opinion, give any right or equity to Yglesias, who, as between him and Gomez, is only entitled to reimbursement and indemnity, and he has been fully reimbursed, and is fully indemnified, no matter by what means that indemnity has been obtained or his liability discharged. Gomez is, in our judgment, entitled, whether he is rich or poor, solvent or insolvent, to have back his remittances, to enable him, it may be, to make a like favourable composition in his turn with his creditors. It is not suggested that the right of Gomez has been intercepted by the right of any trustee, or assignee, or other like person, under any thing in the nature of bankruptcy or *cessio bonorum*, or the like, under the laws of his country. The view of the case which we have taken renders it unnecessary to dispose of another point which might have been of great importance in this case. It appears that of the remittances as much as £2,636 were sent with letters announcing draughts for acceptance, which were not accepted, they having arrived after the stoppage. We think that there is very great ground for saying that the language and reasonings of all the learned lords who advised their House in the case of "Shepherd v. Harrison" ("Law Reports, 5 House of Lords," 116) would apply to this case; that, from the course of dealing between the parties, there would be implied that, which would not, according to mercantile courtesy and usage, be said in so many words—namely, "I send you the remittances on the faith that you will accept the draughts." That would, no doubt, appear to be inconsistent with the decision of Vice-Chancellor Giffard in "Trimingham v. Maud" ("Law Report," 7 Eq. 201). But it is to be observed that that decision was pronounced some years before the case in the House of Lords, and further that, as a matter of fact, the Vice-Chancellor came to the conclusion that there was only one general account, and that the remittances were made on that general account. It is not necessary for any present purpose critically to examine that decision, but we are not sure that we can reconcile the premises, and the conclusion in the judgment. Something has been said about the rights of the billholders under the doctrine of "Ex parte Waring." It appears that some billholders did apply by their own summons, and had an adverse decision, which has not been appealed from, and is now past appeal. There being nothing to show that Gomez's property has been, or is, the subject of judicial liquidation, or that he has obtained the benefit of a legal composition or discharge, there are not two estates within the meaning of "Ex parte Waring" or "Powles v. Hargreaves," and no means, therefore, of applying the doctrine of those cases. The result, therefore, will be that the order of the Registrar will be discharged, and the money in question ordered to be paid to Gomez. Yglesias to pay the costs before the Registrar. No costs of the appeal. Some discussion then ensued with regard to the assignment made by Yglesias and Co. of Firmat and Co.'s debt, the result of which, it was said, would be that, if any thing was ultimately realised for the creditors of Yglesias and Co. from that source, the latter would be entitled to an indemnity from Gomez beyond the amount of the composition of 3s. 4d. in the pound. It is not yet ascertained what will be realised from Firmat and Co.'s debt. In the result, the Court said that they could only decide at present that the application of Yglesias and Co. to have the whole fund paid to them must be refused. The fund must remain at present, with liberty to Gomez to apply. The receiver would retain his costs out of the fund, and this amount must be made good by Yglesias and Co.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

July 1.

(*Before Vice-Chancellor* SIR R. MALINS.)

IN RE THE EUPION FUEL AND GAS COMPANY, LIMITED.—This matter came on upon a motion by the official liquidator of the above named company for an order that the Midland Banking Company, Limited (hereinafter called the Midland Bank) might, within four days after the service of the order, pay to the official liquidator of the Eupion Company the sum of £35,000 in their hands, received by them for and on behalf of the Eupion Company. It appeared from the evidence of the official liquidator that the Eupion Company was formed on the 7th of March, 1874, with a nominal capital of £50,000 in 50,000 shares of one pound each, of which one-half was to be paid on application, and one-half on allotment. The object of the company was the purchase of some patents for making gas and fuel for £40,000, of which £15,000 was to be advanced on fully paid-up shares, and £25,000 in cash. A Mr. Aspinall and Mr. Whyte were two of the directors of the company. The company was advertised and the public invited to subscribe for the 35,000 shares which had to be allotted, but no subscriptions came in. Mr. Aspinall and Mr. Whyte, acting by a Mr. Muir, a promoter of the company, and by the then manager of the Midland Bank, arranged with that bank that sufficient moneys should be lent by the bank to Mr. Aspinall and Mr. Muir to enable them to have the whole of the shares allotted, and to procure a settlement and quotation of the shares from the committee of the Stock Exchange. The agreement was carried out by the Midland Bank thus:—They lent Mr. Muir and Mr. Aspinall, upon bills of Mr. Muir accepted by Mr. Aspinall, £17,500, with which Mr. Muir and Mr. Aspinall were to pay, or cause to be paid, sums into the bankers of the Eupion Company, viz. the National Provincial Bank of England, in the names of applicants for 35,000 shares in the company; and as soon as the money was paid into the bankers of the company, it was to be paid out and deposited with the Midland Bank. The Midland Bank accordingly, through their manager, made several payments of money to Mr. Muir between the 19th of March, 1874, and the 23rd of June, 1874, secured by acceptances of Mr. Aspinall. The payments were made by cheques drawn by the Midland Bank, through their manager, on the London and County Bank, in favour of a "number," but for the account of Mr. Muir and Mr. Aspinall. The cheques so drawn were then cashed, and the proceeds paid by Mr. Muir and Mr. Aspinal into the bankers of the Eupion Company. Those bankers were at the same time supplied with the letters of application of several persons who had gone through the form of applying for shares in the Eupion Company, at the solicitation of Mr. Muir and Mr. Aspinall, in order that the cheques might be distributed between those persons in the banking account, and treated as a deposit of 10s. per share on the shares applied for. After those moneys had been so paid in they were drawn out from the National Provincial Bank of England by means of cheques signed by Mr. Aspinall and Mr. Whyte, who were then directors of the Eupion Company. Those cheques were in favour of the Midland Bank, and of these dates—viz., £2,500 on the 20th March, £2,500 on the 21st of March, £2,500 on the 23rd of March, and £4,000 on the 24th of March, 1874. In exchange for the cheques so handed over to the Midland Bank, they issued deposit receipts to the Eupion Company to the full amount of the respective cheques. On the 23rd of March, and subsequently, when so requested, on the 25th of March, 1874, Mr. Aspinall gave the manager of the Midland Bank a charge, by way of security for the moneys advanced on the deposits—or

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rather the moneys paid in as above-mentioned to the deposit account. Mr. Aspinall and Mr. Whyte subsequently drew cheques against the deposit account at the Midland Bank. The deposit receipts with the endorsements on them were now in the possession of the Midland Bank; but except as appeared by the endorsements (which, on behalf of the official liquidator of the Eupion Company, it was said Mr. Aspinall and Mr. Whyte had no authority to make), there was no evidence of any part of the £35,000 so received by the Midland Bank, as aforesaid, from the Eupion Company, having ever been repaid. The manager of the Midland Bank during the transactions in question by his affidavit entered into a detailed account of the circumstances of the case so far as he was concerned, but the above statements are sufficient, having regard to the judgment *infra*, to explain the general nature of this application. Mr. Glasse, Q.C., and Mr. Montague Cookson, Q.C., were for the official liquidator of the Eupion Company. Mr. Cotton, Q.C., and Mr. F. C. J. Millar contended that it was not £35,000, but £17,500 only, for which, if any thing, the official liquidator should have asked, though in fact there was nothing owing from the Midland Bank to the Eupion Company. It was supposed because the £35,000 had been paid in to the bankers of the Eupion Company that the money was therefore theirs, and, logically, the whole was asked for. But this case was identical with that suggested in "Gray v. Lewis" ("Law Reports 8, Chancery Appeals 1,052"), where it was thus put:—" You, the bank, have got moneys in your hands, moneys paid into your bank to our account, and for which, therefore, you are liable to us. They are moneys had and received by you to our use, and you are debtors to that amount. True it is, you say that you have in your own books discharged yourself of £230,000 of those moneys which you have so received by applying them in payment of certain bills of exchange under an authority signed by some of our directors, but that authority is perfectly idle. It was entirely *ultra vires*, and you knew it to be so." On similar grounds to those, and because the true ownership of the £35,000 was in the Midland Bank still, the motion in this case should, under all the circumstances of it, be refused, and with costs. The Vice-Chancellor said that on this motion by the official liquidator of the Eupion Company, it was obvious that the order asked for could not be made unless the Court was perfectly satisfied that the money in question belonged to that company. If it did, of course it would form part of the assets of the company. From what he had heard and seen of this company, it was plain to him that it had been a fraud from beginning to end. The application was a nominal one only for 50,000 shares of £1 each; and, although the chief clerk had fixed on the list of shareholders persons who held all the 50,000 shares, not one penny had ever really been paid in respect of them. It was usual in cases of companies to pay a deposit on any application for shares, and to make a further payment on allotment, but on neither occasion, in this instance, was any thing paid. Then came the transaction immediately in question, with reference to which he had said in the course of the argument, and he again repeated, that it was discreditable and disgraceful to all the parties concerned in it. This company, with all its shares nominally applied for, but wholly unpaid, found it necessary to get some quotation for the shares on the Stock Exchange, and for that purpose to obtain certificates that its shares had been applied and paid for. The manager of the Midland Bank lent himself to the transaction, and being a person who could, presumably, draw any amount of cheques upon his bank, drew several in March, 1874, for some thousands of pounds. The cheques were all printed with "and Co." on the face of them, so that they must necessarily pass though a banker's hands. They were drawn to "numbers," without any name, and were signed by the manager of the Midland Bank. But it did not suit the purpose of the parties that the cheques should pass through a banker's hands, and accordingly the words "and Co." were struck out, and "cash" substituted for them. The cheques were then taken to the London and County Bank and cashed, and the proceeds paid into the National Provincial Bank of England, who were the bankers of the Eupion Company. The money so paid was about £35,000 or £40,000, in round numbers. It was not all paid in one sum, but by several cheques of different amounts, and not one of the cheques was really paid in by any allottee of the shares. No sooner was the money paid in to the National Provincial Bank of England than it was again drawn out by two of the directors of the Eupion Company. On the Monday the money got into the National Provincial Bank of England; on the Tuesday it was drawn out by cheques in favour of the Midland Bank, and on the Wednesday it was paid into that bank. Then there was an arrangement between the manager of that bank and Mr. Muir. The manager undertook to discount draughts of Mr. Muir's not exceeding in the whole £10,000; and on the manager being assured of the safety of the transaction, so far as the Eupion Company was concerned, the money, apparently that of the Eupion Company, was improperly dealt with by the parties who had paid it into the Midland Bank. The whole thing was a mere sham. It was, as already observed, impossible to make the order on this motion, unless the money was undoubtedly the property of the Eupion Company. But suppose the liquidator got this money: the debts of the Eupion Company (exclusive of one claimed by the Midland Bank themselves, were only about £1,300. The money would have to be applied, first, in paying the expenses of the winding-up of that company, then in the discharge of its debts, and the surplus would have to be distributed among the very persons who had been guilty of all the fraud in this case; who had said they had taken shares, which they never did take, and for which, therefore, though they said they had paid, they never did pay. It was an unfortunate thing for the Midland Bank that they should have had such a manager, and it was impossible to say that his conduct was proper, or that what he had done was valid. The transaction was a disgraceful sham, and nothing either more or less. It was clear upon the whole case that the property in the £35,000 never passed out of the Midland Bank, in whom the right to it still remained, and the motion must, therefore, be refused; but as the Midland Bank were responsible for the acts of their manager, the motion must be refused, without costs.

COURT OF BANKRUPTCY.

July 2.

(*Before* Mr. Registrar Pepys, *sitting as Chief Judge.*)

In re Gilead A. Smith and Co.—The debtors are merchants, carrying on business at 23 Change-alley, Cornhill, and at New York. Their debts and liabilities are estimated at £530,900, with assets of doubtful value. Mr. Linklater now applied for leave to file a petition for liquidation under the 125th and 126th sections, signed by three only of the partners in the firm. It appeared that the fourth partner was at New York, engaged in the business of the firm, but he had forwarded a power of attorney to this country authorising his co-partners to act for him. His Honour granted the application.

In re Alexander Collie and Co.—The debtors, Messrs. Alexander and William Collie, were described as merchants, of Leadenhall-street, and Manchester, and their liabilities were estimated at £3,400,000. Mr. Hollams, jun., now applied that a receiver and manager should be appointed. It appeared that the suspension occurred on the 15th ult., and the debtors had since presented a petition for liquidation by arrangement or composition. Goods of considerable value were stored at Manchester in warehouses belonging to the firm, and, in order to avoid loss, it was necessary to sell portions of them from time to time. The nomination of the proposed receiver and manager (Mr. Young, of the firm of Turquand and Co.) was approved by creditors for about £1,500,000, and it seemed that various matters were continually arising in reference to the

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estate which required immediate attention. His Honour said the desired order would be made.

July 3.

(*Before the Hon.* W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE J. AND E. LAND.—Mr. De Gex, Q.C., and Mr. Pitt Taylor appeared in support of an application for the approval by the court of a composition accepted by creditors. The debtors, who were gun manufacturers, carrying on business in Cockspur-street, had filed a petition for liquidation, and at the first meeting the creditors resolved to liquidate by arrangement. The liabilities amounted to between £11,000 and £12,000, with assets £5,000, subject to reduction on realisation. At a meeting of creditors recently held under the 28th section, the creditors agreed to accept a composition of 6s. in the pound, payable by instalments. His Honour granted the application.

IN RE WILLIAM M'ARTHUR.—This was an appeal from an order of Mr. Registrar Keene, refusing to register a resolution of creditors in favour of liquidation by arrangement. Mr. Brough appeared for the appellant. The debtor was an iron merchant, carrying on a very extensive business at 122 Cannon-street and elsewhere, and he had also traded as the Caledonian Iron Foundry Company. At an adjourned first meeting, creditors to the amount of £104,923 passed unanimously a resolution for liquidation by arrangement, and appointed a trustee, but upon the matter being brought before Mr. Registrar Keene, he declined to register the resolution, on the ground that 29 creditors, whose debts amounted in the aggregate to £18,100, were not served with notice of the meeting. Subsequent investigation showed, however, that the actual total of the omitted creditors was £1,100 only. His Honour referred the matter back to the Registrar, to be dealt with by him upon the fresh evidence which had been adduced.

July 5.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE WINTER, RE SOFTLEY.—This was an appeal from an order of the Newcastle-on-Tyne County Court, by which it was declared that an iron steam vessel, No. 111, formerly belonging to the debtor, was a security to Messrs. Hodgkin, the bankers, for advances, and that that firm was entitled to complete and launch the vessel, and sell the engines. Mr. Little, Q.C., and Mr. Doria were counsel for the appellant; Mr. De Gex, Q.C., and Mr. Gainsford Bruce for the respondent; Mr. Winslow, Q.C., and Mr. F. H. Colt represented other interests. The debtor, who was a shipbuilder carrying on business at South Shields, had a banking account with Messrs. Hodgkin and Co., who had been in the habit of discounting bills for him in the usual way of bankers and their customers, and they had also allowed him a considerable overdraught, partly covered by bills and partly unsecured. The amount of the overdraught fluctuated very materially during the several months commencing in February and ending in October, 1874. In August the debtor, who then owed Messrs. Hodgkin about £7,500, offered to give security upon two vessels then being built, but the bankers at that time declined to accept the security, stating, however, that circumstances might arise which would render it desirable for them to have it; and the debtor agreed in that case to furnish the security. On the 7th of October the bankers told the debtor that he must lodge the builders' certificate of the vessel No. 111 with Mr. Scott, their manager, and on the 8th he did so, the vessel being then in an unfinished state and unregistered. On the 12th of the same month the debtor filed a petition for liquidation, with debts returned at £43,000, and assets £11,000, and the trustee sought to impeach the transaction on the ground that it constituted a fraudulent preference and also an act of bankruptcy. The County Court having allowed the bankers to retain their security as to the vessel No. 111, the trustee appealed. His Lordship, in giving judgment, said it was proved that in August, 1874, an offer was made by the debtor to give security to the bankers upon a particular vessel, but they refused it, stating, however, that circumstances might arise which would induce them to call upon him for further security. This they had a right to do, and there was nothing to show any dishonest intention on their part. The promise to find security was distinct, and the bankers afterwards made large advances to the debtor to enable him to carry on his business. The transaction was not with a view to prefer the bankers over the other creditors, but only in performance of an obligation. The appeal must be dismissed.

IN RE GILEAD SMITH AND CO. LIABILITIES £530,900.—The debtors in this case, J. Dennis, Robert Lyon Burnett, and H. Eagle Smith, trading under the style of Gilead Smith and Co., merchants, of 23 Change-alley, Cornhill, have filed a petition for the liquidation of their affairs, and Mr. Linklater now moved the court for the appointment of a receiver to the estate. The application was made on an affidavit by the debtors stating that their liabilities were estimated at £530,900, and that the joint assets consisted of good book debts and railway iron and other bonds of large but fluctuating value included as security by certain creditors, and as to the realisation of which it was desirable that some arrangement should be made. The first meeting is appointed to take place on the 22nd of July. The affidavit further stated that the debtors had large transactions with the firm of Fothergill and Hankey, trading under the style of the Aberdare Company, and that their trustee had seized Warwick-House, Paddington, the property of the debtors, with the furniture, fixtures, works of art, plate, &c., under an assignment to the Aberdare Company in respect of bills of exchange of the debtors amounting to about £10,000, and that as the assignment was only executed immediately preceding the filing of the liquidation petition, important questions would arise between the parties as to the rights of Fothergill and Hankey. On these grounds his Honour granted the application, and appointed Mr. F. Whinney, of the firm of Harding, Whinney, and Co., public accountants, receiver, with power to get in and receive the property of the debtors.

July 6.

(*Before Mr. Registrar* KEENE.)

IN RE RICHARDSON AND CO.—This was an application to register resolutions to liquidate the separate estate of Messrs. T. H. and J. Richardson by arrangement and not in bankruptcy. The resolutions with respect to the joint estate were registered last week, but it was objected that a creditor for £5,000 had not been served in one case, and for a still larger amount in the other. Mr. Brough, on the part of the debtors, endeavoured to show that they really had notice, being creditors of the joint estate, and it was stated in that notice that the meeting of the separate creditors would be afterwards held. His Honour, however, declined to register, but gave leave to apply to the Court for a fresh meeting.

IN RE A. E. WESTBEECH.—The debtor is described as a general merchant, of 38 Fenchurch-street, also of Brighton, carrying on business as the Celestial Works of Art Company, failed in May last, the debts being stated at £34,056, against assets £27,578. At the first meeting resolutions were come to liquidating the estate by arrangement, with a trustee and committee of inspection. Upon the application of Messrs. Lawrence, Plews and Co., his Honour directed registration.

A correspondent points out an error in our reports of creditors' meetings published last week. It was there stated that a meeting of the creditors of John Chapman, dyer, Bradford, had been held, the name of the debtor being John Schofield, dyer, of Bradford. We gladly insert correction of the paragraph, which was copied from a Scotch daily paper.

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CREDITORS' MEETINGS.

J. VERITY (BRADFORD).—A first meeting of the creditors of John Verity, woollen draper and outfitter, Pudsey, was held on the 6th inst., at the County Court, Bradford. A statement of affairs, prepared by Mr. Alexander Atkinson, accountant, was submitted, and showed that the liabilities were as follow:—Unsecured creditors, £1,281 2s. 6d.; creditors for rent, £11 10s.; liabilities on bills discounted, £335 16s. 11d.; total, £1,628 9s. 5d. The assets were £505 6s.; subject to the bankrupt's statutory allowance, and also the usual risks in realisation. Several of the claims will have to be investigated, the bankrupt having about sixteen months ago effected a composition with his creditors of 10s. in the pound, and given bills to secure to some of the creditors 20s. Mr. Alexander Atkinson was appointed trustee with a committee of inspection, Messrs. Terry and Robinson being appointed solicitors to the trustee.

RICHARD LONG (LIVERPOOL).—At the statutory meeting of the creditors of Richard Long, described as of Tempest-chambers, Tempest-hey, Liverpool, carrying on business as an engineer and metal broker, under the style of Richard Long and Co., and as an oil merchant under the style of the Lancashire Lubricating Oil Company, held on Saturday, at the offices of Messrs. Francis Almond and Collins, solicitors, Harrington-street, Liverpool, it was unanimously resolved to accept a composition of 5s. in the pound, payable in two equal instalments at one and two months' date respectively, such composition to be secured to the satisfaction of the receiver, Mr. T. Theodore Rogers, accountant, 16 Lord-street, Liverpool. The statement of affairs showed £1,492 7s. 2d. liabilities, against £583 4s. 6d assets.

J. F. SWIFT (LIVERPOOL).—A meeting of the creditors of Mr. James Frederick Swift, of St. Anne-street, Liverpool, wholesale grocer and drysalter, was held on Monday, at the offices of Messrs. Barrell and Rodway, solicitors, Liverpool. The statement of affairs submitted by the receiver, Mr. T. Theodore Rogers, public accountant, Liverpool, showed liabilities £1,869 6s. 7d. against assets £856 9s. 7d. An offer of a composition of 8s. in the pound, payable in three instalments, at two, four and six months' date, the last to be secured, was unanimously accepted, and Mr. Rogers was appointed trustee.

J. & A. SIMPSON (GLASGOW).—At a meeting, on the 2nd inst. of the creditors of J. and A. Simpson, yarn and commission merchants, Glasgow, a statement of the bankrupts' affairs was submitted, showing liabilities to the amount of about £28,000, and assets of about £15,000. An offer was made of 10s. in the pound, payable at three, six and nine months, with security for the last instalment. The creditors present seemed to be favourable to the acceptance of the offer.

FAILURES.

ENGLAND.—The failure was announced on Tuesday of Messrs. John Ranking and Co., a firm of the highest repute, established nearly 100 years. Their liabilities are estimated at £150,000.—A petition has been filed in the Sheffield Bankruptcy Court in the affairs of Mr. Thomas Hampton, managing director of the Phœnix Bessemer Steel Company, which suspended payment a fortnight ago. His liabilities are stated to be about £20,500. The amount of assets is not stated.—A petition has been presented in the Leeds County Court for the liquidation of the affairs of Messrs. W. Coutts and Co., twine manufacturers, Globe Mills, Hunslet. The liabilities are put down at £12,000. The assets are understood to be very considerable, and a favourable dividend may therefore be expected. Mr. W. H. Hewson, 1 East Parade, is the solicitor, and Mr. John Routh, accountant, Royal Insurance Buildings, Park-row, has been appointed receiver.—A petition in liquidation has been filed in the Bradford County Court by Messrs. John Willis and Son, brassfounders, &c. Millergate, Bradford. The liabilities are estimated at £25,000; assets not known. Mr. H. J. Blackburn has been appointed receiver in the estate, and Messrs. Wood and Killick are the solicitors.

SCOTLAND.—The firm of W. R. Morison and Co., spinners, Dundee, issued a circular on Saturday suspending payment. Their failure is due to the fact that the senior partner, Mr. Patrick Anderson, who carried on business on his own account as a merchant, had accepted a number of bills for Messrs. Alexander Collie and Co. It is understood that the acceptances involved a sum of between £60,000 and £80,000. On Saturday the Royal Bank of Scotland, as proprietors of the firm's mills, applied for sequestration for rent, which was granted. The liabilities are heavy, but lie out of Dundee.

BRITISH NORTH AMERICA.—The failure of Messrs. E. D. Jewett and Co., St. John, N.B., is stated to be the heaviest ever known in New Brunswick. The liabilities are estimated at £1,200,000.

AUSTRALIA.—Advices from Sydney, N.S.W., report several mercantile suspensions, including that of Messrs. R. F. Stubbs and Co., auctioneers, with liabilities amounting to £100,000; Messrs. T. and J. Skinner, liabilities £37,000; and Mr. Coombe, miller and grain dealer, liabilities £41,000.

The *National Zeitung* reports the failure of Musil and Co., of Prague, with liabilities about £100,000, and that of Heymann and Steuer, of Breslau, with liabilities about £28,500.

The *Allgemeine Zeitung* says that the Vienna Bourse has been much disturbed by the failure of Gerson and Lippmann, proprietors of the Suranyer sugar manufactory, the largest in Austro-Hungary. The immediate cause of suspension was the failure of Moritz Weiner, reported some time ago, with whom Gerson and Lippmann had extensive transactions. The existing liabilities are estimated at about £300,000.

PARLIAMENTARY INTELLIGENCE.

HOUSE OF COMMONS, JULY 5.

SUPREME COURT OF JUDICATURE ACT (1873) AMENDMENT (No. 2) BILL.—On clause 9 (the London Court of Bankruptcy not to be transferred to the High Court of Justice), Mr. Herschell moved, page 5, line 38, to leave out the words, "from time to time." As the clause stood, it provided that the office of Chief Judge in Bankruptcy should be filled by such Judge of the Exchequer Division as might from time to time be required to act by the Lord Chancellor. That gave the Lord Chancellor power to set aside a Judge who might be displeasing to him and appoint another in his stead. That he held to be a very objectionable provision. (Hear, hear.) Sir G. Bowyer agreed with the hon. and learned member that this was a very objectionable power to give to the Lord Chancellor. It ran through the Act of 1873 and was a perceptible feature in this Bill, that enormous powers should be given to the Lord Chancellor. Mr. Hopwood and Mr. Jackson supported the amendment. Mr. Gregory hoped the Government would obviate further discussion by intimating their readiness to abandon the clause. Mr. O. Morgan urged the Attorney-General to stick to the clause. The Attorney-General had no objection to the omission of the words "from time to time." The amendment was then agreed to. On the motion of Mr. O. Morgan the words "of the Exchequer division" were struck out of the clause, and the words "or with the consent of such one of the Judges appointed prior to the passing of the last-mentioned Act" inserted after "1869" on the motion of Mr. Herschell. Some consequential amendments were also made, and the clause as amended was agreed to, after a protest from Sir H. James against leaving the Court of Bankruptcy, which needed, he said, probably more to have some check placed upon it than any other, out of the operation of the Judicature Act.

HOUSE OF COMMONS, JULY 6.

CIVIL SERVICE ESTIMATES.—On the vote to complete the sum of £51,535 for the Court of Bankruptcy, Sir A. Lusk said this

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money was thrown away. What was the use of the Bankruptcy Court? In his opinion it was worse than useless. Persons who committed monstrous frauds and swindles in London, managed to get through the Court with the greatest ease with the aid of a clever solicitor. Mr. Gregory was very much disposed to agree with the hon. baronet. He had done his best to get rid of the separate jurisdiction for bankruptcy. After a few words from Mr. Whitwell, the vote was agreed to. On the vote to complete £399,658 for salaries and expenses of county courts, Sir A. Lusk asked for some explanation as to the travelling expenses of the County Court Judges. Mr. W. H. Smith said the County Court Judges were allowed 3d. per mile when they travelled by rail, 2s. per mile when they travelled by road, and 21s. per night when absent from home. The vote was agreed to.

Before the Master of the Rolls has been heard a singular case, in which a man named Hall had twice been supposed to be dead, but had on each occasion been found alive. A third report of his death having been proved true, an application was made for the payment of some money to which certain persons would be entitled on his decease, and this was granted.

WINDING-UP.—Vice-Chancellor Malins has made an order for the compulsory winding-up of the Peat, Coal, and Charcoal Company, which was incorporated in 1873.—Petitions to wind up the Anglo-German Tunnelling Company, Limited, the Passenger General Register Company, Limited, and the South Cleveland Iron Works, Limited, have been presented to the Court of Chancery.—A petition to wind-up the International Patent Pulp and Paper Company, Limited, has been presented to the Court of Chancery.—A petition to wind-up the Anglo-American Mint Company has been presented to the Court of Chancery.—A petition for the winding-up of the British, Colonial and Foreign Property Insurance Corporation, Limited, is to be heard on the 16th inst.

LATE ADVERTISEMENTS.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF NORFOLK, HOLDEN AT GREAT YARMOUTH.

IN the matter of a Special Resolution for Liquidation by arrangement of the affairs of HARRIET SMITH, of No. 9 Crown-street, Lowestoft, in the County of Suffolk, Baker and General Shopkeeper. The Creditors of the above-named Harriet Smith who have not already proved their debts, are required on or before the 23rd day of July, 1875, to send their names and addresses, and the particulars of their debts or claims, to me, the undersigned LOVEWELL BLAKE, of Hall Quay Chambers, Great Yarmouth, Public Accountant, the Trustee under the liquidation, or in default thereof they will be excluded from the benefit of the dividend proposed to be declared.

Dated this 8th day of July, 1875.

LOVEWELL BLAKE,
Trustee.

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Proprietor—W. SKILLETER.
Late Chef de Cuisine to His Grace the Duke of Argyll.
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FISH DINNERS AND WHITEBAIT.
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Another blessing to men! The Hindoo Pen.
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BALLROOMS and GARDENS, &c., DECORATED and ILLUMINATED for Evening Parties. Tents, Temporary Rooms, and Banqueting Halls erected.
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WHITE'S MOC-MAIN LEVER TRUSS is allowed by upwards of 500 Medical Men to be the most effective invention in the curative treatment of Hernia. The use of a steel spring, so hurtful in its effects, is here avoided, a soft bandage being worn round the body, while the requisite resisting power is supplied by the MOC-MAIN PAD and PATENT LEVER, fitting with so much ease and closeness that it cannot be detected and may be worn during sleep. A descriptive circular may be had, and the Truss (which cannot fail to fit), forwarded by post, on the circumference of the body two inches below the hips being sent to the manufacturer, Mr. JOHN WHITE, 228, Piccadilly, London. Price of a single Truss, 16s., 21s., 26s. 6d., 31s. 6d, Postage Free. Double Truss, 31s. 6d., 42s., and 52s. 6d. Postage free. An Umbilical Truss, 42s., and 52s. 6d. Postage free. P.O.O. to be made payable to JOHN WHITE, Post-office, Piccadilly.

NEW PATENT ELASTIC STOCKINGS, KNEE CAPS, &c. for Varicose Veins, and all cases of Weakness and Swelling of the Legs, Sprains, &c. They are porous, light in texture, and inexpensive, and are drawn on like an ordinary stocking. Price from 4s. 6d., 7s, 6d., 10s, to 16s. each. Postage free.

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Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
Claims Paid	1,140,151	1	8

Copies of the Report, Balance Sheet and Prospectus can be obtained on application to the Head Office.
W. W. BAYNES, Secretary.

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Was awarded for "Feuerfeste Eisone Schranke und Kunstchlosser Fortschritts," to

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N.B.—The continued security and secrecy of a Lock, fixed on a Safe or Strong-Room Door, depends on the fact that there are no false duplicate keys of that Lock in existence. The object of a Lock is twofold—security against burglars, and secrecy against prying curiosity. A new change in this Lock may at any time be obtained in *five minutes* by simply filing away the thickness of a hair from one or more of the steps of the Key. The Lock, by a simple movement of the Regulator, is thus made to adapt itself to the NEW KEY, after which no other Key will open the Lock.
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The great want of a Shoe for Horses and other draught animals (so as to obtain a firm and solid foothold upon Asphalte and other smooth or slippery pavements, and to obviate roughing or sharpening in frosty weather; to reduce the jar or concussion the limbs are subjected to by the hoof striking the ground; to allow the hoof to expand and develop; to reduce the labour of the animals by diminishing the weight of the present unnatural and unwieldy iron shoe, and to add to their comfort), has long been felt by the community at large, but more especially by those who employ large numbers of horses, and also by "The Societies for the Prevention of Cruelty to Animals."

Such a Shoe has been Invented and Patented by Mr. Yates, and is made from buffalo or other hides, rendered impervious to moisture under Patented Process. They are as durable as the iron shoe, one-third the weight, cheaper, and are neat and easily applied, and their application adds greatly to the comfort of the animal.

They are made from a material as nearly approaching the nature of the hoof as possible, and therefore are the most natural substance from which to form a shoe. They will maintain the integrity of the hoof in its natural form, and allow its freedom and development. They also assist in retaining a firm and solid foothold, and aid in the impulsive efforts required in the performance of work and movements, and will thus be invaluable in preserving the health of the animal shod with them.

This Company has been formed for purchasing and working the patent rights, titles, and interests for Great Britain, Ireland, and the Channel Islands, of this Shoe, and for manufacturing and vending the same.

It is the intention of this Company to fit up works sufficient to manufacture these shoes, and to establish offices or stores in our principal cities for the sale of the same, where they will be able to supply sets much cheaper than iron shoes, and which can be readily applied by any smith or farrier.

Forms of application for shares may be obtained by applying to the Bankers of the Company, or to the Secretary.

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// The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 32.] SATURDAY, JULY 17, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

In the matter of Proceedings for Liquidation by arrangement or composition with creditors, instituted by WILLIAM McARTHUR, trading as William McArthur and Company, at 122 Cannon-street, in the City of London, and at Anchor Wharf, East Greenwich, in the County of Kent, and at Clyde Wharf, Millwall, in the County of Middlesex, as an Iron Merchant, and lately carrying on business as an Iron Founder, under the style of the Caledonian Iron Foundry Company, at Somerset-buildings, Upper Thames-street, in the City of London.

JOHN WEISE, of No. 16 Tokenhouse-yard, in the City of London, Public Accountant, has been appointed Trustee of the Property of the Debtor. All persons having in their possession any of the effects of the Debtor must deliver them to the Trustee, and all debts due to the Debtor must be paid to the Trustee. Creditors who have not yet proved their debts must forward their proofs of debts to the Trustee.

Dated the 5th day of July, 1875.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF GLAMORGANSHIRE HOLDEN AT SWANSEA.

In the matter of a Special Resolution for Liquidation by Arrangement of the Affairs of ROBERT SMITH, of No. 13 Trafalgar Terrace, Swansea, in the County of Glamorgan, Mining Engineer.

This is to certify that BARTLETT PHELPS THOMAS, of No. 10 Temple-street, Swansea, in the County of Glamorgan, Public Accountant, has been appointed, and is hereby declared to be Trustee under this Liquidation by Arrangement.

Given under my hand, and the Seal of the Court, this 9th day of July, 1875.

JOHN JONES,
Registrar.

DISSOLUTION OF PARTNERSHIP.

NOTICE OF REMOVAL.

39 BROAD-STREET, BRISTOL,
JUNE 24TH, 1875.

The PARTNERSHIP hitherto existing under the Style or Firm of HANCOCK, TRIGGS, & CO., having been DISSOLVED by mutual consent, I beg to give notice that I purpose henceforth to CARRY ON BUSINESS as a PUBLIC ACCOUNTANT at the above address.

PHILIP TRIGGS.

£5,000 MODERN BREWERY.—4 qr. plant (capable with small outlay, of being enlarged to 8 qr.). Artesian Well, yielding abundance of the finest water. Mineral Water Manufactory, with Steam power, and Wine, Spirit and Bottled Beer Business. Established upwards of a quarter of a century. Apply Moore and Wallis, Accountants, 8 Crosby-square, E.C.

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LAND, Domains, Mountain Ranges, Woods, Forests, and Important Residential Estates. Messrs. MARSH, MILNER, and Co., Land Valuers and Timber Surveyors, have a number of WEALTHY BUYERS DESIROUS of INVESTING in AGRICULTURAL, SPORTING, and RESIDENTIAL ESTATES. OWNERS of marketable properties wishing to effect advantageous sales are therefore invited to forward plans and particulars, which, when received, will be judiciously placed before intending purchasers, publicity being carefully avoided, and written terms settled before any cost or liability is incurred. Address Messrs. Marsh, Milner, and Co., Land and Timber Surveyors, 54 Cannon-street, London, E.C.

MESSRS. MARSH, MILNER, AND Co.'s REGISTER of LANDED ESTATES, Town and Country Residences, and property of every description, is published Monthly, and may be obtained at the Auction, Land, and Estate Agency Offices, 54 Cannon-street, E.C., or will be forwarded by post on application.

MORTGAGES promptly NEGOTIATED upon Landed Estates, City Properties, and upon sound securities of all kinds. Messrs. MARSH, MILNER and Co., have at the present time access to large sums of Money ready to be immediately advanced upon approved securities. Apply at the City Land and Reversion Offices (Established 1843), 54 Cannon-street.

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MANUFACTURING STATIONERS, &c.
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Bankruptcy Forms, Statements of Affairs, Dividend Notices, Balance Sheets, &c., printed with despatch.
STEAM PRINTING WORKS, LAMBETH S.E.

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Near the corner of Tottenham-court-road.
Known as the BODEGA, now under the new management of Mr. L. BOECKER, late of 13 Idol-lane, City.
Luncheons from the joints, hot or cold, including vegetables and bread, 1s. 3d
Dinners from 12 till 4 o'clock, from the joint, with soup or fish, vegetables, cheese and bread, 2s.
Dinners from 6 till 9 o'clock, from 2s. 6d. to 10s. 6d.
Private Dining Rooms for large and small parties on the Second Floor.

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The Accountant.
JULY 17, 1875.

The power of committal for contempt of court is one which, at the present time, requires to be very carefully exercised, though it is undoubtedly one of the very strongest means of enforcing obedience which any court can possess. As used by the Court of Chancery, it is comparatively harmless. Actual imprisonment is seldom inflicted, unless the neglect to obey an order has been very clear and wilful; and a becoming expression of contrition is usually visited by a mere order to pay the costs of the motion. A motion to commit for contempt of court is, in fact, very often one of those convenient little engines for putting costs into the pockets of solicitors, and fees into the hands of counsel, in which the law delights. Generally, the result of a motion for committal is gratifying to all concerned. The lawyers earn a little money, which is naturally pleasing to them; the judge has the power of vindicating the authority of the law, and the delight of tempering justice with mercy; and the unfortunate individual whose conduct has set the terrors of the law in motion is happy, because he has to pay in purse and not in person, and is relieved from the dread of the vague power which he has, ignorantly or carelessly, provoked.

Except when used as a means of checking journalistic comment,—certainly a recent and somewhat abused development—committal for contempt is very useful. A court must have the means of punishing wilful disobedience to its directions, or its authority will be hourly set at nought. A case which we report from the Liverpool County Court, and a letter which we print, may serve to show the limits to which the power is confined. In the first case, a debtor makes default in accounting for moneys he has received, and a motion is made for his committal. Upon his expressing penitence, and paying over the money, he is discharged; but default will result in committal. In the case stated by our correspondent, W.C.H., a motion was made to commit an auctioneer, who had been employed by the trustee to sell part of an estate, and who, though ordered by the court to give a full account of the proceeds, had neglected to do so. The Chief Judge held, however, that the power to commit did not exist in this instance, as the auctioneer was not a "fraudulent trustee." The power is clear in the first case, and needs no proof. A bankrupt is absolutely in the power of the court, and is bound to render the very strictest accounts that may be required. And not only the bankrupt himself, but "any treasurer, or other officer, or any banker, attorney, or agent of a bankrupt," is liable to be committed unless he delivers up to the trustee any property of the debtor in his possession. But the auctioneer must, we suppose, be considered as a mere delegate of the trustee, and not in any way responsible to the court. The Court of Chancery has exercised the power of committal in the case of a receiver; but then a receiver is, if not an officer of the court, nevertheless, directly answerable to the court for the correctness of his accounts. In the case of the auctioneer, this question arises:—If the Court of Bankruptcy has no power to enforce the execution of its orders, what power has it to issue these orders at all? In the Liverpool case, every thing was plain-sailing. The debtor is ordered to do a certain act: he neglects to do so, and he is thereupon committed to prison; though he is allowed a short time within which to purge his contempt. It seems to follow, that where there is a power to order any body to do something, there must be a co-existent power to punish him if he refuses to obey. Otherwise, the order is simply another specimen of the precatory legislation which has come so much into fashion.

In the mean time, the unlucky trustee has to lament the working of the Act. He may be ordered to bring in his accounts; he is liable to declare a dividend; and is subject to various penalties if he does not do so. Whether the default of the undaunted auctioneer will serve him as an excuse, yet remains to be seen. In case he is unable to recover the money, he may be protected by the now established law that a trustee is not responsible for the wilful default of those whom he has trusted, if his own conduct has been correct. But as regards the auctioneer (we assume, of course, that the facts stated are correct), it seems to us that the position is somewhat anomalous. To formally order a man to do an act, and then to be unable to take any action in case of his refusal, is rather undignified for any court.

The West Hartlepool Iron Works case requires a passing notice, only with regard to the rule as to making an order for compulsory winding-up, instead of a voluntary liquidation under supervision. The 91st section of the Act provides that the court may have

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regard to the wishes of the creditors, "as proved to it by any sufficient evidence." This leaves it to the discretion of the court, not only to decide whether the evidence is sufficient, but whether the compulsory or voluntary liquidation would be the most expedient, and does not, as it was apparently argued, make it obligatory on the court to decide according to the wishes of the majority of shareholders or contributories, though this course has been generally adopted. The case of the Langley Mill Company, which is reported in the 12th volume of the Authorized Law Reports, contains a discussion of the general principles on which the court proceeds.

INGENIOUS BANKRUPTS.—Two brothers named Hall, of Eccleshill, who recently filed a petition for the liquidation of their affairs, are now charged with fraudulent practices. According to the prosecution, when it seemed desirable to account for certain deficiencies, the brothers hit upon the simple process of sticking the figure 1 before various items of payments. Two sums of £100 and £150 were explained away in a highly original fashion. These amounts, the debtors alleged, they had lost in the Royal Park at Halifax, by playing at pitch and toss on the 18th of June, 1874. Thomas, it was said, took the money of the firm with the consent of his brother, and in the hope of getting out of their difficulties, he staked the money in various sums, and, alas! lost every farthing. The local paper does not record the admiration of the justices at this enterprising and novel attempt to solve the problem of "How to get out of difficulties," but only their hard-hearted incredulity.

The Lord Chancellor has issued an order for the closing of the county courts on the next Bank holiday, August 2.

A reward of £200 is offered for the apprehension of Mr. William Kershaw, who has absconded. He is a partner in the firm of Kilburn, Kershaw, and Co., in the silk trade, who recently failed, and the charge—made, it is understood, by the directors of a leading joint-stock bank—is that of obtaining money by false pretences.

Petitions to wind up the Nassau Phosphate Company (Limited) and the South Phœnix Tin and Copper Mining Company (Limited) have been presented to the Court of Chancery and the Vice-Warden of the Stannaries respectively.—A petition has been presented to the Court of Chancery for the winding-up of the Brentwood Brick and Coal Company (Limited).—Petitions to wind up the following companies have been presented to the Court of Chancery:—The British Seaweed Company (Limited), the Kew and Richmond Tramways Company (Limited), the West London Tramways Company (Limited), and the Anglo-Mexican Mint Company.—Petitions are to be heard in the Court of Chancery for the winding-up of the Volunteer Co-operative and General Equipment Company (Limited), and the Liguria Gold Mining Company.

ANSWERS TO CORRESPONDENTS.

W. C. H.—A solicitor must be employed and a writ issued. The power to commit is very doubtful.

J. G. B.—The Companies' Act expressly provides for the payment of debts *pari passu*, though the 32nd sec. of the Bankruptcy Act classes assessed taxes, property tax and rates together as preferential. We should say, therefore, that there is no priority.

Correspondence.

To the Editor of the Accountant.

DEAR SIR,—Will you allow me to inquire through the medium of your columns what redress the trustee has when he intrusts the assets of an estate to an auctioneer to realise. I employed an auctioneer to realise a jeweller's estate, and he has appropriated over £300 of the proceeds. Considerably more than a month has been occupied in obtaining an order from the London Bankruptcy Court for payment; and upon an application made this morning to the Chief Judge to commit the auctioneer, by reason of his having disobeyed the order of the Court to pay to the trustee the sum of £300 odd made on the 7th day of June, the Chief Judge decided that he had no power to commit, as an auctioneer was not a fraudulent trustee.

Yours truly,
W. C. H.

July 12, 1875.

To the Editor of the Accountant.

DEAR SIR,—I shall be glad if you can inform me, or elicit through the columns of the *Accountant*, in the case of the winding-up of a public company voluntarily, and there are not sufficient assets to pay the creditors in full, whether Queen's taxes and rates have to be paid as preferential creditors. There is a decision that servants' wages do not rank preferentially, and I therefore conclude that rates and taxes follow the same rule. The surveyor of taxes says that the Queen's taxes are different to say poor rates. I shall be glad to have your opinion of this.

Yours truly,
J. G. B.

CONTEMPT OF COURT BY A LAWYER.—At the Bury (Lancashire) County Court, on Friday, Mr. Robert Crossland, one of the oldest lawyers in the town, and a member of the local municipal body, was ordered into the custody of the bailiff for persisting in speaking, after the judge, Mr. Crompton Hutton, had given judgment in a case in which Mr. Crossland was defendant, the verdict having been found against him. On being asked if he would retract his statement, "that he had a right to speak, and would speak," Mr. Crossland refused, and the judge thereupon fined him £5, or in default seven days' imprisonment for contempt of court. Mr. Crossland declined to pay the fine, and the warrant of commitment was consequently made out, and a bailiff conveyed him to Lancaster Castle.

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ROLLS' COURT, CHANCERY-LANE.

(*Before the* MASTER *of the* ROLLS.)

July 10.

THE CLEVELAND IRONWORKS COMPANY.—THE BRITISH NATIONAL INSURANCE CORPORATION.—The voluntary winding-up of these limited companies was ordered to continue under the supervision of the Court. Mr. Roxburgh, Q.C., Mr. Cracknall, Mr. F. W. Bush, Mr. Robinson, Q.C., Mr. H. A. Giffard, Mr. Yate Lee, and Mr. Bryce were the counsel engaged.

THE WESTERN OF CANADA OIL, LAND, AND WORKS COMPANY.—This was an adjourned summons on the part of the liquidator, seeking to place the Hon. John Carling, the Hon. Aquila Walsh, and Mr. Jacob Hespeler, the Canadian directors of this company, on the list of contributories for 30 £100 shares apiece, as shares on which nothing had been paid. It appeared from the evidence of these gentlemen, who, as the Master of the Rolls observed during the hearing, appeared to have acted in good faith, though they entirely misapprehended the position and duties of a director in relation to the company of which he is the agent and trustee, that in January, 1872, they were invited by one John Walker, the promoter of the company, to become its directors in Canada. Walker told them that he would transfer to them some fully paid-up shares, if they would consent to act as directors, for the purpose of qualifying them; and they stated that they would be willing to act as directors upon his informing them that a sufficient number of fully paid-up shares to qualify them as directors had been allotted to them. The company was registered, and the first act of the Canadian directors was to adopt on behalf of the company an agreement, dated the 18th of December, 1871, between Walker and one Hartley, as trustee for the company, by which Walker, for himself and other vendors, contracted to sell to Hartley, as such trustee, certain lands, oil-wells, plant, &c., at the price of £150,000 in cash and £250,000 in 2,500 fully paid-up £100 shares; and this price was actually paid without further inquiry by the directors, as trustees of the company, for a property for which, it was stated in Court, the liquidator has not been able to realize a single farthing. The agreement for the issue of the 2,500 paid-up shares to Walker as fully paid-up shares having been filed with the Registrar of Joint-Stock Companies, pursuant to section 25 of the Companies' Act, 1867, Walker, in fulfilment of the bargain, caused 30 of such shares to be allotted to each of the above-named gentlemen, which shares were the subject of the present application. Mr. Roxburgh, Q.C., and Mr. Whitehorne appeared for the liquidator; and Mr. Chitty, Q.C., and Mr. Dumergue for Messrs. Carling, Walsh, and Hespeler. The Master of the Rolls, after stating the facts of the case, said it was impossible to regard the shares in question as paid-up. He was of opinion that the company had the right to say that the purchase-money was enhanced by the amount of the shares allotted to the respondents, and ought to be diminished to that extent. If the respondents had received cash instead of shares he should have ordered them to repay it; and, as it was, he should fix them with the shares as shares on which nothing had been paid, and order them to pay the costs of the summons.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

(*Before Vice-Chancellor Sir* JAMES BACON.)

July 10.

IN RE THE WEST HARTLEPOOL IRON COMPANY.—This matter was brought before the Court on two petitions for winding-up, one presented by Messrs. Forwood Brothers, creditors for £4,600, the other by contributories. The company was registered in June, 1874, with the object of taking and carrying on Messrs. Richardson's ironworks. It stopped payment in April last, having lost in less than a year £55,000. After the presentation of the first petition resolutions had been passed to wind the company up voluntarily, and three creditors appointed liquidators. Mr. Kay, Q.C., and Mr. Robinson, Q.C., now asked for a compulsory winding-up. Mr. Jackson, Q.C., and Mr. A. T. Watson, for the company, and Mr. Caldecott (Mr. W. Pearson, Q.C., with him) asked that the voluntary winding-up might be continued under the supervision of the Court. Mr. De Gex, Q.C., and Mr. Housley, for creditors to the amount of £140,000, also asked for a supervision order. They urged that, as a majority in value of creditors, under section 91 of the Companies' Act, 1862, they were entitled to have the assets distributed in the mode they thought most beneficial. Mr. Little, Q.C., and Mr. W. Druce, for shareholders, and Mr. Swanston, Q.C., for the trustee in liquidation of Messrs. Richardson, supported the same view. The Vice-Chancellor was of opinion that under the circumstances the petitioning creditors, who were undisputed creditors to a large amount, were entitled to a compulsory order. He had not sufficient evidence of the wishes of the creditors to satisfy him, as he must be satisfied, under section 91 of the Companies' Act, that the majority of creditors wished for a supervision order.

RE THE VAL ANTIGORIA GOLD MINING COMPANY, LIMITED.—In this case a voluntary winding-up recently resolved on by the company was ordered to be continued subject to the supervision of the Court, on a petition of a contributory and creditor.

IN RE THE PASSENGERS GENERAL REGISTER COMPANY.—A similar order for supervision was made in the matter of this company.

COURT OF BANKRUPTCY.

July 8.

(*Before Mr. Registrar* BROUGHAM, *sitting as Chief Judge.*)

IN RE FOTHERGILL AND HANKEY.—This was an application on behalf of the Anglo-Peruvian Bank, Limited, that Mr. Turquand, the receiver and manager, should be directed to deliver up to Mr. Bailey Hawkins, on behalf of the bank, 500 tons of iron rails, purchased by the applicant, and now lying at the Aberdare Iron Works, Cardiff. Mr. Winslow, Q.C., and Mr. Kekewich appeared for the bank; Mr. De Gex, Q.C., and Mr. F. W. Hollams for the receiver and manager. The debtors, Messrs. Richard Fothergill, M.P., and E. T. Hankey, were iron masters and merchants, trading as the Aberdare Iron Company and the Plymouth Iron Company. The firm suspended payment on the 31st of May last, and on the 10th of June a petition was presented for liquidation by arrangement or composition. Under this petition Mr. Turquand was appointed receiver and manager, and the first meeting has been fixed for the 21st of the present month. It appeared that on the 24th of April, 1873, Mr. N. B. Calder, the shipping agent of the Aberdare Iron Company, issued a warrant for 500 tons of iron rails lying at the Aberdare Iron Works, and in February, 1875, the applicant purchased the rails in question from the General South American Company, at the rate of £6 per ton, and sent a cheque for £3,000, being the amount of the purchase money, to the company. On the 27th of May the applicant, who had bought the rails for shipment to South America, to be used in a railway in course of construction in Peru, sent the warrant to Mr. Hawkins, duly endorsed, with instructions to obtain possession of the rails. Lighters went alongside the wharf on which the rails were lying, and delivery was demanded, but Mr. Calder, it appeared, refused to allow them to be removed, stating that he had had no authority to deliver them from the Aberdare Iron Company. The receiver and manager had since taken possession of the rails, and he stated that he was advised questions might hereafter arise between a trustee appointed

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by the creditors and the applicant with reference to the ownership of the property. Mr. Winslow, Q.C., contended that, as no question of reputed ownership could arise, the applicant was entitled to the rails. Mr. De Gex, Q.C., said there might be ulterior questions, and he could not consent to the proposed order. Mr. Registrar Brougham said he could only decide the rights of the parties under the Bankruptcy Act. At present there had not been any appointment of trustee. Mr. Winslow said that a trustee was often not appointed for some months. His Honour asked whether the applicant would be willing to give an indemnity, and, receiving a reply in the negative, said in that case he must decline to make any order until after the appointment of a trustee.

IN RE W. THOMAS TIMEWELL.—The debtor, W. T. Timewell, has petitioned the court, under the liquidation clauses of the Act, describing himself as a builder, of Acre-lane, Brixton, also of the Saw Mills, Shepherd's-lane, Brixton. The liabilities are estimated at £40,000. The assets are at present unestimated, and it was stated that the whole of the property was mortgaged. Rents were coming due, and it was necessary, in the interest of the creditors, that a receiver should be appointed to receive them. Upon the application of Mr. S. Chapman his Honour appointed Mr. J. W. Kealy, accountant, Moorgate-street, receiver of the estate, and granted an interim injunction against suing creditors.

July 9.

(*Before* Mr. REGISTRAR PEPYS, *sitting as Chief Judge.*)

IN RE HENRY ADAMSON AND SONS.—The debtors, Messrs. Henry Adamson, jun., and John Saunders Adamson, shipowners and ship and insurance brokers, carrying on business at 75 Mark-lane, under the firm of Henry Adamson and Sons, have filed a petition for liquidation. Their liabilities are returned at £100,000, with assets consisting mainly of shares in ships of uncertain value. Mr. Hollams, jun., solicitor for the petitioners, and with the concurrence of creditors for £50,000, asked that Mr. John Young should be appointed receiver and manager. The evidence showed that the vessels of which the debtors were part owners were expected shortly to arrive in this country, and for the purpose of protecting their interests it was necessary the appointment should be made. The transactions of the debtors had been of considerable magnitude. His Honour granted the application.

IN RE FITZJAMES STUART MACGREGOR.—The bankrupt is a retired commander in the Navy, and his debts amounted to £4,400. He is 60 years of age, and he has a pension of £400 per year. Upon the application of Mr. Bagley for the registrar trustee, and after hearing Mr. F. Knight for the petitioning creditor, and Mr. Doria for the bankrupt, his Honour made an order setting aside £120 per year out of the bankrupt's pension for the benefit of the creditors.

July 10.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE W. F. O. O'CALLAGHAN, M.P.—This was an adjourned sitting for public examination. The bankrupt, the Hon. William Frederick Ormonde O'Callaghan, M.P. for Tipperary, was described as of 31 Old Burlington-street, and of the Hotel de Bade, Boulevard des Italiens, Paris. He had filed a petition for liquidation, but at the first meeting no resolution was passed, and the proceedings fell to the ground. At the meeting for choice, 17 creditors proved their debts, and a trustee was appointed. A proposal had since been made with a view to the annulment of the adjudication. Mr. T. Lumley, for the trustee, said the bankrupt had filed his accounts, which were considered to be satisfactory, and he did not further oppose the passing of the examination upon the understanding that the bankrupt continued to assist the trustee. A difficulty arose in consequence of the bankrupt's absence. Mr. A. Leslie said that he appeared for opposing creditors, and he desired to examine the bankrupt. Mr. Registrar Spring-Rice intimated that if the bankrupt did not appear it was impossible that he could pass his examination. Mr. A. Cottman, for the bankrupt, said that if a short adjournment were allowed he would undertake to file an affidavit showing the cause of his client's absence. An adjournment was ordered accordingly.

July 12.

(*Before Mr. Registrar* KEENE.)

IN RE J. C. IM THURM AND CO.—This was an application to register the resolutions of creditors. The debtors were merchants carrying on a very extensive business in the City, and at the time of the stoppage their liabilities were estimated at about £3,000,000 sterling. That amount has, however, since been reduced to such an extent by payment of bills and otherwise, that the aggregate of the debts likely to rank against the estate will not very much exceed £500,000; the assets are returned at £431,000, subject to realisation. At the first meeting of creditors, resolutions were passed, almost unanimously, to accept a composition of 5s. in the pound, payable forthwith, Mr. John Young being appointed trustee to collect and distribute the property which remains outstanding, and the resolutions were confirmed at the second meeting. Upon the application of Mr. Nicoll (Messrs. Nicholson, Nicoll, and Co.), and in the absence of opposition, his Honour allowed the resolutions to be registered.

July 13.

(*Before Mr. Registrar* KEENE.)

APPOINTMENT OF A NEW TRUSTEE.—An application was made for the appointment of a new trustee to the estate of Jacob Hibberd in the place of the gentleman appointed by the creditors four years ago. The debtor, who was a builder, carrying on business at Steeles-terrace, and Wychcombe, Haverstock-hill, failed in 1871 for £78,000, but the statements filed disclose a very large estate, as, in addition to fully secured creditors to the amount of £75,520, there are also assets of £24,601 10s., as against debts of £5,520. Mr. Thomas Maynard was appointed trustee by the creditors some four years ago, but at a meeting convened on the 14th June last, it was agreed that Mr. E. C. Chatterley (C. Browne, Stanley and Co.), accountant, 25 Old Jewry, should be appointed trustee in his stead. Upon the application of Mr. Bagley, Mr. Registrar Keene registered the resolutions. Mr. Lawrence, on behalf of Mr. Thomas Maynard, opposed the application.

ASSIZE INTELLIGENCE.

HOME CIRCUIT.—CHELMSFORD.

July 14.

(*Before* MR. JUSTICE BRETT.)

FRAUDULENT BANKRUPTCY.—Mr. John Stebbing, an extensive farmer and grazier, surrendered to answer an indictment under the Bankruptcy Act, the offences imputed to him being that he had committed perjury in his examination before the County Court after having been adjudicated a bankrupt, and that he had embezzled and secreted a considerable portion of his estate, with intent to cheat and defraud his creditors.—This case, which has created a good deal of interest in the county, occupied a considerable time; the main facts that were proved were that, when the defendant was examined touching his estate, he made several false statements with regard to his possession of considerable sums of money. The case for the prosecution appeared to rest a good deal upon statements, made by the defendant himself to the witnesses, which were tantamount to admissions that he had kept back a considerable portion of his estate from his creditors. He was found guilty, and sentenced to twelve months imprisonment.

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PARLIAMENTARY INTELLIGENCE.

HOUSE OF COMMONS, JULY 9.

EUROPEAN ASSURANCE SOCIETY ARBITRATION BILL.—On the order for the consideration of the amendments to this Bill, Mr. C. Lewis moved that the Bill be re-committed. The question involved in this Bill affected thousands of persons and hundreds of thousands of pounds. The Legislature had declared that there ought to be a speedy and effectual mode of disposing of this litigation, and accordingly provided for the appointment of persons of the highest judicial standing. It was now proposed to intrust this judicial power to a barrister of 15 years' standing, with a power of appeal, it was true, but then the appeal would be from one tribunal of absolutely unfettered discretion to another which was equally unfettered. He thought the Bill ought to be referred back to the Committee for their reconsideration on those points; or, failing that, amendments should be introduced upon giving the usual three days' notice. Mr. Stacpoole seconded the amendment. Mr. Walpole, as chairman of the committee which sat on this subject, wished to say that the Lord Chancellor had tried to get a person of similar position to Lord Westbury and Lord Romilly, and failed, and it was on that account that the provision to which the hon. gentleman had objected was inserted. Even now, if the Lord Chancellor should find such a person, the Bill would allow of his appointment. The Bill did not admit of a general appeal, but only of an appeal when one arbitrator differed from another, or when the same arbitrator differed from himself. What was wanted was that one uniform system should be established. (Hear.) Sir G. Bowyer said the right hon. gentleman must have been under a misapprehension on one point. The Bill did not allow the Lord Chancellor to appoint any but a barrister of 15 years' standing, for the words were, "the Lord Chancellor may appoint a barrister of 15 years' standing." Mr. Goschen pointed out that the very words which the hon. baronet had read showed that the Lord Chancellor retained the power of appointing an ex-Chancellor or ex-Judge, though he was allowed to appoint a barrister of 15 years' standing. He entirely agreed with the view taken by the right hon. gentleman (Mr. Walpole), and hoped the House would support it. Mr. Jackson believed that great care and attention had been bestowed by the Committee on this most difficult question. He must say he did not like the notion of an appeal in the case of an arbitration; but he would not ask the House to reconsider a decision which had been come to by a committee composed of some of the most eminent members, who had retained for the tribunal the discretionary powers on the faith of which it was originally constituted. Mr. Raikes expressed a hope that the hon. member would not press his amendment against a decision arrived at by the Committee after very careful consideration. After a few words from Sir P. O'Brien and Mr. Meldon, Mr. Lewis withdrew his amendment. The Bill as amended was considered, and, the Standing Orders being suspended, was read a third time and passed.

HOUSE OF LORDS.

JULY 12.

Present the Lord Chancellor, Lord Chelmsford, Lord Hatherley, Lord Penzance, Lord O'Hagan, and Lord Selborne.

BUTCHER v. STEAD AND ANOTHER.—This appeal from the Court of Appeal in Chancery sitting in Bankruptcy, which affirmed a judgment of the Chief Judge in Bankruptcy reversing a decision of the Manchester County Court Judge, raised a very important question as to what constitutes a fraudulent preference on the part of a bankrupt—namely, whether it is sufficient to constitute such a fraudulent preference that the bankrupt shall have the intention of making a fraudulent preference, or whether it is essential not only that the bankrupt shall have such intention, but also that the creditor to whom payment is made must have notice of such intention. Mr. Herschell, Q.C., and Mr. F. North appeared for the appellant; Mr. Benjamin, Q.C., Mr. Marten, Q.C., and Mr. Jordan for the respondents. The appellant, William Butcher, is the trustee of the property of James Stenhouse Meldrum and Albert Wydler, bankrupts, who previously to their bankruptcy carried on business as calico printers under the style of the Belfield Printing Company, and also carried on the business of dyers at the Boarshaw Dye Works. The respondents, Messrs. Stead, are cotton-spinners and manufacturers of cotton cloths, and carry on business at Manchester as merchants. The bankrupts commenced to purchase cotton cloths from the respondents in May, 1868, and continued to trade with them up to November, 1873. The arrangement entered into between the bankrupts and the respondents was that the former should have the option of paying cash within 14 days from the time of delivery of any goods bought, receiving a discount of 2½ per cent. off, or of paying according to Manchester terms, or of paying after the expiration of 14 days, but before the expiration of the time allowed by Manchester terms, and receiving a rebate of interest on the sum paid for the period from the time of payment to the end of the time allowed by Manchester terms, calculated at the Bank rate on the day of payment. According to Manchester terms, all goods that are purchased before the 25th day of one month are to be paid for on the first Tuesday in the following month, but if bought after the 25th day of any month, then they are to be paid for on the first Tuesday in the next month but one. This arrangement was carried out, and the bankrupts exercised their option of paying as it suited their convenience. In September, 1873, and for some time previously, the bankrupts were in insolvent circumstances, because they owed a large sum to one Charles Souchay, who had originally sold them their works, and had advanced them money from time to time; but of this fact the respondents had no knowledge whatever. The bankrupts purchased from the respondents cotton cloth on 30th of September, 1873, to the value of £144, and on the 9th of October following to the value of £46. In October and November, 1873, the debtors, having become aware that thep were hopelessly insolvent, gave orders to their clerks to sell their stock in trade and other property, and with the proceeds pay their ordinary trade creditors, but not to pay Charles Souchay and certain particular creditors, to whom they were largely indebted for advances. On the 22nd of November, 1873, the £186 13s. 9d. in question was paid by one of the debtors' clerks, in pursuance of these instructions, to Messrs. Stead, the respondents, and the question was whether, under these circumstances, the latter were protected by the proviso at the end of the 92nd section of the Bankruptcy Act, 1869. The section enacts that all payments involving fraudulent preference within three months of the bankruptcy shall be void, and the proviso is as follows:—"but this section shall not affect the rights of a purchaser, payee, or incumbrancer in good faith and for valuable consideration." The Court below decided that the payment to the respondents came within the proviso, and that, therefore, the trustee in bankruptcy was not entitled to recover the sum so paid from them. The case was argued on the 26th of June last, when their Lordships took time to consider. The Lord Chancellor said that there was in this case within the meaning of the 92nd section of the Bankruptcy Act of 1869 a payment made by a person unable to pay his debts as they became due from his own moneys in favour of a creditor with the view of giving that creditor a preference over other creditors, and that if there was nothing more in the case, inasmuch as the person making the payment became bankrupt within three months, the payment ought to be deemed fraudulent and void as against the trustee of the bankrupt. If the goods had been supplied for ready money, and if the money had been taken in exchange for the goods, it might well be that the exchange of goods for ready money would have negatived the inference of a fraudulent preference. But the goods were here supplied upon credit, and although the bankrupt by obtaining credit on the pretence of carrying on

business might if that pretence were false and if a jury should not be satisfied that he had no intent to defraud have made himself liable to punishment for a misdemeanour, the subsequent payment for the goods so supplied on credit might not the less be a preference of a particular creditor, which would be deemed fraudulent and void. The only question appeared to be whether, the transaction being a fraudulent preference as far as the bankrupt was concerned, was by the last words of the 92nd section protected *quoad* the respondent, the recipient of the payment, who, as was admitted, had no knowledge of the fraudulent preference which was intended. There was no doubt that the 92nd section of the Act of 1869 introduced a considerable change into the law on this subject. Before the Act of 1869, payments by way of fraudulent preference were held to be void, but were not forbidden by any express enactment, and the Act of 1869, possibly because the administration of bankruptcy was for the future to be taken in great part away from the court and placed in the hands of trustees, appeared in the case of fraudulent preferences and many other similar cases to have endeavoured to reduce into definite propositions the law that hitherto had to be derived from a comparison of decided cases. The Act, however, did not profess to express the existing law without making considerable changes in it. In the case of fraudulent preference, for example, in place of raising an inquiry whether it was done in contemplation of bankruptcy, the Act provided certain definite tests—namely, that the bankrupt should have been at the time unable to pay his debts as they became due from his own moneys, and that he should become bankrupt within three months from the date of payment. The Act appeared to have left the question of pressure as it stood under the old law, and, indeed, the use of the word preference, implying an act of the free will, would of itself make it necessary to consider whether the pressure had or had not been used. The section, however, contained at the end of it a provision which introduced a new ingredient into the consideration of fraudulent preferences. Before the Act of 1869, if a payment were made of a debt without pressure and in contemplation of bankruptcy, it was a fraudulent preference, even although the person receiving the payment did not know he was being fraudulently preferred. The 92nd section of the Act, however, now ended with the provision that it should not affect the rights of "a purchaser, payee, or incumbrancer in good faith and for valuable consideration." In his opinion the word "payee" was to be read as meaning "person receiving payment as a creditor," whose *primâ facie* rights undoubtedly were to keep the money which he so received if he received the money without notice of any fraudulent preference. He thought it was the intention of the Legislature, in defining for the first time the law as to fraudulent preference, and changing the old rules as to contemplation of bankruptcy into a rule which exposed the payment to be impeached for a period as long as three months, to accompany and temper this enactment by a provision of great convenience in mercantile dealings, and giving a protection where it was obviously much required to those who in good faith took money that ought to be paid to them without notice that the person paying was doing any thing injurious to his other creditors. In his opinion, therefore, the judgment of the Court of Appeal in Chancery ought to be affirmed, and the appeal dismissed, with costs. Lord Hatherley and Lord O'Hagan concurred. Lord Selborne doubted the soundness of their lordships' judgment, which he was afraid would open the door to much fraud on the part of insolvent debtors. The judgment of the Court below was affirmed, and the appeal dismissed, with costs.

COURT OF BANKRUPTCY, DUBLIN.

July 10.

(Before the Hon. Judge MILLER.*)*

IN RE JOHN WESLEY SMITH.—The bankrupt, who came up for final examination, carried on business as a stockbroker in Belfast. Mr. Bernard Cracroft, a member of the London Stock Exchange, was the London agent of the bankrupt, and with whom he had extensive transactions, in respect of which Mr. Cracroft claimed several thousand pounds. The bankrupt set up a defence that the transactions were betting transactions, and he was not, consequently, liable for them. It will be remembered that the issue was tried before Judge Miller and a special jury, and lasted several days, when the jury found that the dealings were not of a gambling character, and that Mr. Cracroft acted *bona fide* as a stockbroker. Mr. Smith was accordingly, at the instance of Mr. Cracroft, adjudicated a bankrupt. Mr. Fitzgibbon, Q.C. (with whom was Dr. Seeds, instructed by Messrs. Macrory and Co.), opposed the passing of the final examination, and contended that the bankrupt had not sufficiently complied with a requisition for accounting, especially with regard to a sum of £72,000. Mr. Smith, the bankrupt, was examined, and stated that the books which contained the entries were destroyed by his brother without his knowledge. He could not, therefore, furnish a better account than he had done. Mr. Carton (instructed by Mr. Thompson) said that it was evident the bankrupt had furnished the best account it was in his power to give, and asked his lordship to bear in mind that Mr. Cracroft had admitted that the bankrupt had been merely a dupe in the hands of Rogers and his brother at Belfast. He, therefore, asked his lordship to pass the final examination. Judge Miller said that Mr. Cracroft's position on the London Stock Exchange had been seriously affected by his connection with Mr. Smith. He was accordingly entitled to the fullest investigation, and the proceedings in the court might materially assist Mr. Cracroft in re-establishing his position. Mr. Carton observed that according to the rules of the Stock Exchange, he believed the only thing that would re-establish the position of a broker would be the re-payment in full of the amount of a deficiency. Judge Miller said, according to his reading of the rules, a composition of 6s. 8d. would be sufficient, if they were satisfied the transactions in which the broker was engaged were *bonâ fide*, and so far Mr. Cracroft had the verdict of a jury with him. Mr. Carton said the bankrupt could give no further information at present, and he would leave the matter entirely in the hands of his lordship. Judge Miller said the case was one of considerable importance, and he would, therefore, consider his judgment on the question of passing the final examination.

BIRKENHEAD COUNTY COURT.

July 6.

Before Mr. W. FOULKES.

RE JAMES EDWARD GALE. — The bankrupt was formerly manager of the Lancashire Assurance Company, and resided at Egerton-park, Rock Ferry. Mr. Sheen was appointed receiver, and shortly afterwards the sheriff entered into possession. On the 14th December a petition against the debtor was filed by David Forbes and John Wilson Paton, and at that time the police held a warrant for his arrest on a charge of embezzlement. The matter was several times before the court, up to the 6th January, when the first petition was dismissed. In the mean time the sheriff, who had acted at the suit of Mr. Redfern, a creditor, gave up possession to the receiver, who was subsequently named trustee. Mr. Lupton, barrister, now argued that the restraining order of the court, as against his client, was *ultra vires*, and the appointment of receiver of no effect. Mr. James, arguing *contra*, contended that there was evidence enough to satisfy the court of the acts of trading, and to establish the first petition, which was simply dismissed as not being needed. He further contended that there had been a continuity of possession since the appointment of a trustee; that up to the discharge of the receiver the property had been vested in him; and that the dismissal of the first

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petition did not take place until after the adjudication on the second. His Honour held that the execution creditor was entitled, on the ground that the goods seized by him were then the debtor's, and that no act of bankruptcy had been committed at the time.

LIVERPOOL COUNTY COURT.

July 10.

(*Before* MR. COLLIER, *Judge*)

IN RE CHARLES W. COLLARD. — This was a motion for the committal of the debtor, a cooper in Kent-square. The business was carried on under the firm of Thomas Lester and Co., by Mr. Collard and his sister, the widow of the late Mr. Lester. They filed a joint petition for liquidation some few months ago, with debts £1,081, and estimated assets £642. Mr. Bolland was chosen trustee, and subsequently the debtors made several proposals of composition to the creditors, but they all fell through, and the estate had to be realised by public auction, and realised, exclusive of book debts, £360. Pending the negotiations for a compromise, the debtor Collard received several debts due to his estate, which he had failed to account for to the trustee, and the present motion was for his committal. Mr. Kennedy, instructed by Mr. Bellringer, appeared for Mr. Bolland, and the debtor appeared in person. His Honour expressed his opinion that there were two courses open—either to send the debtor for trial or to commit, but as the debtor had admitted his offence and expressed his desire to make reparation, he would adjourn the motion for a week. The case accordingly was ordered to stand over for the debtor to restore to the trustee the sums collected.

EUROPEAN ASSURANCE ARBITRATION.

The select committee appointed by the House of Commons to inquire into the merits of the above bill sat on Friday morning, the Right Hon. Spencer Walpole in the chair. Sir Edmund Beckett, Q.C., Mr. Littler, Q.C., and Mr. Lanyon were counsel for the promoters; Mr. Digby Seymour, Q.C., and two other learned gentlemen for the petitioners; and Mr. Hume Williams for others who opposed any alteration in the clauses of the bill. The committee having heard the evidence of Mr. Reilly, the assessor, and Mr. Mercer, the solicitor, under the arbitration, formally pronounced the preamble of the bill proved. A long discussion then ensued between the committee and Sir Edmund Beckett upon the question of principle, after which the hon. members deliberated in private for over three hours. On the re-admission of the public, the chairman said the committee had passed a series of resolutions, on which they were desirous that the clauses of the biil should be founded, remarking that it would involve very little alteration of the measure as it stood. The resolutions were as follows :—

"1. That in dealing with cases upon which orders or determinations have been made by previous arbitrators under the act of 1872, the arbitrator appointed under this act shall have the same powers, and be subject to the same conditions, as those imposed upon arbitrators under the act of 1872.

"2. That no appeal be allowed in cases upon which an order or determination has been made by a previous arbitrator, except when such arbitrator shall expressly certify in writing that by reason of the differences existing in previous decisions on matters of principle relating to cases of novation or liability of contributories, it is desirable that an appeal should be brought.

"3. That in proceeding with such appeal, the court of appeal may have regard to the powers and jurisdiction of the arbitrator under the act of 1872.

"4. That it is inexpedient, whilst any arbitration is in progress, to vary the principles upon which the arbitrator may proceed, by arresting section 8 of the act of 1872.

"5. That an appeal shall be from any order or determination of the arbitrator made after the passing of this act upon matters of principle only, except by a certificate from the arbitrator that an appeal may properly be brought.

"6. That the arbitrator may, if he think fit, state any questions arising upon matters of principle arising in arbitration in the form of a special case for the opinion of the court of appeal in Chancery, but not otherwise.

"7. That all appeals under the act be heard by at least two judges."

COUNTY COURT AGENTS.

The *Law Times* says:—"In our last issue we reported a discussion at the Leeds County Court, between the learned judge and a practitioner in his honour's court upon the subject of County Court agents. We disagree with the view which the learned judge took of the question, and still more do we disapprove of the opinion expressed by the learned registrar (Mr. Marshall), a well-known member of the Council of the Incorporated Law Society. The question resolves itself into this, to what extent, if any, should County Court judges recognise debt collectors? In the case before us certain persons, calling themselves accountants, but who it may be have no legitimate claim to such a name, and who are probably debt collectors and nothing more, acted for a plaintiff in a County Court case by issuing the plaint, and the defendant by his solicitor (if he had employed an agent instead it seems that neither judge or registrar would have objected), having given notice pursuant to sect. 2 of 30 and 31 Vict. c. 142, of his intention to resist the action, these debt collectors actually sent to the solicitor for the defendant a formal written notice concluding thus: 'Take notice that we have withdrawn the above case from the court,' and signed, 'Plaintiff's Agents.' There can be no two opinions about this being a contempt of court, at which, however, the registrar is disposed to wink, for the reason, as we fear, that it is found to save time and trouble to the County Court officials, if agents are allowed to act for suitors in small cases and undefended actions. We are sorry to say that many County Court registrars have of late shown a decided disposition in this direction, and it is the duty of the judges of County Courts to check the growth of such a contravention of Acts of Parliament. To debt collectors endeavouring to obtain payment of moneys due to persons who employ them, we cannot with propriety, and we do not, object, and a debt collector may go the length of threatening that if payment be not made, the creditor will either issue process or instruct a solicitor to do so, but he (the debt collector) cannot lawfully threaten to issue process himself as paid agent of the creditor, without offending against those laws which protect the rights of the profession. Many County Court registrars habitually allow debt-collecting firms to issue, almost daily, batches of County Court summonses, notwithstanding that it involves an infraction of professional rights. Let suitors act for themselves as much as they like, and the more they do so in small matters the better the profession will like it; and that it should give extra trouble to registrars of County Courts we much regret, but it cannot be avoided except by such persons seeking the assistance of professional men, who are ever ready to recognise the necessity of regulating their charges according to the nature and extent of the services required of them. In the case before us, the learned judge twice asked if the complaint was not one which the Law Society ought to deal with. Mr. Marshall does not seem to have replied to this inquiry. We venture to say that the Law Society cannot be expected to deal in any way with such questions; at all events one thing is perfectly certain, and that is that they never do so. It is for County Court judges to dispose of these matters in a summary

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and judicial manner, and if they will only adopt some uniform action, with a view of arresting an evil already checked, they will not be long troubled with it. It is now in its infancy, and can be easily nipped in the bud. In the 2nd section of the Act above referred to, the word 'agent' appears as a person by whom such a notice as that in question may be given, but it is clear that it is only meant to apply to unpaid agents, such as a member of the suitor's family or some friend; it is out of all reason to suppose that it was intended to include debt collectors, for, among other difficulties, this would involve a part repeal, by a sidewind, of important protective provisions in the Attorneys' Acts of 1843 and 1860, especially sects. 2 and 36 of the Act of 1843, and sect. 26 of the Act of 1860. The 36th section of the first Act gives this question its quietus. It makes it a contempt of any County Conrt for any person other than a solicitor (who must be certificated at the time of acting as such) to commence, or defend, or carry on any proceedings in such a court, except such person be plaintiff or defendant. Any person offending against this law cannot even recover disbursements paid by him or her, and the offence '*shall* and may be punished accordingly.' The word *shall* is omitted from a similar provision in sect. 26 of the Act of 1860. It seems doubtful whether the penalty of £50, as provided by sect. 26 of the Act of 1860, attaches to such an offence; but, reading the two Acts together, we incline to the opinion that it does so. The 35th section of the Act of 1843 provides a similar punishment in the case of persons other than solicitors and suitors themselves issuing process in the Superior Courts, and there is just this to be said, if a debt collector went to work to issue a writ for some creditor whose debt he was trying to get in, one of two things must happen, either he must be caught by the clerk in the writ office of the court in which he proposed to proceed, or, having issued the writ without detection, he could hardly hope afterwards to escape fine, and perhaps imprisonment; he would be very severely dealt with by any judge or court before whom a knowledge of his offence was brought; and yet we are told that the operation of the very next section, having exactly the same object in view, except that the former applies to superior and the latter to inferior courts, is not to have its full force and effect. For debt collectors to issue process in County Courts must not, we are told, be complained of by the profession, especially as it suits the convenience of registrars in certain cases, and perhaps because some judges court popularity of a general rather than a professional nature. In conclusion, Mr. Ferns, of Leeds, has drawn attention to a flagrant breach of an Act of Parliament, and instead of being supported by his professional brother (the registrar of the court), that officer seeks to palliate such offence, and the learned judge blandly asks if it is not a question for the Incorporated Law Society. We refer his Honour and other County Court judges to the 36th section of the Attorneys' Act 1843. It is, we know, also an offence under the Stamp Act for a debt collector to issue such a notice as that in this case, and a penalty of £50 attaches, but the contempt of court ought not to be overlooked."

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Mr Frederick William Sperring, public accountant, 26 Philpot lane, Fenchurch-street, E.C., has been appointed trustee of the estate of Frederick Glitsentein, trading as Glitsentein and Co., wine merchants, of 3 Muscovy-street, Tower-hill.

Mr. John Henry Champness, of 10 Basinghall-street, public accountant, has, on the application of Messrs. Tanqueray, Willaume and Hanbury, New Broad-street, solicitors, been appointed by the Court of Chancery, receiver and manager in the suit of Alabaster and Gillman.

Vice-Chancellor Hall has appointed Mr. James Waddell official liquidator of the Oakwell Collieries, Limited.

The Master of the Rolls has appointed Mr. William Brooks, of 11 Old Jewry-chambers, official liquidator of the New Amicable Life Assurance Company, Limited.

CREDITORS' MEETINGS.

W. MARSHALL & CO. (MANCHESTER).—At the first meeting under the bankruptcy of Messrs. W. Marshall and Co., merchants and commission agents, Manchester, the debts were stated to amount to £24,000. The bankrupts produced no statement, and were ordered to file one within fourteen days.

W. MABON & CO. (MANCHESTER).—A meeting of the creditors of Messrs. Walter Mabon and Co., engineers and boilermakers, of Adwick and Gorton, near Manchester, was held on Friday, when the liabilities were stated at £26,817, and assets at £16,517. It was decided to liquidate the estate.

J. WILSON & SONS (HAWICK).—At a meeting of the creditors of Messrs. John Wilson and Sons, of Hawick, a composition of 12s. in the pound was accepted.

S. & J. GRAHAM (LONDON).—A meeting of the creditors of John Graham, trading as S. & J. Graham, who lately failed, was held on Friday. The balance-sheet showed that there was due to trade creditors £10,886, and the liabilities on accommodation acceptances for Wilson and Armstrong, Collie and Co., &c., amount to £60,720, while the assets are estimated at £22,943. It was elicited that in 1873 the firm was insolvent to the extent of about £6,000, and had received on account of the accommodation bills lately dishonoured, £23,592. A proposition was made to pay 5s. in the pound, in four, eight, and twelve months, but this was opposed by a large majority, and liquidation in bankruptcy was finally resolved on.

W. SHAW, SON, & CO. (HUDDERSFIELD).—On Friday afternoon the first meeting of creditors of Wm. Shaw, Son, and Company, woollen cloth merchants, Wood-street, Huddersfield, was held at the Queen's Hotel, Huddersfield. Mr. W. Schofield, accountant, the receiver, read the statement of accounts, which was as follows:—Liabilities—Unsecured creditors, £23,512 6s. 10½d.; rent, rates, and taxes, £76 16s. 0d.; liabilities on bills discounted £3,059 17s. 1d., of which it is expected will rank against the estate for dividend, £1,000; total, £24,589 2s. 10½d. Assets—Stock in warehouse, £4,604 11s. 3d.; book debts, £20,628 8s. 2d., estimated to produce, £4 376 6s.; cash in hand, £143 3s. 4d.; bills of exchange, £6,312 11s. 9d., estimated to produce, £100; furniture, &c. £150; Mr. H. Shaw's expenses to Montreal, on account of failure of Woodhouse, Davis, and Co. £45; surplus of Mr, Shaw's private estate £700; total £10,119 0s. 7d. On behalf of the debtors a composition of 6s. 8d. in the pound, payable at six, twelve, and eighteen months was offered, the last instalment to be secured together with the produce of the dividend of 2s. in the pound which the creditors of Woodhouse, Davis, and Co. had agreed to accept, and which is not taken into account in the debtors' statement. The creditors refused this, and asked for 8s. in the pound, which the debtors said they could not pay, and the creditors then resolved that the estate should be wound-up in liquidation, with Mr. W. Schofield as trustee, and a committee of inspection.

J. P. WESTHEAD & CO. (MANCHESTER).—The solicitors of Messrs. J. P. Westhead and Co. have issued a circular, in which they inform the creditors that after a careful examination of the affairs of the firm, and of its individual partners, by Messrs. Delloitte and Halliday, of Manchester, public accountants, the assets are found to be sufficient not only to pay all liabilities in full, but also to show a very large surplus. The circular adds: "It is impossible for the senior partner

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at his time of life actively to direct a large business, and under the advice of his friends and with concurrence of his partners he has therefore decided to transfer the assets and business of the firm to a company to be formed with limited liability. Steps are now being taken for this purpose, and every effort compatible with prudence will be made to have matters placed on a satisfactory basis with the least possible delay. It is necessary, however, that some indulgence should be extended to the firm whilst they are making these efforts, and as the company when formed will in the ordinary course call up its capital by instalments, the payment of liabilities must necessarily extend over a period, and whether a company be formed or not some time would necessarily be required for realisation. It is proposed to pay the creditors in full by four equal instalments at three, six, nine, and twelve months from 1st August next. Under these circumstances it is considered unnecessary to hold a meeting of creditors or to issue a balance-sheet."

TOLLEY AND JONES (WEST BROMWICH).—A meeting of the creditors of Messrs. Tolley and Jones, colliery proprietors and coal masters, West Bromwich, was held at Birmingham on the 13th inst. The liabilities amounted to £6,977 3s. 10d., and the assets to £2,549 2s., from which had to be deducted creditors to be paid in full, leaving net assets at £2,132 2s. 8d.

CHEDGZOY (BRISTOL).—Mr. W. C. Harvey (Gamble and Harvey), one of the trustees in this estate, has issued a report pointing out the unsatisfactory statements made by the debtor in regard to his liabilities and as to false entries in the books, and stating that these will form the subject of an inquiry by the Court.

R. C. PATCHETT (HALIFAX).—At the meeting of the creditors of Richard Crabtree Patchett, wine and spirit merchant, Halifax, held at the White Lion Hotel, Halifax, on the 12th inst., it was resolved to liquidate the estate by arrangement and not in bankruptcy. The statement of affairs produced, which had been prepared by Mr. C. T. Rhodes, accountant, Halifax, showed the total liabilities to be £2,299 16s. 11d., and the assets £1,823 8s. 5d., less £819 6s. 3d. claims payable in full. Mr. C. T. Rhodes, the receiver, was continued as trustee, with Mr. C. W. Cheesman, of Hull, brewer and distiller, Mr. Jubb, solicitor, Halifax, being intrusted with the registration of the resolutions. The debtor made no offer of composition.

FAILURES.

ENGLAND.—Mr. Oldershaw, chymist, druggist, and drysalter, Blackburn-road, Accrington, has filed a petition in the Blackburn County Court for liquidation by arrangement. His liabilities amount to £3,800, and the assets consist of stock-in-trade and book debts. —With reference to the recent suspension of Messrs. John Ranking and Co., of 11 St. Helen's-place, it was announced on Saturday that Mr. Robert Corkling, of Manchester, merchant, trading in Egypt as Robert Corkling and Co., had presented a petition for liquidation. The liabilities are small, with the exception of his indebtedness to Messrs. Ranking and Co., which amounts to £120,000, or thereabouts. The assets are unascertained. The suspension of Messrs. Ranking and Co. was occasioned by the failure of Mr. Corkling to carry out his engagement with them.—A petition in liquidation has been filed in the Bradford Court by Messrs. John Willis and Son, brassfounders, machine makers, &c., of Miller's-gate, Bradford. The liabilities are estimated at £25,000.—The failure of Messrs. Lowes and Webster, tobacco and snuff manufacturers, Liverpool, is announced with £3,500 liabilities, and a petition for liquidation, &c. has been filed. Messrs. Barrell and Rodway, Liverpool, are the solicitors acting in the matter, and Mr. T. Theodore Rogers, Liverpool, is the accountant.

SCOTLAND.—The suspension is announced of Mr. G. Farquhar, produce broker, 76 Wilson-street. The books of the firm are in the hands of Messrs M'Farlane and Hutton. —Messrs. Gardner and M'Gregor, shirt and umbrella manufacturers, 76 Ingram-street, Glasgow, have suspended payment. The liabilities are estimated at £25,000.

AMERICA.—New York advices announce the suspension of Mr. Henry Brannhold, 56 Lewis-street, New York, manufacturer of fancy and coloured paper, with liabilities of £12,000. —The Conneant (O.) Paper Company had stopped; liabilities £10,000.—Mr. C. R. Stinde, St. Louis, in the boot and shoe trade, has suspended, with liabilities of £36,000.—Messrs. William Moland and Son, provision and produce merchants, Philadelphia, have failed; liabilities, £8,000.

The *National Zeitung* states that further difficulties have occurred in the Austrian sugar trade.—The considerable firm of Urbauck, Machatschek, and Waagner, of Prague, has called its creditors together.—The liabilities are about £150,000. Payment in full, with 6 per cent. interest, by instalments extending over a period of five years, is offered. The financial stringency in Norway appears also to have brought about a commercial crisis in that country.—The journal already quoted is advised from Drontheim of the failure of three large firms, viz. Kampstrüp and Co., in the herring trade, with liabilities exceeding the assets by about £20,000; Wilhelmsen and Co. in the leather trade; and Anton Nilsen, merchant. A number of smaller firms have likewise suspended payment.

THE NATIONAL DEBT.—A return obtained by Mr. Goschen "showing in respect of each year since 1865 inclusive the increase of the deficiency in the assets of the National Debt Commissioners, in respect of their liabilities to friendly societies," has just been issued as a Parliamentary paper. It shows that on the 20th of November, 1866, the deficiency was £844,505. In 1866 there was an increase in the deficiency of £35,945, but in 1867 there was a decrease of £8,053. In each succeeding year there has been an increase of deficiency as follows:—In 1868, £44,358; in 1869, £41,823; in 1870, £57,200; in 1871, £35,755; in 1872, £50,822; in 1873, £44,117; in 1874, £42,492. The deficiency in 1874 was £1,188,964, the total increase of deficiency since 1865 being £344,459.

NEW COMPANIES.

THE CARDINHAM VALE SILVER LEAD MINING COMPANY, LIMITED. —This company has been formed for the purpose of acquiring and working the extensive Cardinham Vale property, situated about four miles from the Bodmin-road station, in the county of Cornwall. The capital is £30,000, in 6,000 shares of £5 each; of which only 5s. per share is to be paid on application, 5s. on allotment, and the balance, if required, at intervals of not less than three months. To meet the wishes of those investors who prefer paying in full, the directors will issue fully paid-up shares, not exceeding one-half of the capital now offered for subscription, such shares to have priority in the allotment, and to be issued at a discount of 5 per cent. The London offices of the company (the prospectus of which will be found in our advertisement columns) are at Cornhill Chambers, Cornhill; and the Co-operative Credit Bank, 11 Queen Victoria Street, E.C., has been empowered to receive deposits on their behalf.

THE WARRINGTON BOTTLING COMPANY.—This company, which is not strictly speaking a new undertaking, has been

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formed for the purpose of purchasing the bottling business at present carried on at Warrington by the Messrs. Walker and Shaw, and for uniting with it the manufacture of aerated waters, one of the most profitable industries of its kind. The capital required is £10,000, divided into the popular price of £1 shares. As a similar concern in the same town is now paying a dividend of 40 *per cent.*, the present company seems to have an unusually favourable prospect.

THE SAFETY LIGHTING COMPANY, LIMITED.—There has been of late more attention paid to artificial lighting than the subject has received for a very long time, and the above company has been formed for the purpose of acquiring Mr. Aronson's patented improvements in the construction of gas and oil burners. The principle of the invention consists in allowing the gallery which holds the chimney to be lifted up and down without removing the glass, thus permitting the usual cleaning and attention without running the risk of breakage or upsetting. The capital of the company has been fixed at £10,000, in £5 shares. The London offices are at 33 Poultry, E.C., and the Co-operative Credit Bank, 11 Queen Victoria-street, E.C., has been empowered to receive deposits on behalf of the company.

LATE ADVERTISEMENTS.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT HALIFAX.

A THIRD AND FINAL DIVIDEND of Three Shillings and Fourpence in the Pound has been declared in the matter of the Special Resolution for Liquidation by Arrangement of the Affairs of the Joint Estate of WILLIAM FIRTH RILEY and JAMES READ HORNER, both of Brighouse, in the parish of Halifax, in the County of York, Manufacturing Chemists, trading together under the style or firm of Riley and Horner, and will be paid by me at my Offices, at Ward's End, Southgate, Halifax, aforesaid (to those Creditors only who have proved their debts) on and after the 15th day of July, 1875, between the hours of Four and Six o'clock in the Afternoon.

CHRISTOPHER TATE RHODES,
Trustee.

IN LIQUIDATION.

RE RICHARD CRABTREE PATCHETT, of Crown-street, Halifax, in the County of York, Wine and Spirit Merchant, and Bottler and Dealer in Ale and Porter. To be sold by private contract, as a going concern, the whole of the working plant, stock-in-trade, fixtures and fittings, horse and trap, spring cart, &c. This is a splendid opportunity for a young man wishing to commence the business. About 500 open accounts with customers. Book debts optional. For full particulars, and to treat, apply to C. T. Rhodes, Accountant, Halifax, or to C. W. Cheesman, Commercial Traveller, Hull, the Trustees.

LOVEWELL BLAKE, PUBLIC ACCOUNTANT, RECEIVER, AND TRUSTEE IN BANKRUPTCY.
SECRETARY TO THE GREAT YARMOUTH TRADERS' ASSOCIATION.
OFFICES: HALL QUAY CHAMBERS, GREAT YARMOUTH.

J. F. TITCHMARSH, PUBLIC ACCOUNTANT AND AUDITOR.
17 PRINCESS STREET, IPSWICH.

RECEIVER AND TRUSTEE IN BANKRUPTCY AND LIQUIDATION.

MONEY to LEND to BORROWERS residing in town or Country, from £50 upwards, repayable in one sum, from one to five years, at five per cent. interest on personal security; also on mortgage of freehold or leasehold property from 3 per cent., for a term of years to be agreed upon. No commission.
Apply to R. F. PRESTON, Esq., 120 Southampton-row, London, W.C.

THE BIRKBECK BUILDING SOCIETY'S ANNUAL RECEIPTS EXCEED THREE MILLIONS.

HOW TO PURCHASE A HOUSE FOR TWO GUINEAS PER MONTH.
With immediate Possession and no Rent to pay.—Apply at the Office of the BIRKBECK BUILDING SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO PURCHASE A PLOT OF LAND FOR FIVE SHILLINGS PER MONTH.
With Immediate Possession, either for Building or Gardening purposes.—Apply at the Office of the BIRKBECK FREEHOLD LAND SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO INVEST YOUR MONEY WITH SAFETY AT £4 PER CENT. INTEREST.
Apply at the Office of the BIRKBECK BANK. All sums under £50 repayable upon demand. Current Accounts opened similar to ordinary Bankers. Cheque-books supplied. English and Foreign Stocks and Shares purchased and sold, and Advances made thereon.
Office Hours from 10 till 4; on Mondays from 10 till 9, and on Saturdays from 10 till 12 o'clock.
A Pamphlet containing full particulars may be obtained post-free on application.
FRANCIS RAVENSCROFT, Manager.

THE METROPOLITAN AND PROVINCIAL LAND, ESTATE, HOUSE, LICENSED VICTUALLERS' & GENERAL BUSINESS TRANSFER "SYNDICATE" AGENCY.
Registered according to Act of Parliament, Head Offices, No. 3 Craven-street, Charing Cross, W.C. The organisation and working system of the "Syndicate" are;—1st.—The Sale, as Auctioneers, or Agents, Ground of Rents, Freehold and Leasehold Land, Farms, Estates, Houses, Hotels-Public Houses, Inns, Beer Houses, Restaurants, Coffee Houses, Tobacconists, Drapers, and every other description of Business, Furniture, Objects of Art, or Goods of any description by Auction or Private Contract. 2nd.—The letting, or disposing of, as Auctioneers, or Agents, Land, Farms, Estates, Furnished, or Unfurnished Houses Chambers, or Offices under private contract. 3rd.—The Collection of Rents and the recovery of outstanding accounts. 4th.—The Surveys and Valuations of Land, Farms, Estates, and Houses; also Valuations of Furniture, Jewellery, and other Effects, for probate and other purposes. 5th.—The transaction of all other business usually transacted by Auctioneers, Surveyors, Land, House, Estate and Insurance Agents. 6th.—The negociations of partnerships, and from unlimited connection with capitalists, monetary advances on real and personal securities, as well as merchandize, and every other description of property intended forabsolute sale, or otherwise. 7th. Generally the carrying out of all things instdental or conducive to the above objects, and every of them; also the laying out of estates and surveys for delapidations. The "Syndicate" from their extended connection with the Trades' Protection Societies and other sources, undertake expeditiously for Clients and others to ascertain reliably the status of parties, and make inquiries of a private and confidential character Liberal terms to Accountants in town or country introducing business.

RUPTURES—BY ROYAL LETTERS PATENT.

WHITE'S MOC-MAIN LEVER TRUSS s allowed by upwards of 500 Medical Men to be the most effective invention in the curative treatment of Hernia. The use of a steel spring, so hurtful in its effects, is here avoided, a soft bandage being worn round the body, while the requisite resisting power is supplied by the MOC-MAIN PAD and PATENT LEVER, fitting with so much ease and closeness that it cannot be detected and may be worn during sleep. A descriptive circular may be had, and the Truss (which cannot fail to fit), forwarded by post, on the circumference of the body two inches below the hips being sent to the manufacturer, Mr. JOHN WHITE, 228, Piccadilly, London. Price of a single Truss, 16s., 21s., 26s. 6d., 31s. 6d, Postage Free. Double Truss, 31s. 6d., 42s., and 52s. 6d. Postage free. An Umbilical Truss, 42s., and 52s. 6d. Postage free. P.O.O. to be made payable to JOHN WHITE, Post-office, Piccadilly.

NEW PATENT ELASTIC STOCKINGS, KNEE CAPS, &c. for Varicose Veins, and all cases of Weakness and Swelling of the Legs, Sprains, &c. They are porous, light in texture, and inexpensive, and are drawn on like an ordinary stocking. Price from 4s. 6d., 7s, 6d., 10s, to 16s. each. Postage free.

CHEST EXPANDING BRACES, for both sexes. For gentlemen they are a substitute for the ordinary braces. For children they are invaluable; they prevent stooping and preserve the symmetry of the chest. Prices for children, 5s. 6d. and 7s. 6d. Adults, 10s. 6d., 15s. 6d., and 21s. each. Postage free.—JOHN WHITE, Manufacturer, 228 Piccadilly, London.

EPPS'S COCOA.—"By a thorough knowledge of the natural laws which govern operations of digestion and nutrition, and by a careful application of the fine properties of well-selected cocoa, Mr. Epps has provided our breakfast tables with a delicately flavoured beverage which may save us many heavy doctors' bills. It is by the judicious use of such articles of diet that a constitution may be gradually built up until strong enough to resist every tendency to disease. Hundreds of subtle maladies are floating around us ready to attack wherever there is a weak point. We may escape many a fatal shaft by keeping ourselves well fortified with pure blood and a properly nourished frame."—See article in the *Civil Service Gazette.*

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THE CARDINHAM VALE SILVER LEAD MINING COMPANY, LIMITED.

Incorporated under "The Companies Acts, 1862 and 1867," by which the Liability of Members is limited to the amount of their Shares.

The above is entirely unlike the ordinary Mining Investments offered to the public, inasmuch as there will be no loss of time in searching for Lodes and exploring the Setts, the Mine being taken as a going concern, with valuable deposits of Ore laid open requiring only suitable machinery to make it marketable. It is believed that there is no Mine that can be worked cheaper than the Cardinham Vale, no steam machinery will be required to develop the Mine, as there is an ample supply of water at all seasons of the year available for working the machinery necessary for its development, and crushing and preparing the Ores for market. The Proprietor of the property has agreed to take nine-tenths of his interest in Shares, a proof of his estimate of the value of the Mines, and the profits to be derived therefrom.

CAPITAL:—£30,000, in 6,000 Shares of £5 each.

Deposit 5s. per Share on Application, and 5s. on Allotment, and remainder in sums not exceeding 2s. 6d. per Share at intervals of not less than three months if required. To meet the wishes of those Investors who prefer paying in full, the Directors will issue fully paid-up Shares not exceeding one-half of the Capital now offered for subscription, such Shares will have priority in the Allotment, and will be issued at a discount of 5 per cent.

DIRECTORS.

J. R. MACARTHUR, Esq., 30 John-street, Bedford-row, W.C. (Chairman).

THOMAS HAZLEDINE, Esq., The Haughs, Upton-on-Severn.

ROBERT GODDARD, Esq., Wimbledon, Surrey.

G. BENETOFSKI, Esq., Campden-hill, Kensington.

RICHARD HOSKEN, Esq., Penryn, Cornwall.

J. H. JAMES, Esq., C.E. (Managing Director), Grampound-road, Cornwall.

RESIDENT AGENT.

CAPTAIN JAMES BRAY.

SOLICITORS.

Messrs. TOWNLEY & GARD, 2 Gresham-buildings, London, E.C.

BANKERS.

THE CO-OPERATIVE CREDIT BANK, 11 Queen Victoria-street.

AUDITOR.

JOHN M. HENDERSON, Esq., 72 Basinghall-street, London, E.C.

SECRETARY.

WILLIAM SHARP, Esq.

OFFICES.

CORNHILL CHAMBERS, 62 Cornhill, London.

PROSPECTUS.

This Company has been formed for the purpose of acquiring, working, and effectually developing the "Cardinham Vale" Silver Lead Mines, a valuable property, situated in the Parish of Cardinham, in the County of Cornwall, and about four miles from the Bodmin-road Station on the Cornwall Railway.

The Sett is very extensive, comprising an area of upwards of 180 *Acres, and has the great advantage of a permanent Stream Water* for the working of the Mines, *crushing and dressing the Ores, &c.*

The property is held on lease for 21 years from 29th September, 1871, at a minimum rent of £20 per annum, and a royalty of one-fifteenth; the rent, however, merges in the royalties when they exceed that amount.

There are several Lodes intersecting the Sett, in one of which an Adit level has been driven for a distance of upwards of 120 fathoms, and two Winzes sunk therein to the depth of 15 feet each.

This Lode is about 4 feet wide, and in geological appearance *is thought not to be surpassed by the best of our British Dividend Lead Mines at the same stage* of operation.

To afford evidence of the great results realised by British Lead Mining, when properly conducted, a tabular statement of a few Mines is subjoined, from the Reports contained in different Mining Papers.

DIVIDENDS PAID BY BRITISH LEAD MINING COMPANIES.

NAME.	OUTLAY.	DIVIDENDS.
Cargoll	17,470	16,112
East Rose	6,400	370,000
East Darren	9,600	70,000
Foxdale	70,000	226,000
Great Laxey	60,000	257,000
Green Hurth	1,920	10,240
Goginan	90,000	290,000
Herodsfoot	8,700	63,744
Lisburne	7,500	225,800
Minerva	45,000	573,750
Roman Gravels	90,000	49,000
South Darren	19,870	6,750
Tankerville	7,200	40,800
Van	63,500	191,625
West Chiverton	31,500	147,500

The yield of Ore which is obtained from the Mine is of a superior quality. It is more than usually rich in *Silver*, which fact further appears by the following results of an analysis thereof made by John W. Perkins, Esq., Dr. Ph., F.C.S.

"LEAD EQUAL TO 6CWT. TO THE TON OF LODE STUFF."
"SILVER 40OZ. 16DWT. 16GRS. TO THE TON OF ORE."

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Winzes are being sunk on the course of a Lode which produces Ore of the richest quality in remunerative quantities, and as depth is attained the yield increases, which facts are confirmed in the accompanying Reports. The purchase-money for the entire Property is fixed at £10,000, the Vendor's confidence in the undertaking being such that he has consented to take £9,000 of the purchase-money in paid-up Shares, and £1,000 in cash.

A contract has been entered into between Charles William Baylis, of Worcester, of the one part, and William Sharp, on behalf of the Company, of the other part, dated the 19th day of May, 1875, which can be seen at the offices of the solicitors of the Company.

The Directors have instructed Captain Bray to give every facility to intending Investors for inspecting this Property, that they may satisfy themselves of its very great present value and future prospects.

ADVANTAGES OF THE MINE.—WATER-POWER, CARRIAGE.

There is *an ample supply* of water at all seasons of the year for working the most powerful *machinery necessary* for *the development* of the *mines, crushing and dressing the Ores.*

It is believed to be *impossible for any Mine to be worked cheaper than the Cardinham Vale.*

No Steam Machinery, therefore, will be required to develop this Mine. This is at all times a matter of great importance; but in the present state of the coal trade and labour market, the value of water as a motive power cannot be over-estimated; in fact the saving of cost of coal alone would pay a good dividend on the capital of the Company. The Mine is also situated most favourably for the carriage of Ores and materials, being within a short distance from the Railway Station.

Owing to a great demand for Lead, and the exceptional character of the property, the Directors believe they are placing before the public a safe and valuable investment, one that in a short period will declare large Dividends. They recommend a careful perusal of the accompanying Reports.

Applications for Shares should be made on the accompanying Form, which must be forwarded, together with a deposit of 5s. per Share, to the Bankers of the Company, or to the Secretary, at the Offices of the Company, where Prospectuses and Forms of application may be obtained, and specimens of the Ore be seen, together with copies of the Reports and Documents referred to in this Prospectus.

REPORTS.

REPORT OF CAPTAIN HARRIS.

I have carefully examined the Cardinham Vale Silver Lead Mine Sett, and find several large and masterly Lodes crossing it, which present a beautiful appearance.

The Main Lode runs about 30in. East of North and West of South; on this Lode an Adit Level has been driven for about 120 fathoms, it commenced and continued in Silver Lead. Two Winzes have also been sunk therein in valuable deposits of Ore. I did not see the bottom of the Winzes, the water being quick would not admit of my doing so, but I am told there is a Lode in the Winzes about 4 feet wide, which contain about 1 ton of Silver Lead per fathom, and from indications of the Ore that came from the Winzes I think it must be correct; the Lode here shows a decided improvement in going down. The Lode standing in the back of the Adit contains sufficient Ore to let on tribute, and I am informed men have offered to work it at 10s. in the £.

There is ample water to work the Machinery necessary for a practical development, and it is my opinion that by the erection of such Machinery a paying Mine would be opened up at once. I therefore urge that a water wheel of say 84 feet diameter, and 6 or 8 feet abreast, be erected at once to pump out the water, and thereby lay open the deposits of Ore at a deeper level.

H. B. HARRIS.

CAMBORNE, CORNWALL,
November, 1874.

REPORT OF CAPTAIN BRAY.

The Sett, which is very extensive, is situated in the parish of Cardinham, in the County of Cornwall.

An Adit has been driven North in the course of the Lodes about 130 fathoms, and two Winzes sunk about 3 fathoms each where the Lode is about 4 feet wide, containing large blocks of Silver Lead, and in the outside Winze there is a leader of pure Silver Lead several inches wide lying against the foot wall of the Lode, but the water in the Winze is too much to keep out. I had great difficulty to get at the bottom of the Winze, but I managed to send up several cwts. of the Ore, which is of a beautiful nature, it being imbedded in friable spar.

The Lode throughout the Adit presents a most beautiful appearance, and in many places is nearly 4 feet wide, containing Lead in paying quantities; men in fact have offered to work it at 10s. in the £, which speaks for itself; and should the yield increase in the next 10 fathoms sinking as it is going down in the Winzes, the output will be such as to place the Mine on a par with our best Dividend Mines.

A permanent stream of water runs close to the Adit, of sufficient power to work water-wheels, and the Mine is in every way situated for the most economical working.

JAMES BRAY.

WEST END, BODMIN, CORNWALL.
March, 1875.

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THE WARRINGTON BOTTLING

AND

AERATED WATER COMPANY, LIMITED.

Incorporated under the Companies Acts, 1862 and 1867, whereby the liability of each shareholder is limited to the amount of the Shares held by him.

CAPITAL :—£10,000, in 10,000 Shares of £1 each, with power to increase.

Payable as follows :—5s. per Share on Application, 5s. per Share on Allotment, and the remainder as required, provided that 21 days' notice at least be given of each call.

DIRECTORS.

Mr. Henry Walker, Fowler Height, Blackburn.

Mr. Moses Walker, Warrington.

Mr. Joseph Entwistle (Grosvenor, Entwistle, and Co.), 88 Portland-street, Manchester.

Mr. William Walker, Greetland, near Halifax.

Mr. John Shaw, Chapel Town, Bolton.

MANAGING DIRECTOR.

Mr. Moses Walker.

BANKERS.

The Lancashire and Yorkshire Bank, Limited.
Manchester and its Warrington and other Branches.

SECRETARY.

Mr. John Cook Hubbert, Accountant, Cairo-street Chambers, Warrington.

AUDITORS.

Messrs. Sutton and Harding, 23 Brown-street, Manchester.

OFFICES.

The Bottling Works, High-street, School Brow, Warrington.

The Company has been formed for the purpose of acquiring the Bottling Business carried on by Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, at Warrington, in the County of Lancaster, with the buildings and land upon which the said business is carried on, and for the purpose of adding to the business the Manufacturing and Bottling of Aerated Waters, in addition to the Bottling of Beer, Porter, Cider, Perry, or other Liquors or Waters, and dealing therein in the ordinary way of Trade.

The buildings are of modern erection, and very suitable for the business.

The premises contain an area of 2,380 square yards, and are held for the residue of a term of 999 years from the 25th March, 1867, subject to a yearly ground rent of £12 8s. and the lessees' covenants affecting the same. A provisional agreement dated the 21st day of June, 1875, has been entered into between Mr. Moses Walker, as the owner of the leasehold premises of the first part, Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, as the owners of the business, goodwill, plant, and stock-in-trade, of the second part, and John Cook Hubbert as a Trustee for and on behalf of the Company of the third part, whereby Mr. Moses Walker agrees to sell to the Company the leasehold premises for the sum of £1,500, which is to be paid to him in cash. Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, agree to sell to the Company the goodwill of the business for the sum of £300, which is to be paid to Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, in equal shares, and is to be taken by them in Three Hundred £1 shares in the Company, which are to be deemed fully paid-up shares, and the plant and stock-in-trade at the amount of a valuation thereof, to be made by two valuers, one to be named by the said Henry Walker, Moses Walker, William Walker, and John Shaw, and the other by the Company, or an umpire to be named by such two valuers, and which amount is to be paid in cash.

Messrs. Henry Walker, Moses Walker, Joseph Entwistle, William Walker, and John Shaw, will be the first Directors, and Mr. Moses Walker, under whose management the business has hitherto been principally conducted, will continue the management thereof, as Managing Director, for a period of two years certain, at the annual salary of £208 exclusive of travelling or other expenses incurred in or about the Company's business, and also exclusive of any remuneration which may be voted to him as one of the Board of Directors by the Shareholders.

The sale of Bottled Beer, Ale, Porter, and Aerated Waters, has for some years steadily increased, and there is every prospect that the Company will do a large business, and that with careful management a large dividend may be realised. It is not anticipated that more than 15s. per share will be at any time called up.

Copies of the Memorandum and Articles of Association, and of the provisional Agreement of the 21st day of June, 1875, may be seen at the Offices of the Company.

Prospectuses and Forms of Application for Shares may be obtained at the offices of the Company, or from their Bankers or Secretary.

For Forms of Application apply at the Offices as above.

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THE SAFETY LIGHTING COMPANY,

LIMITED.

Incorporated under the Companies Acts, 1862 *and* 1867, *by which the Liability of Shareholders is Limited to the amount of their Shares.*

CAPITAL:—£10,000, in 2,000 Shares of £5 Each,

PAYABLE AS FOLLOWS:—

£1 0s. per Share on Application.
£1 10s. „ on Allotment.
£2 10s. „ Two Months from Date of Allotment.

DIRECTORS.

JOSEPH NORMAN ARONSON, Esq., Langham Hotel, Portland place.

WILLIAM GEORGE BENTINCK DORLING, Esq., Arthur-street Chambers, King William-street, City.

GEORGE BENJAMIN MICKLE, Esq., 10 Duchess-st., Portland-place.

BANKERS.

THE CO-OPERATIVE CREDIT BANK, 11 Queen Victoria-street.

SOLICITOR.

CHARLES HENRY EDMANDS, Esq., 33 Poultry.

TEMPORARY OFFICES.

33 POULTRY, CITY.

This Company is formed for the purpose of acquiring and introducing to the public improved arrangements of apparatus for lighting by gas, oil, or otherwise. The Company has arranged for the purchase of the valuable patent of Mr. Joseph Norman Aronson, dated 21st August, 1874 (No. 2878), for improvements in lamps or lighting apparatus.

In lighting gas, gaseliers, pedestals, bracket or oil lamps as usually constructed, much trouble, inconvenience, annoyance, and expense, result from the manner in which the chimneys, globes, and shades, are retained in their positions.

They are held by immoveable holders, so that in lighting not only do the glasses frequently break, but dirt accumulates in the chimneys and globes, thereby offering serious obstruction to the passage of the light in the direction in which it is most wanted.

Besides these objections pertaining to gas lighting, there is in the case of oil lamps as ordinarily constructed a further and very prominent drawback, which arises from the impossibility of getting at the burner, or in filling the lamps with oil without first removing the chimney, globe and shade, which removals entail not only much loss of time and trouble, but also constant breakages.

Now all these objections, both for gas and oil, are removed by this invention, which gives easy and complete access to the burner by raising the moveable gallery, carrier, or support; and this applies equally to the filling of the lamp without the inconvenience which exists in other lamps now in general use.

The invention is also applicable, at a very small cost, to all lamps.

Considering the immense business now doing in burners of ordinary construction, and the large profits realised, a highly remunerative return is anticipated to the investors in this Company.

The consideration to be paid to Mr. Aronson for all his rights for the whole of the United Kingdom of Great Britain and Ireland, the Channel Islands, and Isle of Man, in respect of this valuable invention is £3,000—namely, £2,500 in fully paid-up shares, and £500 in cash, payable out of subscriptions for shares after £500 has been set aside for working the Company. The purchase includes improvements, extensions, and substitutions. The contract is dated the 30th October, 1874, and the names of the parties to the Contract are Joseph Norman Aronson and Samuel Starkey Ellis. Since the incorporation of the Company the above contract has been ratified and adopted by the Company, and a Contract entered into dated the 16th day of November, 1874. The names of the parties to the last-named Contract are the said Joseph Norman Aronson and the "Safety Lighting Company, Limited."

No.

FORM OF APPLICATION FOR SHARES.

To the Directors of THE SAFETY LIGHTING COMPANY, LIMITED.

GENTLEMEN,

Having paid to the Manager of the CO-OPERATIVE CREDIT BANK, 11 Queen Victoria Street, London, E.C., the sum of £ , being a deposit of £1 per Share on Shares of £5 each in the above Company, I request that you will allot me Shares therein; and I agree to accept the same or any smaller number which you may allot to me, subject to the provisions of the Memorandum and Articles of Association; and I hereby agree to pay the further sum of £1 10s. per share on allotment, and the balance by subsequent instalments pursuant to the Prospectus; and I authorise you to place my name on the Register of Members for the Shares so allotted.

Christian and Surname (in full)
Usual Signature
Address
Occupation

Date

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THE

SOCIETY OF ACCOUNTANTS IN ENGLAND.

COUNCIL.

President.—JOSEPH DAVIES, Warrington. *Vice-President.*—JOHN BATH, London.

ALFRED ALLOTT, Sheffield.
JOSEPH ANDREWS, London.
JOSIAH BEDDOW, London.
HENRY BOLLAND, Liverpool.
JAMES CHARLES BOLTON, London.
HARRY BRETT, London.
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JOHN CALDECOTT, Chester.
WALTER NEWTON FISHER, Birmingham
EBENEZER CHAMBERS FOREMAN, London.
EDWARD NORTON HARPER, London.
WILLIAM COMBEN HARVEY, London.
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EDWARD THOS. PEIRSON, Coventry.
EDWARD SMITH, Manchester.
F. TENDRON, London.
JOHN HENRY TILLY, London.
LEWIS VOISEY, Warrington.
EDWIN WILKS, Plymouth.
JOHN UNWIN WING, Sheffield.

TRUSTEES.—JOHN BATH, 40a, King William Street, London; THOMAS COLTMAN, Leicester; JOSEPH DAVIES, Warrington.
TREASURER.—JAMES CHARLES BOLTON, 26 Great St. Helens, and 2 St. Mary Axe, London.
AUDITORS.—R. R. ROBINSON, London; C. PEMBER, Hereford.
BANKERS.—Messrs, WILLIAMS, DEACON, & Co., Birchin Lane, London.
OFFICES—2 COWPER'S COURT, CORNHILL, LONDON.
Further information can be obtained, and copies of the Rules can be had, upon application to
ALFRED C. H ARPER, SECRETARY.

H. D. RAWLINGS,

PURVEYOR OF MINERAL WATERS TO

H. R. H. THE PRINCE OF WALES.
H. R. H. THE DUKE OF EDINBURGH.
H. R. H. THE PRINCE CHRISTIAN.
THE LATE EMPEROR NAPOLEON III.
AND THE PRINCIPAL COURTS OF EUROPE.

Gold Medallist of the Societe Nationale Agricole Manufacturiere et Commerciale de Paris.

SODA, BRIGHTON, SELTZER and all other Mineral Waters for HOME CONSUMPTION and EXPORTATION.
PRICE LISTS on Application, at the Manufactory, Nassau-street, W.

ALFRED W. GEE,

ADVERTISING AGENT,

62, GRACECHURCH STREET,

LONDON, E.C.

London Gazette Notices, and Advertisements and Announcements of all kinds for English, Colonial, and Foreign Newspapers promptly inserted.

N.B.—In the case of an ordinary Advertisement ordered for insertion in a number of Newspapers, only one MS. copy need be forwarded. Same rates charged as at the Publishing Offices.

Printed and Published for the Proprietor by WILLIAMS & STRAHAN, 7 Lawrence Lane, Cheapside. JULY 17, 1875.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 33.] SATURDAY, JULY 24, 1875. [PRICE 6D.

IN THE MATTER OF HENRY JONES, DECEASED.

THE Creditors of HENRY JONES, late of Brynbella, in the Parish of Llanllechid, in the County of Carnarvon, Mason, who died on the 17th day of June, 1874, are hereby requested to send the particulars of their claims to the office of Mr. WILLIAM JOHN PARRY, Public Accountant, 3 and 4 William's Court, Bethesda, or in default thereof, the Executrix will, after the 1st day of September, 1875, proceed to distribute the Assets of the said Henry Jones,

ELLEN JONES,

Executrix.

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The Accountant.

JULY 24, 1875.

The close of the legal year, which may be considered to last from November to August, is being noted for even more unpleasant consequences than usual to companies and their concomitant promoters, directors, and aiders and abettors generally. The Canadian Oil Wells Company has appeared, at the instance of Sir John Hay, before the Lords Justices; and that unlucky director has not only failed to get the relief he anticipated, but has had to pay very heavy sums in costs, charges, and expenses for the pleasure of hearing his conduct unsparingly denounced by Lord Justice James. Vice-Chancellor Malins is not always very reticent when an "inequitable" case comes before him; but if he chastised with whips, the Lords Justices chastised with scorpions; and there are few persons who will be disposed to waste much pity on Sir John Hay, who has illustrated again the folly of "washing dirty linen in public," and will probably agree with his adversary very quickly in any future difficulty, rather than again run the risk of affording Sir W. M. James an opportunity of wielding the epigrammatic scourge of the late Sir J. Knight Bruce. It is, difficult, however, to avoid pitying Mr. Crickmer, who has got himself into a sad scrape over a little financial speculation in the Caribbean Islands. We can never be surprised at any company whatever making an appearance, however wild and improbable may be its *raison d'être;* but certainly to form a company to work "deposits of guano and other such-like things," in a distant island, where no guano and very little else exists, by virtue of an imaginary concession granted by a nation which has no rights at all to dispose of, is sufficiently startling to the most constant readers of financial journals. Among other things wanting was, it seems, capital; and this poor Mr. Crickmer advanced, and was rewarded by having certain paid-up shares transferred into his name. A company which is formed for the purpose of raising wealth which does not exist, from an island which belongs to some one else, is naturally not long-lived; and the "Caribbean Company" was very shortly compulsorily wound-up, and money was wanted for this purpose. Now it is a settled principle that bonus shares, on which nothing has been paid, are liable to contribute when a call has been made. On the authority of this doctrine, Mr. Crickmer's case was decided. The shares handed to him were bonus shares, indeed no capital had been really subscribed, and so he was liable to pay the amount of the call upon them. He has the satisfaction of the Vice-Chancellor's opinion that he is an innocent sufferer, and is a sort of oasis of virtue in a dreary desert of fraud. At the same time, Sir Richard Malins thinks that he ought to have known better. The whole case reads almost like a cunningly devised satire upon the company mania; but the lessons of caution it inculcates will not, we hope, be easily lost sight of.

The Friendly Societies Bill may yet be amended by the addition of proper provisions for securing an efficient audit, as it will probably undergo further discussion in the House of Commons with reference to an important alteration inserted by the House of Lords. It will be remembered that it was originally provided that three pounds should be the sum allowed for the funeral of an infant. Thereupon arose one of those edifying controversies, which so much raise the general opinion of our national sobriety of argument and practical ideas. It was objected by the managers of several societies, that the amount fixed was too low, and that six pounds was in reality only a reasonable limit. Acting upon their advice, the Chancellor of the Exchequer, with that peculiar desire to satisfy every body which is so marked a feature of the ministerial policy, gave way, and six pounds was accordingly substituted. Thereupon arose an outcry that this was offering a premium to infanticide; and quite a lively discussion arose whether the so-called working-classes were in the habit of systematically destroying their offspring or not; but the Chancellor of the Exchequer remained firm. In the Lords, however, the clause was again altered, and three pounds is now the limit, subject to a possible disagreement between the two Houses in the matter. The best solution of the matter would, we think, be found in an application, or rather extension, of a common practice of insurance offices. It has already dawned upon many people that in restricting the sum payable on the death of a child, the Government is not "affixing a stigma" upon the working-classes, but is in fact conferring on them a privilege not appertaining to their wealthier fellow-countrymen. The power of profiting by a child's death is given to the working-classes

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alone. But to meet the wishes of those who insist that the higher sum is requisite, and to obviate the objections of those who wish to do away with the faintest suspicion of gain by a child's death, the duty might be thrown on the societies of themselves settling the undertaker's account. Every insurance office reserves to itself the power of reinstating premises destroyed, instead of paying the cost, and does so in all cases where the loss is attended with circumstances of suspicion. Let power be given to the societies, if they think fit, to examine and pay the funeral expenses, and so make certain that no unfair advantage has been taken. If, in addition to this duty, they will also endeavour to cut down the undertaker's claim to the lowest possible limits, they will do a good action. And while our legislators are squabbling over the precise amount of confidence to be placed in the honesty of the humbler members of their constituencies, perhaps some one will again raise the question of a proper and efficient audit. The first point is, after all, one of sentiment; the other goes directly to the root of the usefulness of the measure.

The case of "Butcher v. Stead," which we reported last week, settles a very important question with regard to the doctrine of fraudulent preference, and it has been decided by the highest tribunal in the land that valuable consideration and *bona-fides* are still entitled to the very highest place. The point itself is simple. A payment admitted to be fraudulent on the part of the bankrupt is made within three months of his bankruptcy, to a creditor who has no knowledge of the fraudulent preference which was intended. Is this void, or is the creditor to be deemed a "payee in good faith, and for valuable consideration?" The answer was not quite unanimous, the majority of the judges holding that the transaction was protected, and Lord Selborne, who was a dissentient, thinking that the decision would "open the door to much fraud on the part of insolvent debtors."

Legally speaking, the reasoning of the Lord Chancellor seems conclusive. He pointed out that before the Act of 1869 such a transaction was void, but that the saving clause appeared for the first time in the 92nd section of the Act. From this he inferred that it was intended that these transactions should be protected, and indeed it is otherwise scarcely possible to attach any meaning to the word "payee." Lord Selborne, too, appears to have considered the propriety of the judgment more on moral than technical grounds, and his well-known views would naturally lead him to consider the ethical rather than the legal aspects of the question. At present, therefore, there must be collusion between debtor and creditor, or at any rate a certain amount of guilty knowledge on the part of the latter, to make the transaction void; though, having regard to the positive enactment of the first part of the section, it would probably be obligatory on the creditor who wished to avail himself of the qualifying clause to give some more stringent proof of his good faith than is necessary in the case of an innocent holder. And, after all, the power of cross-examination is a wonderful engine in breaking down false statements. The decision seems legally right, and may not be objectionable from a commercial point of view.

COURT OF APPEAL IN CHANCERY.

July 15.

(*Before the* LORDS JUSTICES.)

EX PARTE COOPER—IN RE ZUCCO.—This was an appeal from a decision of Mr. Registrar Pepys, as Chief Judge in Bankruptcy. Messrs. Nicholas De Sylla Zucco and John Kessissoglu, were merchants and insurance brokers in Adam's-court, Old Broad-street. On the 25th of March, 1875, they filed a liquidation petition, under which Mr. Arthur Cooper was appointed trustee of their property. The debtors had been engaged to a large extent in the fruit trade with Greece. On the 19th of December last Mr. Edward Webb, a fruit broker in Philpot-lane, who had been in the habit of acting as broker for the debtors, made advances to them to the extent of £2,000, by accepting some bills of exchange drawn by them. He stated that he made these advances on the faith of an agreement by Zucco to deposit with him as security the bills of lading of some currants, which the debtors had shipped at Catacola, and which bills of lading they expected shortly to receive. As a matter of fact the bills of lading were, in February last, pledged by the debtors to Mr. John Balli, jun., of Gresham-house. Mr. Webb alleged that this pledge to Mr. Balli was made by the debtors by way of fraudulent preference, and wished that the trustee should take proceedings to recover the currants from Balli. The trustee, however, declined to do so, it appearing that if Mr. Webb could substantiate his claim, it would exhaust the whole value of the currants. Mr. Webb applied to the Court of Bankruptcy for an order that the trustee should pay or account to the estate of the debtors for £1,500, the value of the currants, or that the trustee should take possession of the currants, or take steps to compel the delivery of them, or the payment of their value to him, and asked for a declaration that Webb was entitled to the security which he claimed upon the currants, and for an order for payment to him accordingly. The Registrar dismissed this application with costs, but gave leave to Webb to use the name of the trustee in any proceedings he might be advised to take, either against Balli or against the debtors, to enforce delivery of the currants, or payment of the proceeds thereof to him, upon Webb indemnifying the trustee against the costs of such proceedings. From that part of the order

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which gave this leave to Webb, the trustee appealed. Mr. Winslow, Q.C., and Mr. F. W. Hollams argued for the appellant; Mr. Lanyon supported the Registrar's order. Lord Justice James said that this part of the order must have been made by a slip, the Registrar probably thinking that it could do no harm to any one. But the trustee of the estate was a trustee for the creditors generally, not for Mr. Webb. Mr. Webb might, if he could, come to some arrangement with the trustee to give up part of his claim for the benefit of the estate. Lord Justice Mellish said that a trustee in bankruptcy ought not to make an application to set aside a transaction on the ground that it was fraudulent preference, or to allow such an application to be made in his name, except for the purpose of benefitting the estate and having the property equally distributed among the creditors. He ought not to make such an application, or allow it to be made in his name for the purpose of benefitting one creditor only. That part of the Registrar's order which was appealed from must be discharged.

Ex Parte Oliphant in Re Stiff.—This was an application by Mr. Henry William Oliphant, formerly editor and manager of the *Weekly Dispatch* newspaper, to be paid the sum of £208, for salary due to him, out of a sum of £1,5000 arising from the sale of the newspaper. The application was refused by Mr. Registrar Murray, acting as Chief Judge, and Mr. Oliphant appealed. The newspaper was the property of Messrs. George Stiff and Alfred Flower, and in December, 1871, Mr. Oliphant was appointed editor and manager, and he held the appointment until January, 1875. Messrs. Stiff and Flower became involved in pecuniary difficulties, and in January, 1873, Mr. R. J. Wood, who held a mortgage over the property, took possession of the newspaper and the plant, and thenceforth carried on the business, Mr. Oliphant continuing to act as editor and manager. On the 21st of August, 1873, Messrs. Stiff and Flower were adjudicated bankrupts. On the 8th of January, 1875, the newspaper was sold to Mr. Ashton Dilke for £11,000. Of this sum £9,500 went to pay what was due to the mortgagee, and the balance, £1,500, was paid to the trustee of the bankrupts' estate. Mr. Oliphant's services not being required by Mr. Dilke, he claimed to be paid a year's salary, at the rate of £4 a week, out of the bankrupts' estate. He deposed that it is the custom, when a newspaper is sold, to give the editor a year's salary in lieu of notice. He also stated that when he was discharged by Mr. Dilke, he asked the trustee who was to pay him his year's salary in lieu of notice, and the trustee replied, "I will settle with you. Send in your account, and it shall be examined." The trustee resisted the claim, on the ground that Mr. Oliphant was the servant of the mortgagee, not of the bankrupts. Mr. De Gex, Q.C., and Mr. Northmore Lawrence argued for the appellant; Mr. Robinson, Q.C., and Mr. W. Renshaw supported the Registrar's decision. Lord Justice James said that beyond all question Mr. Oliphant was the servant of the mortgagee, and might have demanded compensation from him for being dismissed without notice. He was induced not to apply to the mortgagee by the trustee saying to him, "I will settle with you." That being so, he was entitled to compensation out of the bankrupts' estate. Having regard to all the circumstances, his Lordship thought that six months' salary would be a reasonable compensation. There would be an order on the trustee to pay him (Mr. Oliphant) £104, and also his costs of the hearing before the Registrar and of the appeal. Lord Justice Mellish concurred, observing that the mortgagee in possession would have been entitled to charge in his account against the bankrupts' estate any compensation he had had to pay to the editor. He could not carry on the paper without an editor, and he could not obtain an editor except on the terms of compensating him for dismissal without notice.

VICE-CHANCELLORS' COURTS, Lincoln's Inn.

(*Before Vice-Chancellor* Sir R. Malins.)

July 16.

In re the Sanitary Milk Company.—In this matter a petition was presented for an order to wind-up the company. Mr. Freeman was for the petitioner. The Vice-Chancellor made an order to wind-up the company compulsorily.

In re the Lisbon Steam Tramways Company.—In this matter two petitions were presented for orders to wind-up the company. Mr. J. Napier Higgins, Q.C., for one of the petitioners, said their order was asked for solely with a view to the reconstruction of the company. Mr. Bristowe, Q.C., was for the Portuguese Government and for other parties who opposed the petitions; Mr. Glasse, Q.C., Mr. J. Pearson, Q.C., Mr. Karslake, Q.C., Mr. Macnaghten, and Mr. Cooke were also engaged in the case. The Vice-Chancellor made one order on both the petitions to wind-up the company compulsorily, and directed that the costs of the winding-up should include the costs of a cross-examination of witnesses which had been taken by a special examiner in the course of the proceedings.

In re the Ifton Rhyn Collieries.—In this matter a petition, which had been presented for an order to wind-up the company, came on to be heard upon a question of costs. Mr. Glasse, Q.C., and Mr. F. C. J. Millar were for the petition; Mr. J. Napier Higgins, Q.C., was for the company. The Vice-Chancellor, after some little discussion, made an order for the withdrawal of the petition, giving no costs to either side.

Re Mitchell's Trusts.—This was a singular case. By the marriage settlement of Mr. and Mrs. Mitchell, executed in 1839, Mr. Mitchell, in order to make a provision for his wife in case she should survive him, covenanted with their trustees that he would at his own cost effectually grant and assure to her during her life, in case she should happen to survive him, an annuity or clear yearly rentcharge of £500, free from all deductions, to be paid to her quarterly; and it was agreed between the parties that in case Mr. Mitchell, his heirs, executors, or administrators, should at any time thereafter be desirous of purchasing an annuity of £500 upon Government security, or of securing the same to the satisfaction of the trustees of the settlement upon a sufficient sum or sums of money to be from time to time invested with their approval, then and in such case the annuity to be so purchased or secured should be accepted by Mrs. Mitchell in lieu and satisfaction of the rentcharge covenanted to be granted, or of any rentcharge which might have been granted in pursuance of the settlement. In 1843 Mr. Mitchell became a bankrupt. The trustees of the settlement proved in the bankruptcy against Mr. Mitchell's separate estate for the value of the annuity—viz. the sum of £3,110 15s. 10d.—and eventually received the whole of that amount. In November, 1843, Mr. Mitchell obtained his certificate of conformity. In April, 1864, he was again adjudged a bankrupt. He died in November, 1874. The trustees of the settlement had from time to time invested the money received by them under the bankruptcy, and the annuity money was now represented by a sum of £5,541 Consolidated £3 per Cent. Annuities, and a sum of £2,625 14s. 7d. cash. On Mr. Mitchell's death the trustees received conflicting notices of claims to the money, made by Mrs. Mitchell on the one hand, and the assignees under the first bankruptcy on the other. The trustees accordingly paid the money into court under the Trustees' Relief Act, and Mrs. Mitchell now presented a petition praying the transfer and payment of the funds out of court to her absolutely. Mr. Glasse, Q.C., and Mr. Woodroffe, for the petitioner, contended that the sums now representing the £3,110 15s. 10d. were the produce of it and the investment of it, and subject to the same trusts as it was; that as it was paid to the trustees as the value of the annuity, and as and for damages for the breach of the covenant to grant or secure the same, the covenant and all liability under it were thereby extinguished; that no subsequent purchase of any annuity could be a satisfaction of the

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covenant; that the money was paid to the trustees for her in lieu of the annuity; and, as she was originally the sole person beneficially interested in it, she was now absolutely entitled to all the moneys in court, which represented it. Mr. J. Napier Higgins, Q.C., and Mr. Horace Davey, Q.C., for the assignees in the bankruptcy, insisted that they had a right, under the settlement, to call on Mrs. Mitchell, and she was now bound, to accept a Government annuity of £500 a year, to be purchased with a sufficient part of the trust funds, and that, subject to the due securing and payment to her of an annuity for her life of that amount, the whole of the residue and surplus of the funds belonged to and ought to be transferred to them, to enable them to satisfy some still outstanding claims against Mr. Mitchell's joint estate. Mr. C. Browne was for the trustees of the settlement. The Vice-Chancellor said that the case was a very curious one, but in his opinion the rights of the parties were as clear as possible. Mr. Mitchell had by his marriage settlement covenanted, as was often done, that if his wife survived him he would secure for her an annuity of £500 a year, by way of rentcharge; but he also provided, though not in a way to alter the rights of the parties under the settlement, that he or his executors might purchase a Government annuity of the same amount, if they thought fit, for Mrs. Mitchell. That was intended to be done as a mere matter of convenience, and to enable the trustees to discharge themselves from the continued liability to pay the annuity or rentcharge; but it did not at all affect Mrs. Mitchell's rights. Mr. Mitchell was a bankrupt in 1843. The claim for the annuity was then a contingent debt, due to the trustees of the settlement. They went in and proved against Mr. Mitchell's separate estate for the value of the annuity, estimated at £3,110 15s. 10d. If Mr. Mitchell's separate estate had only paid 3,110 pence, the trustees must have accepted that amount as a satisfaction of their claim, and must have spent it in discharging their duty, by purchasing an annuity, payable to Mrs. Mitchell on her husband's death. As it turned out, however, the estate paid 20s. in the pound, and the money which the trustees then recevied was substituted for the annuity. The result of the proof by the trustees against the separate estate was to clear it from all further claim on their part, and to put them in a position to discharge themselves from all demands by Mrs. Mitchell in respect of the annuity. The trustees took for her the value of it, whatever that might be. It was absolutely hers. Had the Act which enabled married women to dispose of their reversionary interest in personal property, and which the Vice-Chancellor introduced in Parliament in 1857, been then in force, she might have dealt with her interest in the money, and even have given it to her husband. But, at all events, the money was hers. The trustees, in the exercise of their discretion, thought proper not to lay it out in the purchase of any annuity, but to keep it and invest it. It was most fortunate for Mrs. Mitchell, as the events had proved, that they did so, for it was now represented by sums amounting to something between £7,000 and £8,000. The assignees under the bankruptcy had nothing whatever to do with it. They, as debtors to Mr. Mitchell's trustees, paid the £3,110 15s. 10d. to them, and the assignees could not possibly come now and claim the surplus of the fund, as they alleged. The case was one which, perhaps, had never before happened, and was certainly remarkable in its incidents. The money which now formed the accumulated fund must be transferred and paid to the petitioner, and the costs of all parties to the petition must be taxed as between solicitor and client, and paid out of the fund.

(*Before Vice-Chancellor* SIR R. MALINS.)

July 17.

RE THE CARIBBEAN COMPANY (LIMITED).—CRICKMER'S CASE.—This case came to be heard on an application by the official liquidator of the above-named company for an order directing a call of 1s per share to be made on 669 fully-paid-up shares held by Mr. Crickmer in the company. The case was a representative one, and of very considerable importance. The facts are briefly, that the company was formed for the purchase of guano, and other such like things, in the Caribbean Islands in 1871; that by the memorandum of association the capital, which was intended to have been larger, was ultimately fixed at £25,000, in 2,500 shares of £10 each; that the articles of association declared that all the shares should be allotted as fully-paid-up shares; that seven gentlemen subscribed the memorandum of association for one share each; that a resolution was passed on the 2nd of March, 1871, by which 2,493 (say 2,500) fully-paid-up shares were allotted to a Mr. Edward Oliver " in consideration of his promoting an assignment to the company of the concessions and rights granted to Captain Jemmett of the Deposits of Phosphate Guano on the several islands or quays in the Caribbean Sea, in accordance with an agreement between Mr. Oliver and a Mr. Carmichael;" that it afterwards appeared that the concession which was to have been obtained from the American Government was not wanted, as the territory in question was British, and not the property of the United States; that the company did commence trading, hired some ships and otherwise incurred debts; that Mr. Carmichael applied to Mr. Crickmer to lend the company £2,000, which he accordingly consented to do; and then became a mortgagee of the company, and also a transferee from Mr. Carmichael of 669 fully-paid-up shares in it, as a part security for his loan; that the company had since been ordered to be wound-up; and that Mr. Crickmer was placed on the list of its contributories. Mr. J. Napier Higgins, Q.C., and Mr. Grosvenor Woods appeared for the official liquidator of the company; Mr. Waller, Q.C., and Mr. Bunting were for Mr. Crickmer. The Vice-Chancellor said this case raised a very important question, and one on which there had never yet been any definite decision. It was almost inconceivable that any persons could have been found to combine for the purpose of forming a company under such circumstances as existed in this case; but for all that there had been discovered some who thought they could so construct a company that none of its shareholders should be liable for a single 6d. on their shares. The company was registered on the 9th of February, 1871, having been formed under a memorandum and articles of association, dated in March, 1871, for the purpose of acquiring from any person or persons or Governments, mediately or immediately, and being a member or members of the company or not, and either by purchase or otherwise, rights and powers to work guano, phosphate of lime, and other deposits or minerals in the Caribbean Islands, in the West Indies, and elsewhere. The capital consisted of £25,000, in 2,500 shares of £10 each. Nothing could be more distinct in its provision than that memorandum. The sixth clause of the articles of association, executed on the same day as the memorandum, provided that all the shares in the company should be treated as fully-paid-up shares. Now, then, if there was one thing clearly settled it was this—that every person who signed the memorandum of association of a company for a definite number of shares was liable for the full amount of those shares, and must pay for them. Here seven persons signed for one share each, being some of the 2,500 shares; and every one of those persons, therefore, who signed for his single share, was intended by the 6th clause of the articles to be exempted from all liability in respect of the shares. The effect of that was that here was a company whose memorandum of association said its capital was £25,000, to be produced by 2,500 shares, while its articles at the same time declared that not a shilling was to be paid on any one of those shares. Now, if such a thing as that was allowable, it could only be said that persons dealing with such a company would have but themselves to blame if they were deceived in their expectations. It was said that there was the register of the company to show the public the nature of its constitution. But to suppose that a body of men, seven in number, could associate themselves

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together, call themselves traders, and while they by one document pretended to provide for the capital of the concern, and by another declared that there should be no capital at all—if they could do that, and doing so, render themselves liable, as these persons had done, for large sums of money, inducing the public to enter into engagements with them—if they could do all that, and then say "Oh, the principle of our company was—and if you had looked at the register you would have seen it was—that we had no capital," would be to put a very strange interpretation upon the Companies' Acts. Could it possibly be permitted that a company should so frame its instruments of incorporation as by one to say it had capital and by another that it had not? What were the unfortunate public to do in such a case? It was all very well to say the public could see the register or apply to the officers of the company for information; but there was some limit to that sort of consideration. However, the question did not rest entirely on the opinion of the Vice-Chancellor; for in the case of the Raglan Hall Colliery Company ("Law Reports," 5 Chancery, 346), Lord Justice Giffard, after referring to the 7th, 11th, and 23rd sections of the Companies' Act, 1862, said:—"Taking those sections together, a person, who subscribes the memorandum of association is to be held to have agreed to be a shareholder for the number of shares in respect of which he subscribes it, to take them and to pay a proper consideration for them. The 12th section provides that the memorandum of association can only be altered in certain particulars, and in a particular way. If, therefore, the memorandum and the articles are inconsistent, the articles must give way; but there is not any inconsistency between a memorandum which is general in its terms, and articles which state that the payment for the shares is to be made in a particular way, according to the terms of a contract referred to in the articles; nor do I see that payment in kind, according to a subsequent contract with the company, is inconsistent with such a memorandum. If there be a contract of such a nature that on bill filed by the company it could not be set aside, a payment for shares in kind according to that contract is legal." That all supposed "payment" in some way. The same view of the law was referred to by Lord Selborne in the case of the Pen'Alt Silver Lead Mining Company, Fothergill's Case ("Law Reports," 8 Chancery, 270), and approved by him. It would seem, therefore, that parties could not execute two instruments wholly inconsistent and at variance with each other; and that if the case was, as here it was, one of a discrepancy between the memorandum and the articles of a company, the memorandum must prevail, and the articles must give way. To think, then, that persons could associate themselves together as a company, and to a certain extent secretly arrange that they would not pay a penny for the shares they had taken in the company, and that such a course of conduct would be sanctioned by this court, was very wrong and impossible. There must, as already observed, be some sort of limit to the responsibility which it was said the public itself lay under to protect itself, because it was not to be supposed in the ordinary dealings of life that any company would be established under limited or any other liability whose members should be wholly free from any obligation to pay for these shares. The Vice-Chancellor then referred minutely to some of the cases which had been cited in the arguments, contrasting them with the one now before him, and continued by observing that he could not, in commenting on the conduct of the parties in this case, stop short of saying that any one who engaged in the promotion of such a company as this—and he should add that Mr. Waller's client had nothing to do with that—was engaged in a deliberate fraud upon the public. The register in this instance was strongly calculated to deceive any one who looked at it. At the same time, the whole thing was most extraordinary. To see that all the 2,500 shares should have been at first allotted to one man, who, throughout, was for the 2,500 shares as many times described and named in the register, to find that the columns for the calls on the shares were all vacant, and that for the sum total mentioned as paid on each share it was £10,—to find all that and to know that it was all utterly false, was indeed astonishing. Every one taking part in the formation of the company must have known the true nature of the transaction. The cases cited really did not govern this one. He thought there was a distinct variance between the memorandum of association, and the articles of this company, designedly arranged for the deception and defrauding of the public, and that if the application in this case had been made against an original promoter of the company, instead of a transferee of shares, he would have long ago terminated any discussion as to it. It was most extraordinary altogether, and but for the fact that such an attempt had been made to defraud the public, it would have been said that such a thing was impossible. An order had been made to wind-up the company. Mr. Crickmer and other innocent sufferers were to be pitied under the circumstances. Mr. Crickmer, however, who was himself a stockbroker, and dealing with Mr. Carmichael, also a stock broker, might have been reasonably supposed capable, and indeed bound, to look after his own interest, and to take some pains to ascertain the real fact of the case. If he had looked at the mortgage deed, he would have seen that all the shares were merely bonus shares, and even if he had then on such notice as that merely advanced his £2,000 he would have incurred no further risk. But he was foolish enough, in addition to his other want of prudence, to take 669 of this company's shares, with notice that, although they were said to be fully paid-up, they were not, in fact, paid for. He took the shares as transferee of them before the winding-up order was made, and, in equity, he was liable for them. Fortunately, however, as it happened, so much would not be wanted in the winding-up as was at first supposed, and he would have to pay only a small amount. The order would now, therefore, be made against him, as asked, subject, however, to that consideration, and to the possibility of this decision being reviewed elsewhere. There was no case exactly like this. Of course, if there had been, it would have been followed on this occasion. Since this application was before the Court, and adjourned till now, there had been a case of "the Malaga Lead Company"—Frimstone's case—at the Rolls. There a Mr. Frimstone, who was a shareholder in the company, took first mortgage debenture bonds, and some bonus shares in respect of them were allotted to him as fully paid-up shares, and were standing in his name at the date of the winding-up order. The liquidator of that company applied to put Mr. Frimstone's name on the list of contributories for the bonus shares, as shares on which nothing had been paid. The Master of the Rolls held that the contract referred to in section 25 of the Companies' Act of 1867, was one signed by the shareholder relating to the issue of the particular shares; that the requirements of that section had not been complied with, and that Mr. Frimstone must be on the list of contributories for the shares in question, as shares on which nothing had been paid. Now, the 25th section of that Act provided that—"Every share in any company shall be deemed and taken to have been issued and to be held subject to the payment of the whole amount thereof in cash, unless the same shall have been otherwise determined, by a contract duly made in writing and filed with the Registrar of Joint-Stock Companies at or before the issue of such shares." Upon that section he would make an observation which the facts of this case for the first time called forth, and it was this, the section spoke of a contract. By that was meant an honest and *bona-fide* contract, valid and effectual in law, not one that was void and illegal. Here was a contract essentially dishonest, fraudulent, and invalid. The contract relied upon here was said to be contained in the articles of the company. But that was no contract. It was void at law. It was not within the section, and that alone might have been conclusive on the subject. As in the case of the Malaga Lead Company, the shares were considered as shares on which nothing had been paid; so here these shares must be regarded in the same light. The result would be that there must be an order made for the payment

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of the 1s. call, but the order need not be enforced for a month. The costs of the official liquidator must come out of the estate, but there would be no costs to Mr. Crickmer, who, however, would pay none.

(Before Vice-Chancellor SIR C. HALL.)

IN RE THE ANGLO-ITALIAN PULP AND PAPER MAKING COMPANY, LIMITED.—This was a shareholder's petition for winding-up this company, which was formed in October, 1871, its objects being the erection of a paper mill at Nizza Sicilia, near Messina, in Sicily, and the carrying on thereat the business of paper manufacturers. The company had, however, turned out a complete failure. Mr. Dickinson, Q.C.. and Mr. W. C. Renshaw appeared for the petitioners; Mr. B. B. Rogers for the company. The Vice-Chancellor made the usual compulsory order.

IN RE THE ANGLO-MEXICAN MINT COMPANY.—This was a winding-up petition of a somewhat unusual character. The company was formed in August, 1825, for the purpose, among other things, of coining precious metals within the Republic of Mexico, under a contract with the Government, the provisions regulating the company being contained in a deed of settlement. Each shareholder held, as his sole evidence of ownership, scrip certificates for the amount of his shares, the certificates simply stating that the "bearer" was entitled to the specified number of shares. The whole of the capital of the company, amounting to £200,000, was fully paid-up. In January, 1845, the company was provisionally registered under the old Joint-Stock Companies Act (7 and 8 Vic.. c. 110), but was never completely registered. It proved very successful, large dividends being paid twice in every year from the year 1836. The profits arose principally from the coinage of precious metals at the Mints of Guanaxuato and Zacatecas under contracts with the Mexican Government. In September, 1873, the Mexican Government annulled the contracts, and took possession of the mints. The business of the company having thus come to an end, its assets in Mexico were realised, and out of the sums so realised the directors repaid to the shareholders the whole of the capital of £200,000, except a sum of £345, the title to which had not been clearly ascertained in consequence of the loss of some of the scrip certificates. The remaining assets of the company consisted of a leasehold house, No. 4 Finsbury-place, south, used by them as an office, of cash and securities in England to the value of about £21,000, and a sum of £1,300 about to be transmitted to this country from Mexico. The existing debts of the company were practically *nil.* This petition for a winding-up was presented by two shareholders and directors, on the ground that the affairs of the company could not be fully and completely liquidated or a final distribution of its assets made without the aid of the court, and in particular that without such aid there would be great difficulty in disposing of the company's leasehold house. Mr. Kekewich, for the petitioners, submitted that the case was a proper one for a winding-up order, which would be a great advantage to the shareholders. Mr. Hornell appeared for the three other directors of the company, and consented to the petition. Mr. Langley, for three shareholders, opposed the petition, on the ground that the directors had already distributed part of the assets, and there was no reason why they should not distribute the remainder without having recourse to the expensive machinery of a winding-up under an order of the court; also that a meeting of the shareholders should first be called, under section 91 of the Companies Act, 1862, to ascertain their views. The Vice-Chancellor said it appeared to him that the distribution of the assets would be best effected by adopting the course proposed. He did not see any necessity for summoning a meeting. The petition was a *bonâ-fide* one, and he would therefore make the order.

COURT OF BANKRUPTCY.

July 15.

(Before Mr. Registrar BROUGHAM, *sitting as Chief Judge.)*

IN RE H. S. NEUMARK.—This bankrupt came up on his public examination upon accounts filed showing liabilities £3812 18s. 6d., and assets, consisting of book debts, £2192 15s. 5d., estimated to realise £862 15s. 11d. The trustee applied for an adjournment, he having required the bankrupt to file goods, cash, and deficiency accounts; which had not been filed. He stated that the bankrupt's cash book did not contain all the receipts; several creditors having proved for cash advanced, of which no entry appeared in the books; that the cash book had never been cast up, or balanced; that several transactions of goods purchased were also omitted in the bankrupt's books; and that the total amount of purchases during the six months preceding the bankruptcy amounted to £2,567 5s. 11d, and the sales during the same period £3443 4s. 10d. He said the creditors were desirous of investigating the matter, and wished to know something further of the bankrupt's transactions. The bankrupt, in reply to questions put by the trustee, could not say if certain items appeared in his books or not; that he could not furnish the required accounts, being without funds. He did not keep his own books. His Honour considered the accounts before him, and unless they were shown to be inaccurate the bankrupt would pass. The court could not go into books, but merely dealt with accounts as filed. The trustee had the power at any time to call upon the bankrupt for explanations, and every information as to his estate, and transactions. The bankrupt passed.

(Before Mr. Registrar ROCHE, *sitting as Chief Judge.)*

IN RE A S. DE VASCONCELLOS—IN RE J. S. DE VASCONCELLOS.—A first meeting was held under the bankruptcy of these debtors, who were merchants, carrying on business at 39 Lombard-street, City, and 24 Brown's Buildings, Liverpool, and at Ceara, Brazil. Mr. Plunkett appeared for the bankrupts; Mr. M. Abrahams for the petitioning creditor. A statement of affairs presented by the bankrupts, returns the following figures:—Unsecured debts, £11,609; partially secured debts (less the estimated value of securities), £2,649; and liabilities on bills discounted, £85,173; against assets—surplus from securities in the hands of creditors, £430; and *contra* on liabilities on bills, £61,219. Debts to a considerable amount having been proved, Mr. George A. Cape, accountant, was appointed trustee, to act with a committee of inspection, consisting of Mr. E. Heidelberg and Mr. J. F. Lovering.

(Before Mr. REGISTRAR PEPYS, *sitting as Chief Judge.)*

IN RE JOHN GRAHAM.—The debtor is a warehouseman, carrying on business at 5 Wood-street, Cheapside, under the firm of S. and J. Graham. The trade debts are returned at £10,886, with liabilities on acceptances £61,260, and assets £22,942, consisting of stock-in-trade, lease of premises, book debts, and other items. Upon the application of Mr. Phelps, Mr. Registrar Pepys appointed Mr. Chatteris, accountant, to act as receiver under a petition for adjudication filed against the debtor.

IN RE F. H. O'DONNELL.—This case was brought before the Court upon a report under the 84th section. The bankrupt attributed his position to expenses connected with two contested Parliamentary elections for the borough of Galway in the year 1874, and costs of defending a petition against his return as M.P. for that borough. The petitioning creditor was Mr. Pierce Joyce, jun., a gentleman residing at Merview, Galway, at whose instance the bankrupt was unseated and ordered to pay the costs of the petition and trial. It would appear that on the 20th of April last the bankrupt presented a petition, under the arrangement clauses of the Irish Bankruptcy Act,

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praying that his person and property might be protected from process, and that such proposal as he might be able to make to his creditors for the future payment or compromise of his debts should be executed under the direction of the Court; and he obtained the usual protection order. The bankrupt, it appeared, resided in Dublin, but when in London he occupied apartments in Palsgrave-place, Strand. On the 8th of May a petition was presented in this court against him, and on the 1st of June adjudication was made. The bankrupt, in his affidavit, stated that the debt of £721, claimed by Mr. Joyce, was the amount of the taxed costs of the election petition. He had no property in England of any kind, except a few literary and scientific works, but on filing his petition for arrangement he deposited with the official assignee of the Dublin Bankruptcy Court the sum of £80. He believed, with the assistance of his friends, he would be able to make an offer of such a fair and reasonable character as would receive the sanction of the Court. Mr. Bagley, for the bankrupt, now asked that the adjudication in this court should be annulled. Mr. Finlay Knight, for the petitioning creditor, opposed the application. Mr. Aldridge appeared for the registrar trustee. Mr. Registrar Pepys said the official assignee represented to him that there would be no assets under the adjudication in this court, and it appeared that a valid petition was pending in Dublin. It would be inconvenient to continue the proceedings in London, and the order of adjudication would be annulled.

July 17

(Before Mr. Registrar MURRAY, *sitting as Chief Judge.)*

IN RE SHAND & Co.—The debtors, Messrs. Charles Shand, Alexander Shand, and Ralph Abram Robinson, are merchants, carrying on business at 23 Rood-lane and at Liverpool, and they also trade at Madras and Ceylon under the firm of C. Shand and Co. Their liabilities are estimated at £683,000 in the aggregate, a large portion of which is running off; with assets consisting of cotton and other East India produce, remittances, and real estate in Madras and Ceylon, of which the value cannot yet be ascertained. Mr. Simpson applied, under a petition for liquidation now presented by the debtors, that Mr. Bishop, accountant (Messrs. Turquand, Youngs, and Co.), should be appointed receiver. It appeared that the debtors had made large shipments of goods to India and Ceylon, and remittances by bills of exchange or otherwise were being received in England by each mail. Creditors to a large amount concurred. His Honour granted the application.

(Before Sir J. BACON, *Chief Judge.)*

July 19th.

EX-PARTE COOPER—RE BAILLIE.—This matter had been referred to the Chief Judge by Mr. Registrar Pepys, and raised the simple but somewhat important point whether the assignee of a debt could be a petitioning creditor without joining the assignor as a petitioner. The petitioning creditor in this case sought to obtain an adjudication on the ground that the debtor was indebted to him in the sum of £5,000, as the assignee of a debt of that amount, for money lent by another person to the debtor, and which debt was assigned to the petitioning creditor on the 20th of February last. Upon the petition being presented, the objection was raised that the assignor had not joined in the petition. Mr. Winslow, Q.C., now mentioned the case to the Court, and contended that the debt, being in equity due to the petitioning creditor, it was unnecessary, under Section 6, that the assignor should join in the petition. Sir J. Bacon held that the assignee was in equity the person to whom the debt was due, and that he might sue either with or without the assignor. The petition might be received.

(Before Mr. Registrar HAZLITT.)

IN RE WILSON AND ARMSTRONG.—The debtors, Messrs. George Wilson and Walter Armstrong, are woollen warehousemen, carrying on business at 69 Aldermanbury, also trading at Hawick, Roxburghshire, in co-partnership with Charles John Wilson and George Murray Wilson. They have filed a petition for liquidation, with debts returned at £500,000, and assets of uncertain value, but amounting to a very considerable sum. Mr. Phelps now asked that a receiver and manager should be appointed. The affidavits showed that the firm carried on an extensive business, having transactions not only here, but also in Scotland and on the Continent. Remittances to a considerable amount from customers indebted to the firm were constantly arriving in London, with correspondence respecting goods already supplied, or agreed to be supplied, to purchasers. At the premises in Aldermanbury goods of great value were warehoused, and it was very important, in the interest of creditors, that some responsible person should be appointed receiver and manager. Mr. Registrar Hazlitt appointed Mr. Henry Chatteris, accountant, to the office.

RE JOSEPH NICHOLSON.—The debtor, a wholesale manufacturing cabinetmaker and upholsterer, at High-street, Shoreditch, trading as G. and J. Nicholson and Co., has presented his petition for liquidation, estimating his liabilities at about £18,000, against assets £6,000. Mr. Robertson Griffiths now moved, upon affidavits and upon the nomination of creditors whose debts represented £5,000, for the appointment of a receiver and manager to the estate. His Honour, after hearing Mr. Hinckes (Roscoe and Co.) in opposition thereto, and having satisfied himself of the necessity thereof, appointed Mr. Lovering to those offices.

IN RE DAN GOW.—Mr. Phelps applied for the appointment of a receiver and manager to the estate of this debtor, who is a manufacturer, carrying on business at 47 Friday-street, Cheapside, and Finsbury-street, who has petitioned the Court, estimating his liabilities at £13,000, against assets £10,000, consisting of book debts, stock-in-trade, &c. His Honour appointed Mr. Charles Chatteris, public accountant, Gresham-buildings, receiver and manager of the estate.

COURT OF BANKRUPTCY, DUBLIN.

July 20.

(Before the Hon. Judge MILLER.)

IN RE WALLACE AND MAGIL AND IN RE HUGH WARD.—The bankrupts in this case had traded extensively in Belfast in the linen trade. Their cases had been argued before the court during term, and Judge Miller now delivered a lengthened judgment upon all the facts which had been brought before him. His lordship said the notice had been served by the trader's assignee upon the official assignee that applications would be made on their behalf for certificates of conformity. The facts of each case were somewhat analogous. The nature of a certificate of conformity was declared by the 57th section of the Bankruptcy Amendment Act of 1872—namely, that the judge of this court shall certify that the bankrupt had made a full discovery of his estate and effects, and in all things conformed, and that so far as the court could judge there did not appear any reason to question the truth and fulness of the discovery; and further as in the schedule therein referred to, that having regard to the conformity of the bankrupt, and to his conduct as a trader before, as well as after his bankruptcy, the court did not there and then find the bankrupt entitled to his certificate. A certificate as thus defined was a very solemn instrument, which the judge was required to give under his hand. The effect of a certificate was declared by the 58th section of the same Act. "A release of the bankrupt from any cause of action whatever which occurred before he became bankrupt." On the other hand, the consequences to a bankrupt if he should not obtain his certificate of conformity were, by the 60th section of the same amendment Act, declared to be, "That his property shall remain for three years liable to satisfy all such causes of action,

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and at the end of three years, the balances unpaid which arose from such causes of action may be enforced as a judgment against any property which he may acquire in the manner as therein pointed out." Under the Act of 1857, so soon as the bankrupt passed his final examination he was entitled of right to obtain his certificate, unless objection were lodged against it. That, however, had been altered by the 56th Section of the Act of 1872, which made the passing of the final examination a condition precedent to applying for a certificate of conformity. Before such a certificate could be granted it was provided that a dividend of not less than 10s. in the pound should be paid, and the court should be satisfied the failure to pay the same had arisen from circumstances for which the bankrupt could not justly be held responsible. The act specified the various grounds which would justify the withholding the certificate. If, for instance, a prosecution under the penal clauses of the Act had been directed, and his not making a full discovery of his estate and effects, the effect of the Amendment Act, 1872, as regarded the granting of a certificate, was that it absolved altogether the necessity of filing objections to the granting of the certificate. In reference to the case of Hugh Ward, the official assignee had reported that the assets realised enabled the assignees to pay a dividend of 10s. in the pound, and that a further dividend would be paid when the residue of the debts were disposed of. He had passed the final examination, and the only question was whether a certificate of conformity could be granted to him? He (Judge Miller) was clearly of opinion that he should grant him his certificate of conformity. In reference to the case of Wallace, Magill and Company a question of some importance arose. From the report of the official assignee it appeared that the joint estate of the bankrupts had only paid a dividend of 2s. in the pound, and that any further dividend would not exceed 2d. in the pound. In addition to that, the incurred liabilities against the joint estate amounted altogether to £59,011 14s. 11d., of which no less than £43,262 was incurred by means of the acceptance of the bankrupt for the accommodation of others without their receiving any consideration for them, and that of that sum of £43,262 no less a sum than £27,020 was the amount of the acceptances given by the bankrupts for the accommodation of one firm in Belfast—namely, Messrs. Lowry, Valentine, and Kirk. The official assignee had reported that were it not for these accommodation liabilities the estate would have paid a much larger dividend, and putting that matter out of consideration altogether the estate would not have paid 10s. in the pound. Nothing could be more unfavourable than that report. There was, however, a redeeming feature when it was reported that the separate estate of each bankrupt *per se* was perfectly solvent. He had judicial knowledge of the fact that the firm of Lowry, Valentine, and Kirk, for whom the bankrupt accepted bills to the amount of £27,020, held the position of leading and most extensive brokers in Belfast, and obtained from the local banks of Belfast credit of such extensive character as might well have testified to any manufacturer in Belfast or its neighbourhood, the soundness of their transactions and position as brokers. He had further judicial knowledge of the fact that the firm of Lowry, Valentine, and Kirk stopped payment prior to the commencement of the present bankruptcy matter, and yet, through their position and influence in Belfast, had been enabled to carry an arrangement in court, and thereby oblige their creditors to accept an almost nominal dividend. Having regard to the circumstances of the failure of Lowry, Valentine, and Kirk, the traders in the present case had been hurriedly forced into bankruptcy: he (Judge Miller) should not draw too hard a line in dealing with the case, and he declined to grant the certificate until he heard more of the case of Lowry, Valentine, and Kirk, and, therefore, he allowed the matter to stand over.

WINDING-UP.—A petition has been presented to the Court of Chancery for the winding-up of the British Guardian Life Assurance Company (Limited).

LIVERPOOL COUNTY COURT.

July 16.

(*Before* Mr. COLLIER, *Judge*.)

IN RE ROBERT HOPKINS.—This was an application for an order of discharge. The bankrupt was a brush manufacturer in St. George's-crescent. His statement of accounts disclosed liabilities £5,136, and assets £1,199. The latter have not yielded 10s. in the pound, but the creditors, notwithstanding the absence of such a precedent to the grant of a discharge, passed a resolution to the effect that in their opinion the failure to pay a dividend of 10s. in the pound had arisen from circumstances for which the bankrupt was not responsible, and that they desired he should be allowed his discharge. His honour now gave effect to the resolution, and granted the discharge. Mr. Phipps appeared for Mr. Bolland, the trustee, and Mr. George Hime (from Messrs. T. and T. Martin) for the bankrupt.

IN RE JOHN WHITFIELD.—The public examination of this bankrupt, a cartowner, in Boundary-place, was, at the instance of Mr. Bolland, the trustee, further adjourned to the 23rd inst. for a cash account. Mr. W. Lowe afterwards moved the court for payment of a bill of costs, incurred under the following circumstances:—Early in April last, Whitfield, being threatened with an execution upon his effects, and also anticipating seizure thereof by a bill of sale creditor, presented a petition for the liquidation of his affairs by arrangement, and for the protection of the estate: the court appointed Mr. Bolland receiver. The first meeting of creditors was held on the 30th April, when liquidation was determined upon and a trustee appointed. On the resolutions, however, being presented for registration, objection was taken thereto by Mr. Nordon, on the ground that the debtor had refused to submit himself for examination until the resolutions were passed and the meeting was virtually over. The registrar upheld the objection, and declined to register, whereupon a creditor obtained an adjudication against the debtor, under which Mr. Bolland was chosen trustee, and the estate realised. The present motion was for payment of the costs of the liquidation petition, and the narrow issue was whether, under the circumstances detailed, the bankruptcy took place whilst the proceedings in liquidation were pending. Mr. Lowe submitted that they were pending, inasmuch as the receiver appointed under the liquidation was undischarged on the presentation of the petition in bankruptcy, and if they were alive and pending for one purpose they were alive for all purposes. Further, it was the foundation of the bankruptcy proceedings, and those proceedings had vitality, and related back to the presentation of the liquidation petition. There was no distinction between a liquidation which became abortive through the registrar's refusal to register and one where the creditors refused to pass any resolution, as in both cases it generally arose from the default of the debtor. Assuming no resolution was passed in consequence of the non-attendance of the debtor or any other cause, and bankruptcy ensued, the liquidation would be considered pending, and that being so, he (Mr. Lowe) failed to see the difference between that and the present case, where the registrar refused to register because the debtor did not submit himself for examination. His Honour said he would look to the authorities cited, and consider his judgment.

IN RE JOSEPH S. EDGAR.—This was a renewed motion for an order to compel Mr. Bolland, the trustee of the property of the debtor, formerly a wine merchant, carrying on business under the firm of "R. P. Stainton and Co.," to certify that the debtor was entitled to his discharge. It appeared that two years ago, when the liquidation was determined upon, it was resolved that the debtor should have his discharge on the committee of inspection and trustee certifying that he had made a full disclosure of his estate. The debtor had filed voluminous accounts upon which he had been examined, but with this result, that in the opinion of the committee and

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trustee it was premature to certify for a discharge. Notwithstanding this determination, the court was now asked by Mr. Benson, for the debtor, to ignore their views and force on the grant of a discharge. His Honour, after hearing Mr. Bellringer, who took exception to the jurisdiction of the court to interfere with the wishes of the creditors, said he agreed with Mr. Bellringer, in the absence of any authority on the point, that in liquidation cases the question of discharge was left entirely to the creditors, and the court had no right to interfere. The motion, therefore, must be dismissed with costs.

DERBY COUNTY COURT.

July 8th.

(Before W. F. Woodforde, Esq., *Judge.)*

In re S. Trueman, of Cotmanhay.—Mr. Hextall, as agent for Mr. A. Parsons, of Nottingham, applied to his Honour to make absolute a restraining order against Joseph Carrier and John Woodward, who had sent in an execution under a judgment obtained in the Belper County Court. He said the action was commenced in November, to recover £22 13s. 5d. It was called on for hearing on the 11th of December, when by order of the Court it was referred to the arbitration of Mr. W. M. Ingle, the registrar. On January 16th, Trueman filed his petition, and in the list of creditors the names of the execution creditors appeared, and they had official notice of the proceedings. On the 4th of February the meeting was held, and the creditors then present resolved that the estate should be wound-up in liquidation, and appointed Mr. Charles Marshall, of St. James's-street, Nottingham, trustee. Carrier and Woodward were not present, neither were they represented. On the 10th of May the award was made in favour of the plaintiffs, and on the 17th June the debtor was surprised by the bailiffs entering into possession and seizing his furniture. Mr. Hextall said the debt was provable under the liquidation, and that the plaintiffs had been very hasty, if not guilty of a contempt of court, in proceeding as they had done. Mr. Briggs, who appeared for the plaintiffs, contended that as the judgment had been given since the completion of the liquidation proceedings, as the debtor had attended before the arbitrator, and had never intimated having gone into liquidation, this became a debt subsequent to the liquidation, and the execution creditors were entitled to their claim. His Honour said that the action commenced in November, which was before the filing of the petition, and therefore was a debt which should be proved. The restraining order must be made absolute, with costs, against Messrs. Carrier and Woodward.

MANCHESTER COUNTY COURT.

July 15.

(Before Mr. Registrar Kay.)

Re George Rideal.—An application was made to the court in this case by Mr. Best, solicitor, on behalf of several creditors who had proved debts against the estate of the debtor, Mr. George Rideal, an attorney practising at Manchester and at Congleton, under the firm of "Rideal and Shaw," for an order to enforce in a summary manner the provisions of a composition made by Mr. Rideal with his creditors in the month of November, 1874. Under former Bankruptcy and Arrangement Acts, no remedy was provided for creditors in the event of their debtor failing to perform his undertaking to pay a composition, and it frequently happened that the creditors who had been induced by the promise of a composition to leave an estate in their debtor's hands, found themselves ultimately left to the unsatisfactory proceeding of making the debtor bankrupt when it was found that the promised composition was not forthcoming, and that the debtor's estate had vanished. This state of things was altered by the 126th section of the Bankruptcy Act, 1869, which enables creditors seeking to obtain payment of a composition to apply to the court in a summary and inexpensive way for an order to enforce such payment, with an alternative of imprisonment for contempt in case of non-performance by the debtor. In the present case Mr. Best stated that a composition of 7s. 6d. in the pound had been offered by the debtor to his creditors and accepted by them, payable by instalments, two of which instalments had fallen due, and, the debtor having neglected to pay the same, his creditors now sought to enforce the composition by obtaining an order for payment thereof, and for the debtor's committal in case of his disobeying such order. The Court, upon these facts, made the desired order for payment of the instalments, together with costs of the application, within seven days.

CREDITORS' MEETINGS.

S. C. Abraham (Aberdare).—The first general meeting herein was held at the office of Simons and Plews, solicitors, Merthyr Tydvil, on Wednesday, the 14th inst.; Mr. E. T. Peirson, public accountant, of Coventry, was voted to the chair. The debtor offered 2s. 6d. in the pound, which was not, however, accepted, as it was the wish of the creditors to contest a certain bill of sale, and also to investigate the transactions with debtor's brother, and to make inquiries as to the marriage settlement. Liquidation by arrangement was resolved upon, with Mr. Edward Thomas Peirson, public accountant, Coventry, as trustee, and a committee of inspection.

A. & M. Zimmerman.—At the statutory meeting of the creditors of Messrs. A. and M. Zimmerman, whose failure was announced on the 4th ult., the statement of affairs showed liabilities £49,773, against assets £21,004. It was resolved to liquidate by arrangement, Mr. W. Edwards being appointed trustee, with a committee of inspection.

L. Stewart.—A meeting was held on the 15th inst. of the creditors of Mr. Lewis Stewart, in the East India trade, when a balance sheet, prepared by Messrs. Harding, Whinney, and Co., the accountants, showed liabilities amounting to £32,821, against assets worth £11,368. It was agreed to accept a composition of 5s. in the pound, payable by instalments extending over twelve months.

R. Benson & Co.—At a meeting of creditors of Messrs. Robert Benson and Co., American merchants, the liabilities were stated at £133,000, and assets at £48,000. It was decided to adjourn till the 4th of August, when a full statement of the affairs of the firm will be submitted.

Glover & Co. (Bradford).—A meeting of the creditors of Messrs. J. & J. Glover and Co., worsted spinners, Newlands Mills, Bradford, was held on the 14th inst. The liabilities are estimated at £8,228, and the assets at £2,812. A composition of 7s. 6d. in the pound, payable in two instalments, was offered and accepted, and Mr. Buckley was appointed trustee.

H. George (Yarmouth).—A first meeting of creditors under the bankruptcy of Henry George, of Great Yarmouth, twine spinner and smack owner, was held at the office of the registrar of the county court, Great Yarmouth, on July 19th, when Mr. Lovewell Blake, of Hall-quay-chambers, Great Yarmouth, public accountant, was elected trustee. Messrs. Worship and Rising are solicitors in the proceedings.

T. Syms (Manchester).—A meeting of the creditors of Mr. Thomas Syms, Manchester, hotel proprietor, was held on the 18th inst. The statement of affairs submitted showed liabilities £7712 15s. 8d.; and assets, subject to realisation, £2263 4s. 2d. After a long discussion, it was resolved to wind-up the estate in bankruptcy.

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RAINBOW, HOLBERTON & CO.—At a meeting of the creditors of Messrs. Rainbow, Holberton, and Co., of 15A St. Helen's place, a statement of affairs prepared by Messrs. Turquand, Youngs, and Co., showed the total debts to be £61,515, with assets £6,336. The liabilities on account of A. Collie and Co. amounted to £53,170. Resolutions were passed to liquidate the estate by arrangement, and Mr. John Weise, of 16 Token-house-yard, E.C., was appointed trustee, with Messrs. Phelps and Sedgwick as solicitors to the estate.

R. DAVIES (LIVERPOOL).—At the statutory meeting of the creditors of Mr. Richard Davies, of 288 Park-road, Liverpool, grocer and provision merchant, held on Wednesday last, at the offices of Messrs. Barrell and Rodway, solicitors, Liverpool, liquidation by arrangement was unanimously resolved upon, and Mr. T. Theodore Rogers, public accountant, Liverpool, was appointed the trustee.

S. A. GERAIRGIAN (MANCHESTER).—A meeting of the creditors of Stephen Agoss Gerairgian, commission agent, Water-street, Liverpool, and Cooper-street, Manchester, has been held in the lattter city, and the offer by the debtor of a composition of a shilling in the pound was accepted.

FOTHERGILL, HANKEY, & CO.—A meeting has been held of the creditors of Messrs. Fothergill, Hankey, and Co., of the Plymouth and Aberdare Iron Works. The liabilities were stated at £867,892, and the available assets, after deducting rents, &c., at only £69,000. The works are nominally valued as a going concern at £1,315,600, charged with mortgages and an annuity amounting to £317,000. The meeting was adjourned for a month in order to allow certain negotiations to be carried out.

FAILURES.

ENGLAND.—Messrs. Lambert Brothers, and Scott, coal merchants, of Lower Thames-street and Gracechurch-street, stopped payment on Thursday, the 15th instant, with liabilities estimated at £200,000. A favourable liquidation is expected. The books are in the hands of Messrs. J. J. Saffery and Co., Old Jewry Chambers.—The suspension is announced of Messrs. Heald, Mathwin, and Co., shipbrokers, of Billiter-street, and Constantinople. The liabilities are believed to be considerable, and the cause of failure, losses sustained in shipping and coal. The books are in the hands of Messrs. J. J. Saffery and Co., of Old Jewry Chambers.—Messrs. Jos. Heald and Co., of Newcastle, one of the best-known and oldest established firms of merchants and shipbrokers in Newcastle, have suspended payment. It is stated that the principal cause of this is the stoppage of Messrs. Lambert Brothers, and Scott, shipowners, colliery owners, &c., of London, Messrs. Heald and Co. being creditors to the extent of £20,000. Messrs. Heald and Co. carried on a very extensive business not only in Newcastle, but in London and on the continent. The liabilities are estimated at from £40,000 to £60,000.

SCOTLAND.—Messrs. Paton Cook and Co., manufacturers, 85 Queen-street, Glasgow, and at Glengarrock, Ayrshire, have suspended payment. The liabilities of the firm are estimated at £60,000.

AMERICA.—American advices report the failure of Messrs. Tyler, Frost, and Co., wholesale grocers, New Haven, Conn., with liabilities of £40,000; and of Messrs. W. H. Bradley and Co., carriage manufacturers, liabilities, £45,000.—New York advices report the failure of the South Carolina Bank and Trust Company. The State deposits are about £40,000. —Messrs. Osgood and Lord, Athol, Mass., in the dry goods trade, had suspended; liabilities heavy.—Canadian advices report the failure of Messrs. M. Francis and Sons, wholesale shoe merchants, St. John, N.B., with liabilities close on £20,000; they offer 50 per cent. Messrs. E. D. Jewett and Co. had submitted a statement showing their total liabilities to amount to about £214,000, with assets estimated at £327,000. It is expected that they will shortly resume business.—The liabilities of Mr. John Armstrong are put down at £20,000.—The liabilities of Coates and Co., auctioneers, Toronto, are £30,000.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Mr. J. C. Bolton (Bolton and Son), of 26 Great St. Helen's, E.C., has been appointed trustee of the estate of William H. Miller, of 159 Highbury New Park, export wine merchant.

John Pattinson, of the firm of Harry Brett, Milford, Pattinson & Co., of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed trustee of the estate of John Lees Armit, of 19 Belgrave-road, Abbey-road, in the county of Middlesex, gentleman, a bankrupt. Mr. W. J. Foster, of 21 Birchin-lane, is solicitor to the trustee.

John Pattinson, of the firm of Harry Brett, Milford, Pattinson & Co., of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed trustee of the estate of Edward Radcliffe, of 31 Place de la Madeleine, in the Republic of France, and late of 2 Howard-street, Strand, in the county of Middlesex, of no trade or occupation, a bankrupt. Mr. H. M. Sydney, of 9 Upper John street, Golden-square, is solicitor to the trustee.

Messrs. Alexander and William Collie, merchants, of London and Manchester, who recently failed with liabilities estimated at three millions sterling, have been charged at the Guildhall with having obtained upwards of £200,000 from the London and Westminster Bank by false pretences. It is alleged that the defendants circulated from £1,500,000 to £1,750,000 worth of bills as trade bills, when, in fact, they were only accommodation bills, and that by discounting some of these the bank lost between £200,000 and £300,000. After the opening statement the case was adjourned. The Court consented to accept heavy bail; but as the prosecution was not satisfied with the sureties offered the defendants were removed in custody.

THE FRIENDLY SOCIETIES BILL.—At a meeting of the Congress of Friendly Societies at Storey's-gate, on Monday, the members discussed the amendments of Lord Aberdare. They objected especially to that relating to the insurance of children. They have circulated statistics among the members of both Houses to show that the mortality among children insured under three years of age was far below what it was in other parts of the country where these insurances did not exist. They object to Lord Aberdare's amendment, that the auditors to be appointed by the Societies should be approved by the registrars of Friendly Societies, and they state that this was contrary to the opinion not only of the Chancellor of the Exchequer, but of the members of the House of Commons generally, who considered it unwise to interfere more than was necessary with societies numbering about 8,000,000 members, with an invested capital of about £11,000,000; and they consider that there are no grounds for interference with the general arrangements of the societies. They intend strenuously to oppose the Lords' amendments.

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LATE ADVERTISEMENTS.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

In the matter of Proceedings for Liquidation by arrangement or composition with creditors, instituted by JACOB HIBBERD, of No. 2 and 3 Hales Terrace, Haverstock Hill, and Wychcombe, Haverstock Hill, both in the County of Middlesex, Builder and Publican.

EDMUND CHARLES CHATTERLEY, of Old Jewry, in the City of London, Public Accountant, has been appointed Trustee of the property of the Debtor, in the room and place of Thomas Maynard, removed from his office of Trustee by resolution of Creditors. All persons having in their possession any of the effects of the Debtor must deliver them to the Trustee, and all debts due to the Debtor must be paid to the Trustee. Creditors who have not yet proved their debts, must forward their proofs of debts to the Trustee.

Dated this 16th day of July, 1875.

C. H. KEENE,
Registrar.

A. HINDSON MILLER,
Solicitor,
35 King Street, Cheapside, E.C.

ACCOUNTANT'S Chief Clerk.—A thoroughly experienced and well-educated Gentleman, possessing energy, ability, and tact, is open to an engagement. Married, aged 33. Speaks several languages. Unexceptionable credentials. Can introducel business.—"Auditor," care of Mr. Alfred W. Gee, Advertising Agent, 62 Gracechurch Street, E.C.

PARTNERSHIP.—The Third Share of a retiring partner in a firm of Public Accountants may be treated for. Capital required, about £500.—"Alpha," care of Mr. Alfred W. Gee, Advertising Agent, 62 Gracechurch Street, E.C.

RESTAURANT,
13 OXFORD STREET,
Near the corner of Tottenham-court-road.

Known as the BODEGA, now under the new management of Mr. L. BOECKER, late of 13 Idol-lane, City.

Luncheons from the joints, hot or cold, including vegetables and bread, 1s. 3d

Dinners from 12 till 4 o'clock, from the joint, with soup or fish, vegetables, cheese and bread, 2s.

Dinners from 6 till 9 o'clock, from 2s. 6d. to 10s. 6d.

Private Dining Rooms for large and small parties on the Second Floor.

LOVEWELL BLAKE, PUBLIC ACCOUNTANT, RECEIVER, AND TRUSTEE IN BANKRUPTCY.

SECRETARY TO THE GREAT YARMOUTH TRADERS' ASSOCIATION.

OFFICES: HALL QUAY CHAMBERS, GREAT YARMOUTH.

J. F. TITCHMARSH, PUBLIC ACCOUNTANT AND AUDITOR.
17 PRINCESS STREET, IPSWICH.

RECEIVER AND TRUSTEE IN BANKRUPTCY AND LIQUIDATION.

MONEY to LEND to BORROWERS residing in town or Country, from £50 upwards, repayable in one sum, from one to five years, at five per cent. interest on personal security; also on mortgage of freehold or leasehold property from 3 per cent., for a term of years to be agreed upon. No commission.
Apply to R. F. PRESTON, Esq., 120 Southampton-row, London, W.C.

THE BIRKBECK BUILDING SOCIETY'S ANNUAL RECEIPTS EXCEED THREE MILLIONS.

HOW TO PURCHASE A HOUSE FOR TWO GUINEAS PER MONTH. With immediate Possession and no Rent to pay.—Apply at the Office of the BIRKBECK BUILDING SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO PURCHASE A PLOT OF LAND FOR FIVE SHILLINGS PER MONTH.
With Immediate Possession, either for Building or Gardening purposes.—Apply at the Office of the BIRKBECK FREEHOLD LAND SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO INVEST YOUR MONEY WITH SAFETY AT £4 PER CENT. INTEREST.
Apply at the Office of the BIRKBECK BANK. All sums under £50 repayable upon demand. Current Accounts opened similar to ordinary Bankers. Cheque-books supplied. English and Foreign Stocks and Shares purchased and sold, and Advances made thereon.
Office Hours from 10 till 4; on Mondays from 10 till 9, and on Saturdays from 10 till 12 o'clock.

A Pamphlet containing full particulars may be obtained post-free on application.

FRANCIS RAVENSCROFT, Manager.

THE METROPOLITAN AND PROVINCIAL LAND, ESTATE, HOUSE, LICENSED VICTUALLERS' & GENERAL BUSINESS TRANSFER "SYNDICATE" AGENCY.

Registered according to Act of Parliament, Head Offices, No. 3 Craven-street, Charing Cross, W.C. The organisation and working system of the "Syndicate" are;—1st.—The Sale, as Auctioneers, or Agents, Ground of Rents, Freehold and Leasehold Land, Farms, Estates, Houses, Hotels, Public Houses, Inns, Beer Houses, Restaurants, Coffee Houses, Tobacconists, Drapers, and every other description of Business, Furniture, Objects of Art, or Goods of any description by Auction or Private Contract. 2nd.—The letting, or disposing of, as Auctioneers, or Agents, Land, Farms, Estates, Furnished, or Unfurnished Houses Chambers, or Offices under private contract. 3rd.—The Collection of Rents and the recovery of outstanding accounts. 4th.—The Surveys and Valuations of Land, Farms, Estates, and Houses; also Valuations of Furniture, Jewellery, and other Effects, for probate and other purposes. 5th.—The transaction of all other business usually transacted by Auctioneers, Surveyors, Land, House, Estate and Insurance Agenst. 6th.—The negociations of partnerships, and from unlimited connection with capitalists, monetary advances on real and personal securities, as well as merchandize, and every other description of property intended for absolute sale, or otherwise. 7th. Generally the carrying out of all things incidental or conducive to the above objects, and every of them; also the laying out of estates and surveys for delapidations, The "Syndicate" from their extended connection with the Trades' Protection Societies and other sources, undertake expeditiously for Clients and others to ascertain reliably the status of parties, and make inquiries of a private and confidential character. Liberal terms to Accountants in town or country introducing business.

RUPTURES—BY ROYAL LETTERS PATENT.

WHITE'S MOC-MAIN LEVER TRUSS is allowed by upwards of 500 Medical Men to be the most effective invention in the curative treatment of Hernia. The use of a steel spring, so hurtful in its effects, is here avoided, a soft bandage being worn round the body, while the requisite resisting power is supplied by the MOC-MAIN PAD and PATENT LEVER, fitting with so much ease and closeness that it cannot be detected and may be worn during sleep. A descriptive circular may be had, and the Truss (which cannot fail to fit), forwarded by post, on the circumference of the body two inches below the hips being sent to the manufacturer, Mr. JOHN WHITE, 228, Piccadilly, London. Price of a single Truss, 16s., 21s., 26s. 6d, 31s. 6d, Postage Free. Double Truss, 31s. 6d., 42s., and 52s. 6d. Postage free. An Umbilical Truss, 42s., and 52s. 6d. Postage free. P.O.O. to be made payable to JOHN WHITE, Post-office, Piccadilly.

NEW PATENT ELASTIC STOCKINGS, KNEE CAPS, &c. for Varicose Veins, and all cases of Weakness and Swelling of the Legs, Sprains, &c. They are porous, light in texture, and inexpensive, and are drawn on like an ordinary stocking. Price from 4s. 6d., 7s, 6d., 10s, to 16s. each. Postage free.

CHEST EXPANDING BRACES, for both sexes. For gentlemen they are a substitute for the ordinary braces. For children they are invaluable; they prevent stooping and preserve the symmetry of the chest. Prices for children, 5s. 6d. and 7s. 6d. Adults, 10s. 6d., 15s. 6d., and 21s. each. Postage free.—JOHN WHITE, Manufacturer, 228 Piccadilly, London.

EPPS'S COCOA.—"By a thorough knowledge of the natural laws which govern operations of digestion and nutrition, and by a careful application of the fine properties of well-selected cocoa, Mr. Epps has provided our breakfast tables with a delicately flavoured beverage which may save us many heavy doctors' bills. It is by the judicious use of such articles of diet that a constitution may be gradually built up until strong enough to resist every tendency to disease. Hundreds of subtle maladies are floating around us ready to attack wherever there is a weak point. We may escape many a fatal shaft by keeping ourselves well fortified with pure blood and a properly nourished frame."—See article in the *Civil Service Gazette.*

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THE WARRINGTON BOTTLING

AND

AERATED WATER COMPANY, LIMITED.

Incorporated under the Companies Acts, 1862 and 1867, whereby the liability of each shareholder is limited to the amount of the Shares held by him.

CAPITAL :—£10,000, in 10,000 Shares of £1 each, with power to Increase.

Payable as follows :—5s. per Share on Application, 5s. per Share on Allotment, and the remainder as required, provided that 21 days' notice at least be given of each call.

DIRECTORS.

Mr. Henry Walker, Fowler Height, Blackburn.

Mr. Moses Walker, Warrington.

Mr. Joseph Entwistle (Grosvenor, Entwistle, and Co.), 88 Portland-street, Manchester.

Mr. William Walker, Greetland, near Halifax.

Mr. John Shaw, Chapel Town, Bolton.

MANAGING DIRECTOR.

Mr. Moses Walker.

BANKERS.

The Lancashire and Yorkshire Bank, Limited.
Manchester and its Warrington and other Branches.

SECRETARY.

Mr. John Cook Hubbert, Accountant, Cairo-street Chambers, Warrington.

AUDITORS.

Messrs. Sutton and Harding, 23 Brown-street, Manchester.

OFFICES.

The Bottling Works, High-street, School Brow, Warrington.

The Company has been formed for the purpose of acquiring the Bottling Business carried on by Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, at Warrington, in the County of Lancaster, with the buildings and land upon which the said business is carried on, and for the purpose of adding to the business the Manufacturing and Bottling of Aerated Waters, in addition to the Bottling of Beer, Porter, Cider, Perry, or other Liquors or Waters, and dealing therein in the ordinary way of Trade.

The buildings are of modern erection, and very suitable for the business.

The premises contain an area of 2,380 square yards, and are held for the residue of a term of 999 years from the 25th March, 1867, subject to a yearly ground rent of £12 8s. and the lessees' covenants affecting the same. A provisional agreement dated the 21st day of June, 1875, has been entered into between Mr. Moses Walker, as the owner of the leasehold premises of the first part, Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, as the owners of the business, goodwill, plant, and stock-in-trade, of the second part, and John Cook Hubbert as a Trustee for and on behalf of the Company of the third part, whereby Mr. Moses Walker agrees to sell to the Company the leasehold premises for the sum of £1,500, which is to be paid to him in cash. Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, agree to sell to the Company the goodwill of the business for the sum of £300, which is to be paid to Messrs. Henry Walker, Moses Walker, William Walker, and John Shaw, in equal shares, and is to be taken by them in Three Hundred £1 shares in the Company, which are to be deemed fully paid-up shares, and the plant and stock-in-trade at the amount of a valuation thereof, to be made by two valuers, one to be named by the said Henry Walker, Moses Walker, William Walker, and John Shaw, and the other by the Company, or an umpire to be named by such two valuers, and which amount is to be paid in cash.

Messrs. Henry Walker, Moses Walker, Joseph Entwistle, William Walker, and John Shaw, will be the first Directors, and Mr. Moses Walker, under whose management the business has hitherto been principally conducted, will continue the management thereof, as Managing Director, for a period of two years certain, at the annual salary of £208 exclusive of travelling or other expenses incurred in or about the Company's business, and also exclusive of any remuneration which may be voted to him as one of the Board of Directors by the Shareholders.

The sale of Bottled Beer, Ale, Porter, and Aerated Waters, has for some years steadily increased, and there is every prospect that the Company will do a large business, and that with careful management a large dividend may be realised. It is not anticipated that more than 15s. per share will be at any time called up.

Copies of the Memorandum and Articles of Association, and of the provisional Agreement of the 21st day of June, 1875, may be seen at the Offices of the Company.

Prospectuses and Forms of Application for Shares may be obtained at the offices of the Company, or from their Bankers or Secretary.

For Forms of Application apply at the Offices as above.

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THE CARDINHAM VALE SILVER LEAD MINING COMPANY, LIMITED.

Incorporated under "The Companies Acts, 1862 and 1867," by which the Liability of Members is limited to the amount of their Shares.

The above is entirely unlike the ordinary Mining Investments offered to the public, inasmuch as there will be no loss of time in searching for Lodes and exploring the Setts, the Mine being taken as a going concern, with valuable deposits of Ore laid open requiring only suitable machinery to make it marketable. It is believed that there is no Mine that can be worked cheaper than the Cardinham Vale, no steam machinery will be required to develop the Mine, as there is an ample supply of water at all seasons of the year available for working the machinery necessary for its development, and crushing and preparing the Ores for market. The Proprietor of the property has agreed to take nine-tenths of his interest in Shares, a proof of his estimate of the value of the Mines, and the profits to be derived therefrom.

CAPITAL:—£30,000, in 6,000 Shares of £5 each.

Deposit 5s. per Share on Application, and 5s. on Allotment, and remainder in sums not exceeding 2s. 6d. per Share at intervals of not less than three months if required. To meet the wishes of those Investors who prefer paying in full, the Directors will issue fully paid-up Shares not exceeding one-half of the Capital now offered for subscription, such Shares will have priority in the Allotment, and will be issued at a discount of 5 per cent.

DIRECTORS.

J. R. MACARTHUR, Esq., 30 John-street, Bedford-row, W.C. (Chairman).

THOMAS HAZLEDINE, Esq., The Haughs, Upton-on-Severn.

ROBERT GODDARD, Esq., Wimbledon, Surrey.

G. BENETOFSKI, Esq., Campden-hill, Kensington.

RICHARD HOSKEN, Esq., Penryn, Cornwall.

J. H. JAMES, Esq., C.E. (Managing Director), Grampound-road, Cornwall.

RESIDENT AGENT.

CAPTAIN JAMES BRAY.

SOLICITORS.

Messrs. TOWNLEY & GARD, 2 Gresham-buildings, London, E.C.

BANKERS.

Messrs. GLYN, MILLS, CURRIE, & Co., 67 Lombard-st., E.C.
Messrs. TWEEDY, WILLIAMS, & Co., Truro, Cornwall.

AUDITOR.

JOHN M. HENDERSON, Esq., 72 Basinghall-street, London, E.C.

SECRETARY.

WILLIAM SHARP, Esq.

OFFICES.

CORNHILL CHAMBERS, 62 Cornhill, London.

PROSPECTUS.

This Company has been formed for the purpose of acquiring, working, and effectually developing the "Cardinham Vale" Silver Lead Mines, a valuable property, situated in the Parish of Cardinham, in the County of Cornwall, and about four miles from the Bodmin-road Station on the Cornwall Railway.

The Sett is very extensive, comprising an area of upwards of 180 *Acres, and has the great advantage of a permanent Stream Water* for the working of the Mines, *crushing and dressing the Ores, &c.*

The property is held on lease for 21 years from 29th September, 1871, at a minimum rent of £20 per annum, and a royalty of one-fifteenth; the rent, however, merges in the royalties when they exceed that amount.

There are several Lodes intersecting the Sett, in one of which an Adit level has been driven for a distance of upwards of 120 fathoms, and two Winzes sunk therein to the depth of 15 feet each.

This Lode is about 4 feet wide, and in geological appearance *is thought not to be surpassed by the best of our British Dividend Lead Mines at the same stage* of operation.

To afford evidence of the great results realised by British Lead Mining, when properly conducted, a tabular statement of a few Mines is subjoined, from the Reports contained in different Mining Papers.

DIVIDENDS PAID BY BRITISH LEAD MINING COMPANIES.

NAME.	OUTLAY.	DIVIDENDS.	NAME.	OUTLAY.	DIVIDENDS.
Cargoll	17,470	16,112	Lisburne	7,500	225,800
East Rose	6,400	370,000	Minerva	45,000	573,750
East Darren	9,600	70,000	Roman Gravels	90,000	49,000
Foxdale	70,000	226,000	South Darren	19,870	6,750
Great Laxey	60,000	257,000	Tankerville	7,200	40,800
Green Hurth	1,920	10,240	Van	63,500	191,625
Goginan	90,000	290,000	West Chiverton	31,500	147,500
Herodsfoot	8,700	63,744			

The yield of Ore which is obtained from the Mine is of a superior quality. It is more than usually rich in *Silver*, which fact further appears by the following results of an analysis thereof made by John W. Perkins, Esq., Dr. Ph., F.C.S.

"LEAD EQUAL TO 6CWT. TO THE TON OF LODE STUFF."
"SILVER 40oz. 16DWT. 16GRS. TO THE TON OF ORE."

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Winzes are being sunk on the course of a Lode which produces Ore of the richest quality in remunerative quantities, and as depth is attained the yield increases, which facts are confirmed in the accompanying Reports. The purchase-money for the entire Property is fixed at £10,000, the Vendor's confidence in the undertaking being such that he has consented to take £9,000 of the purchase-money in paid-up Shares, and £1,000 in cash.

A contract has been entered into between Charles William Baylis, of Worcester, of the one part, and William Sharp, on behalf of the Company, of the other part, dated the 19th day of May, 1875, which can be seen at the offices of the solicitors of the Company.

The Directors have instructed Captain Bray to give every facility to intending Investors for inspecting this Property, that they may satisfy themselves of its very great present value and future prospects.

ADVANTAGES OF THE MINE.—WATER-POWER, CARRIAGE.

There is *an ample supply* of water at all seasons of the year for working the most powerful *machinery necessary* for *the development* of the *mines, crushing and dressing the Ores.*

It is believed to be *impossible for any Mine to be worked cheaper than the Cardinham Vale.*

No Steam Machinery, therefore, will be required to develop this Mine. This is at all times a matter of great importance; but in the present state of the coal trade and labour market, the value of water as a motive power cannot be over-estimated; in fact the saving of cost of coal alone would pay a good dividend on the capital of the Company. The Mine is also situated most favourably for the carriage of Ores and materials, being within a short distance from the Railway Station.

Owing to a great demand for Lead, and the exceptional character of the property, the Directors believe they are placing before the public a safe and valuable investment, one that in a short period will declare large Dividends. They recommend a careful perusal of the accompanying Reports.

Applications for Shares should be made on the accompanying Form, which must be forwarded, together with a deposit of 5s. per Share, to the Bankers of the Company, or to the Secretary, at the Offices of the Company, where Prospectuses and Forms of application may be obtained, and specimens of the Ore be seen, together with copies of the Reports and Documents referred to in this Prospectus.

REPORTS.

REPORT OF CAPTAIN HARRIS.

I have carefully examined the Cardinham Vale Silver Lead Mine Sett, and find several large and masterly Lodes crossing it, which present a beautiful appearance.

The Main Lode runs about 30in. East of North and West of South; on this Lode an Adit Level has been driven for about 120 fathoms, it commenced and continued in Silver Lead. Two Winzes have also been sunk therein in valuable deposits of Ore. I did not see the bottom of the Winzes, the water being quick would not admit of my doing so, but I am told there is a Lode in the Winzes about 4 feet wide, which contain about 1 ton of Silver Lead per fathom, and from indications of the Ore that came from the Winzes I think it must be correct; the Lode here shows a decided improvement in going down. The Lode standing in the back of the Adit contains sufficient Ore to let on tribute, and I am informed men have offered to work it at 10s. in the £.

There is ample water to work the Machinery necessary for a practical development, and it is my opinion that by the erection of such Machinery a paying Mine would be opened up at once. I therefore urge that a water wheel of say 34 feet diameter, and 6 or 8 feet abreast, be erected at once to pump out the water, and thereby lay open the deposits of Ore at a deeper level.

H. B. HARRIS.

Camborne, Cornwall,
November, 1874.

REPORT OF CAPTAIN BRAY.

The Sett, which is very extensive, is situated in the parish of Cardinham, in the County of Cornwall.

An Adit has been driven North in the course of the Lodes about 130 fathoms, and two Winzes sunk about 3 fathoms each where the Lode is about 4 feet wide, containing large blocks of Silver Lead, and in the outside Winze there is a leader of pure Silver Lead several inches wide lying against the foot wall of the Lode, but the water in the Winze is too much to keep out. I had great difficulty to get at the bottom of the Winze, but I managed to send up several cwts. of the Ore, which is of a beautiful nature, it being imbedded in friable spar.

The Lode throughout the Adit presents a most beautiful appearance, and in many places is nearly 4 feet wide, containing Lead in paying quantities; men in fact have offered to work it at 10s. in the £, which speaks for itself; and should the yield increase in the next 10 fathoms sinking as it is going down in the Winzes, the output will be such as to place the Mine on a par with our best Dividend Mines.

A permanent stream of water runs close to the Adit, of sufficient power to work water-wheels, and the Mine is in every way situated for the most economical working.

JAMES BRAY.

West End, Bodmin, Cornwall.
March, 1875.

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SUBSCRIPTIONS ARE INVITED FOR 5,000 SHARES IN

THE BUFFALO HIDE HORSESHOE COMPANY, LIMITED.

Registered under the Companies' Acts, 1862 and 1867.

CAPITAL £60,000, IN 12,000 £5 SHARES FULLY PAID UP.

£1 on Application, the remainder on Allotment.

DIRECTORS.

JOSEPH JAMES SMITH, Esq., Barrister-at-Law, Manchester.
WILLIAM BIRCH COOPER, Esq., Durham Massey, Cheshire.
GEORGE HILL, Esq., Coal Merchant, Navigation Wharf, Manchester.
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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 34.] SATURDAY, JULY 31, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF STAFFORDSHIRE, HOLDEN AT WALSALL.

A DIVIDEND is intended to be declared in the matter of BENJAMIN GILES BLOOMER, of Pilsall and Walsall, both in the County of Stafford, Consulting Engineer, &c, adjudicated a Bankrupt on the 17th day of February, 1875.

Creditors who have not proved their debts by the 21st day of August, 1875, will be excluded.

Dated this 24th day of July, 1875.

EDWIN WIGNALL,
Trustee.
27 Colmore Row, Birmingham,
Public Accountant.

DISSOLUTION OF PARTNERSHIP.

NOTICE OF REMOVAL.

39 BROAD-STREET, BRISTOL,
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THOMAS A. WELTON, SECRETARY.

30 Moorgate-street, E.C., 23rd July, 1875.

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The Accountant.

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TO ADVERTISERS.

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The Accountant.

JULY 31, 1875.

Those, otherwise estimable members of society, who object to too close an investigation into their business transactions, will read with malignant joy the report of a case, of which we give a report, in which Mr. Perry, the well-known proprietor of the *Gazette*, was mulcted in heavy damages for having failed to give adequate information to one of his subscribers. Every one knows the terrible establishment in which human frailty is so carefully recorded, where the clerks move quietly about, ever and anon whispering such sentences as "not to be trusted," "nothing known to his discredit," or handing to the inquirer slips of paper filled with gloomy records of bankruptcy or failure. That such an institution as this should be prosperous, is a sad commentary on our boasted prosperity. There have, we believe, been many cases of individual hardship arising through its action, and more than one novelist has described the piteous condition of a distressed hero who has had recourse to a bill of sale, and, unfortunately dealing for the necessaries of life with tradesmen who belong to the *clientèle* of Mr. Perry, has suffered a corresponding diminution of credit, and gradually sunk into the uttermost misery. But on the general principle that what is worth doing at all is worth doing well, it must be admitted that the accuracy of the information furnished is most essential to its utility; and it is difficult to imagine which is in the worse plight, owing to his reliance on false confidences, the trader who might have done business with a firm and who has not, owing to unpleasant reports as to its solvency, or the trader who has been over-confiding, and thus lost his money. In the present instance proper inquiries do not seem to have been made. A "retired bookseller," for the insignificant fee of six postage stamps, seeks information firstly from the clerk of certain "eminent" timber merchants, and secondly of a gentleman who, it seems, combines, somewhat peculiarly, the functions of a "glazier and butler." Possibly a less apparently parsimonious way of doing business might have proved more remunerative; for Mr. Perry's fate greatly confirms the truth of the adage "Penny wise and pound foolish," and leads to the belief that such cheap information is not worth much. But the story certainly opens up glimpses of a strange and novel state of society. The condition of a bookseller who, having retired from business, enjoys the friendship of a butler, and a timber merchant's clerk, and is yet willing to undertake confidential inquiries for six postage stamps, is as remarkable as the disinterestedness of his friends, who apparently charged nothing for their information.

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The Anglo-Bengalee Company derived much profit from charging two guineas to every client for inquiries, and keeping a man at a pound a week to make them. But it is certainly much more remunerative to charge a subscriber three guineas a year for sixpennyworth of information. Possibly the "retired bookseller" would do well to follow the example of the happily defunct tribe of "tipsters," and exercise his powers of investigation for the benefit of his fellow-creatures in consideration of postage stamps, making known this desire through the medium of the public press. The case reads a useful lesson to all concerned.

The case of *Ex parte* Wear—*re* Lindsay, as reported, seems plainly in accordance with the Act. A bill of sale executed nearly four months before the filing of a petition for liquidation is out of the wording of the 92nd section, even if we do not take the law as recently laid down by the highest authority, and hold that fraudulent preference must be fraudulent to the knowledge of the favoured creditor. It must be noticed, too, that to somewhat complicate the decision of a Court on this point, the conveyance or assignment must be a spontaneous act. If the debtor is influenced by pressure, there is no fraudulent preference. It is difficult to draw the line, but we agree in this instance with the decision of the Chief Judge. A transaction is to be protected after three months, and even in the case of fraud can scarcely be opened unless some very strong case is shown for so doing.

THE SOCIETY OF ACCOUNTANTS IN ENGLAND.—The monthly meeting of the Council of the Society of Accountants in England was held on Wednesday, at the offices of the society, 2 Cowper's-court, Cornhill; present Messrs. John Bath (V.P., in the chair), J. H. Tilly, F. Nicholls, E. N. Harper, and Alfred C. Harper (secretary). Mr. B. B. Rowlands, Severn-square, Newtown; Mr. George J. Knight, 17 Dickinson-street, Manchester, and 24 Bridge-street, Runcorn; Mr. James R. Grant, Bank of Scotland, Aberdeen, were admitted as Associates of the Society. Mr. Herbert E. Harper, 2 Cowper's-court, Cornhill, was admitted as a Student of the Society. A discussion followed upon the small allowance to Accountants when subpœnaed as witnesses, and the Council invite suggestions from all accountants on this matter; communications to be addressed to the secretary.

Correspondence.

To the Editor of the Accountant.

DEAR SIR,—A great divergence of opinion appears to exist whether or not a liquidating debtor can demand his discharge, provided his estate has paid a dividend of 10s. in the pound. The Bankruptcy Act is certainly not very clear upon this point. Sec. 125, par. 9, says:—"The provisions of this Act with respect to the close of the bankruptcy, discharge of the bankrupt, &c. &c. shall *not* apply in the case of a debtor whose affairs are under liquidation by arrangement," but makes no mention about a debtor being entitled to his discharge under *any* circumstances. I cannot think the framers of the Act ever intended to place a liquidating debtor in a worse position than a bankrupt, but if no proviso exists; it unquestionably does so, by rendering it possible for any creditor, who bears a malicious feeling towards the debtor, to prevent the granting of the discharge, by resolution, by hunting up proxies, as it is well-known that as a rule creditors will not personally attend meetings convened for such purposes, hence such a person would have almost entire control over it.

Perhaps some of your numerous readers will express their opinions upon this.

I am, Sir,
Yours truly,
ALPHA.

July 22nd, 1875.

COURT OF APPEAL IN CHANCERY.

July 27.

(*Before the* LORDS JUSTICES.)

IN RE THE EUROPEAN ASSURANCE SOCIETY'S ARBITRATION.—Mr. J. Napier Higgins, Q.C., applied to the Court for an order that five appeals from decisions of the arbitrator in this matter with regard to questions of "novation" might be set down, and he also asked that two of them might be heard before the Long Vacation. Lord Justice James said that if the Legislature chose to take a whole Session in passing an Act, that was no reason why this Court should be asked to hear the cases now. He thought that as there had been so much difference of opinion with regard to the question of novation, the appeals ought to be heard by the Full Court. Indeed, his Lordship added, the Bill as approved by him when he was arbitrator so provided. Mr. Higgins pointed out that the Act as ultimately passed only required that the Court should consist of at least two Judges. He also urged the very great importance of the cases. Lord Justice James still thought that the cases ought to be heard by the Full Court, and desired that the matter should be mentioned to the Lord Chancellor. If he was willing to sit before the Vacation, the Lords Justices would be ready to sit with him on any day he might appoint. Lord Justice Mellish added that if the Lord Chancellor thought that the Lords Justices should sit alone to hear those appeals, they would do so. Leave was then given to set down the appeals, and the matter is to be mentioned again after application has been made to the Lord Chancellor.

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COURT OF CHANCERY.

July 22.

(*Before the* LORDS JUSTICES *of Appeal.*)

EX PARTE PRICE—IN RE LANKESTER.—This was an appeal from a decision of Mr. Registrar Spring-Rice as Chief Judge in Bankruptcy. The question involved is one of considerable importance in the winding-up of insurance companies. Dr. Lankester, the late coroner for Middlesex, was the holder of four policies on his own life in the European Assurance Society, for sums amounting altogether to £1,049. In November, 1865, he borrowed £140 from the society on the security of the policies. In March, 1872, he filed a liquidation petition, and on the 1st of May, 1872, his creditors agreed to accept a composition, and appointed a trustee, who was to receive his whole income and to apply a certain part of it in paying the debts of the creditors rateably. On the 12th of January, 1872, the European Society was ordered to be wound up, and its affairs were afterwards referred to arbitration by a special Act of Parliament passed in July, 1872. Under the arbitration proceedings Dr. Lankester's policies were valued at £446 8s., and dividends amounting to £66 19s. have been declared on this sum, being at the rate of 3s. in the pound. Dr. Lankester died last year, and his estate will be able to pay a dividend of 10s. in the pound. The liquidators of the European sought to prove against Dr. Lankester's estate under the composition arrangement for £140 and interest, and the trustee claimed a right to set off against this demand the £446 8s. at which the policies have been valued. The Registrar allowed this set off, and the liquidators appealed. Mr. De Gex, Q.C., and Mr. John Linklater were heard on behalf of the appellants. Mr. Winslow, Q.C., and Mr. Finlay Knight, in support of the Registrar's decision, relied upon the mutual credit clause, sec. 39, of the Bankruptcy Act, 1869; sec. 95 of the Companies Act, 1862; and the case of "Ex parte Cooper" ("Law Reports," 2 Chan. App., 578). Lord Justice James said that there was no right of set-off under the Winding-up Act, except that which would be allowed in the ordinary case of an action at law. No set off could be allowed in the winding-up as against Dr. Lankester's estate, and there could be no set-off in its favour in the Court of Bankruptcy. Under sec. 39 of the Bankruptcy Act an account would have to be taken of what was due from the one party to the other in respect of mutual debts or dealings. But, in truth, nothing ever became due upon the policies. A value was, indeed, put upon the policies in the winding-up, and dividends were declared upon that value; but that could not have the effect of creating a debt due upon the policy which did not exist before. Each party must therefore prove against the other for what was due to him, and when the amount of dividend on each side was ascertained, the sums so ascertained could be set-off against each other. Lord Justice Mellish was of the same opinion. If the company had not been wound-up it was quite clear that there could have been no set-off, for in that case there would have been in no sense a debt due upon the policy. All that the trustee could have done would have been to sell the policy, or to surrender it for its value. Did, then, the winding-up make any difference? Of course, the full nominal amount of the policy could not be set-off; that would be absurd. And the value put on it was not a sum due upon it. It was merely a value assessed for the purpose of regulating the proof in the winding-up. There could be no right of set-off.

July 23.

(*Before the* LORDS JUSTICES *of Appeal.*)

IN RE THE CITY AND COUNTY BANK.—This case, which was before their Lordships on the 25th of June upon appeal from an order made by Vice-Chancellor Bacon on the 28th of May, for the compulsory winding-up of this company, was then directed to stand over in order that the company should have the opportunity of calling a meeting of the shareholders, for the purpose of taking the opinion of the shareholders as to the advisability of a voluntary winding-up. It appeared that no less than four petitions had been presented for winding-up the company, the insolvency of which was hardly in dispute —two at the Rolls, one before Vice-Chancellor Malins, and one before Vice-Chancellor Bacon. In consequence of the closing of the courts on Saturday, the 29th of May, on which day the birthday of Her Majesty was officially celebrated, the petition before Vice-Chancellor Bacon came on to be heard before those which had been presented in the other branches of the court. The winding-up order was strenuously opposed on that occasion on the ground of the smallness of the petitioner's interest—ten £5 shares—in the company, want of proper advertisement of the petition, and more especially the pendency of a beneficial arrangement with the firm of Brown, Jansen, & Co., the principal creditors, whereby they agreed to discharge all the debts and liabilities of the company on having the assets transferred to them and the affairs of the company placed under voluntary liquidation. Notwithstanding these various grounds of objection, Vice-Chancellor Bacon, on the 28th of May, made the usual compulsory order for winding-up. An appeal from this order was at once presented, and their lordships, on the 25th of June, being of opinion that the arrangement with Brown, Jansen, and Co. was a beneficial one, discharged the Vice-Chancellor's order, and directed the petition to stand over, with liberty to the directors to summon a general meeting. A meeting was accordingly held on the 16th ult., at the Cannon-street Hotel, at which resolutions were passed for winding-up voluntarily, for confirming the agreement between the bank and Brown, Jansen, and Co. for payment by that firm of the debts and liabilities of the bank, and for a transfer to them of the assets of the bank, and authorising the liquidator under the voluntary winding-up to carry out and complete the arrangement. The matter was again brought before their lordships, and after considerable discussion, in which Mr. Kay, Q.C., Mr. H. M. Jackson, Q.C., Mr. Roxburgh, Q.C., Mr. Waller, Q.C., Mr. Swanston, Q.C., Mr. Little, Q.C., Mr. Graham Hastings, Q.C., Mr. E. Cutler, Mr. Romer, Mr. E. C. Willis, Mr. Dauney, Mr. E. Chitty, Mr. W. Latham, and Mr. Whitehorne took part, Lord Justice James said he was of opinion that the proper thing to do was to make no order upon all these petitions, after the undertaking which had been given on behalf of Messrs. Brown, Jansen, and Co. by their counsel, to pay all the debts, &c. of the bank, whether included in the schedule to the agreement or not, upon the consent of the directors that this variation of the agreement should not prejudice their liability under the guarantee. What was the position of affairs? It was beyond dispute that the bank had become insolvent, or at least could not pay its debts. In this state of things, Brown, Jansen, and Co., by far the largest creditors of the bank, had come forward and made this arrangement with the directors and shareholders. Being in effect in possession of the assets of the bank, they undertook to pay all other creditors but themselves, looking to the assets for their own repayment. This arrangement was really an enormous advantage for every shareholder and every creditor. The creditors would all be paid, and the shareholders would be released from the exigency of a winding-up order. It was in every respect a proper agreement, and manifestly for the benefit of all parties interested, and there would be no difficulty in the way of carrying it out forthwith. There could be no necessity for making an order for winding-up voluntarily under supervision of the Court. Incalculable litigation might be the result of such an order, and in the event of any creditor not receiving payment, it would be at once open to him to apply to the court for a supervision order, notwithstanding what had occurred. But further litigation ought not to be encouraged simply because of the possible risk that the undertaking might not be carried out. There would be no order upon the petition (for winding-up), except to adopt the undertaking given on behalf

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of Messrs. Brown, Jansen, and Co.; and having regard to the small amount of interest, and their not being satisfied that the petitions had been presented *bona fide*, or with any other object than to intercept the proposed arrangement, there would be no order as to cost as to any of the petitions. His lordship's ruling as to costs elicited a perfect storm of protest from the counsel on behalf of the several petitioners. Mr. Roxburgh, Q.C, Mr. Kay, Q.C., and others pointed out that the winding-up petitions, so far from being designed to intercept the arrangement with Brown, Janson, and Co., were all presented before that arrangement was either made or in contemplation; that no notice of the arrangement was given to the petitioners; that the agreement itself provided for payment of the costs of the petitioners; and that in the case of creditors, if they had issued writs for the amount of their debts, they could not have been deprived of their costs. In the result their Lordships gave the petitioners their costs—and set of costs to the contributories and one to the creditors, both here and in the Court of Vice-Chancellor Bacon, and no separate costs to the committee of investigation (appearing by Mr. Jackson, Q.C., and Mr. E. Cutler).

July 29.

(*Before the* LORDS JUSTICES *of* APPEAL.)

EX PARTE COKER—IN RE BLAKE.—This was an appeal from a decision of Mr. Registrar Roche, acting as Chief Judge in Bankruptcy. In October, 1871, Mr. E. H. W. Swete, a medical practitioner at Leamington, entered into an agreement with Mr. R. H. Blake, who had been for some years practising at Leamington as a physician and surgeon, to purchase a share of his business, and to carry it on in partnership with him. Swete paid a premium of £1,500 for a half share of the business. Differences afterwards arose between the parties, and in August, 1873, Mr. Swete filed a bill in Chancery, by which he alleged that he had been induced to enter into the partnership agreement by the fraudulent misrepresentations of Mr. Blake, and prayed that the agreement might be cancelled; that the defendant might be ordered to repay the £1,500 with interest; and that an account might be taken of all moneys received and paid by the plaintiff under the agreement; and that the defendant might be ordered to make good to the plaintiff what should appear to be due to him. The defendant put in an answer denying the truth of the charges made against him. Before the suit came to a hearing the defendant filed a liquidation petition, under which Mr. Frederick Coker was appointed trustee of his property. In January last an order was made to revive the suit against him. On the 15th of June the trustee applied to the Court of Bankruptcy for an order to restrain the plaintiff from taking any further proceedings in the suit. The Registrar refused the application, and the trustee appealed. By his notice of appeal he only asked that the proceedings in the suit might be restrained as against him. Mr. Romer, for the appellant, argued that the debtor's interest was now entirely vested in the trustee, and that the suit was, in truth, merely a money demand, which could be more properly dealt with in the Court of Bankruptcy. Mr. O. L. Clare, for the plaintiff in the suit, urged that, as the claim made by the suit was in respect of a debt contracted by fraud, the proceedings in the liquidation would not discharge the debtor from it. The plaintiff was, therefore, still entitled to enforce his right against the debtor personally, and the suit ought to go on for that purpose. The trustee would be a mere formal, but still a necessary, party. Mr. Romer replied. Lord Justice James said that, having regard to the nature of the suit, in which, if the plaintiff succeeded, he would be entitled to a personal remedy against the debtor, the Registrar's order was right. The trustee need not defend the suit. He need do nothing at all, but leave it to the debtor to fight it. Whatever amount might be found to be due to the plaintiff, of course, he would be entitled to prove for it in the liquidation, and the debtor would also remain personally liable for it. The appeal must be dismissed, with costs. Lord Justice Mellish was of the same opinion. He thought that the Court of Bankruptcy ought not to restrain the proceedings in any suit or action against a bankrupt or liquidating debtor in any case where the bankruptcy or liquidation would not be a bar to the claim made in the suit or action. If, as was the case here, the bankrupt or debtor would remain personally liable, nothwithstanding his discharge in the bankruptcy or liquidation, then the proceedings ought not to be restrained.

IN RE THE CARIBBEAN COMPANY, LIMITED.—CRICKMER'S CASE.—This was an appeal from a decision of Vice-Chancellor Malins. The company was formed in February, 1871. The memorandum stated the objects of the company to be the working of guano and phosphate deposits in the islands of the Caribbean Sea. The capital was to be £25,000, in 2,500 shares of £10 each. The sixth clause of the articles of association provided that "the sum of £10 per share on 2,500 original shares in the company shall be considered as fully paid-up." The memorandum of association was signed by seven persons for one share each; the remaining 2,493 shares were allotted to a Mr. Edward Oliver, as fully paid-up, "in consideration of his procuring an assignment to the company of some concessions of deposits of guano in the Islands in the Caribbean Sea, in accordance with the agreement between Oliver and a Mr. J. E. Carmichael." This arrangement or agreement was not registered with the Registrar of Joint-Stock Companies, and the only notice to the public of the shares being allotted as fully paid-up was by means of the sixth clause of the articles of association. A number of Oliver's shares were afterwards transferred to Mr. John Ebenezer Crickmer, a stockbroker, who took the shares, as the Court held upon the evidence, with full notice of all the circumstances. The company having been ordered to be wound-up, the question arose whether Mr. Crickmer was liable, as a contributory, to pay the full amount of £10 per share. The Vice-Chancellor decided that he was so liable. Mr. Crickmer appealed. Mr. Waller, Q.C., and Mr. Bunting, for the appellant, argued that by means of the registration of the memorandum and articles of association, there had been a sufficient registration of "a contract duly made in writing," that the shares should be deemed to be fully paid-up, so as to satisfy the requirements of section 25 of the Companies Act, 1867. Mr. Higgins, Q.C., and Mr. Grosvenor Woods, for the official liquidator, were not called on. Lord Justice James said that the appeal was a perfectly idle one. The registration of articles inconsistent with the memorandum of association was not the registration of a contract in writing within the meaning of Section 25. The contract ought to show what shares were issued as fully paid, and for what consideration. Lord Justice Mellish was entirely of the same opinion. The meaning of the articles was rather obscure, but it seemed to him that the directors had power to make presents of all the shares. The meaning of the Act of Parliament was that the contract, by virtue of which the shares were to be issued as fully paid-up—that is, a contract between the company and some person external to the company—was the contract which was to be registered. It did not mean a mere agreement between the shareholders that the shares should be issued as fully paid-up. The appeal must be dismissed with costs.

BANKRUPTCY BUSINESS.—Lord Justice James announced that there will be another sitting of this Court in Bankruptcy on Thursday next, the 5th of August. Their Lordships, he said, intend, if possible, to dispose of all the bankrupt appeals before the Long Vacation. At this time of the year parties were in the habit of presenting appeals simply for the purpose of delay, and their Lordships will endeavour to defeat that object.

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ROLLS' COURT, CHANCERY-LANE.

July 22.

(*Before the* MASTER *of the* ROLLS.)

IN RE BLAEN CÆLAN COMPANY (LIMITED)—RHODES'S CASE.—The question in this case was whether Mr. Rhodes was liable to contribute in respect of 65 shares in the above-named company, which is being wound-up by the Court. The circumstances of the case were peculiar. The company was formed to buy the property of another company which was being wound-up voluntarily, and Mr. Rhodes, as a member of the latter company, had the right, of which he declined to avail himself, to an allotment of paid-up shares of the Blaen Cælan Company as his share of the purchase-money. The managing director of the Blaen Cælan Company, however, in exercise, as he deposed in Court, of his general authority to act for the company, registered 65 shares in the name of Mr. Rhodes as paid-up shares, and sent to him the certificate, in which he was described as the registered proprietor. Mr. Rhodes, presumably, believing that no liability attached to shares which were described as paid-up, did not return the certificate to the company's office, but retained it in his own possession; and the winding-up order having been made, the liquidator applied to place Mr. Rhodes's name on the list of contributories for the shares in question as shares on which nothing had been paid, on the ground that he was the registered proprietor of the shares, and no agreement that they should be payable otherwise than in cash had been filed with the Registrar of Joint-Stock Companies before they were issued, as proved to be the case. The Master of the Rolls said it was a hard case, but the register was conclusive. Mr. Rhodes knew that his name was on the register, and had not applied to have the register rectified before the winding-up order. No doubt he did not do so because he thought the shares were paid-up, but the law said they were not paid-up; consequently, he must be placed on the list of contributories for the full amount of the shares. I suppose, his Honour added, the time will arrive when laymen will learn to leave these shares in limited companies alone.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

July 23.

(*Before Vice-Chancellor* SIR C. HALL).

IN RE THE INTERNATIONAL PULP AND PAPER COMPANY (LIMITED).—This was a creditor's petition for winding-up the company. Mr. Dickinson, Q.C., and Mr. F. C. J. Millar appeared for the petitioner; Mr. Warington for another creditor; Mr. Macnaghten for shareholders; Mr. Caldecott for the company. The Vice-Chancellor made the usual compulsory order, but directed that it should not be drawn up if the petitioner's debt were paid within ten days.

IN RE THE COMMON ROAD CONVEYANCE COMPANY (LIMITED).—The company was formed in December, 1870, and in 1871 obtained, under the Tramways Act, 1870, a provisional order from the Board of Trade for the construction of a tramway from Watford to London. In accordance with the Act, and under the rules of the Board of Trade, the company deposited in Court a sum of £1,939 10s. 5d. The company failed to construct their tramway, and on the 26th of February last was ordered to be wound up, and a liquidator was appointed. A petition was now presented by the liquidator for the transfer out of Court to him of the fund representing the deposit, as being part of the assets of the company properly payable to him. Mr. Davey, Q.C., and Mr. Crossley, for the petitioner, referred to the Board of Trade rule 26, under the Tramways Act, 1870, which provides that in case of the failure of the promoters of a railway to complete their undertaking, the deposit fund shall, after satisfaction of compensation to road authorities, be either forfeited to the Crown or, "in the discretion of the Court, if the promoters are a company, and such company is insolvent or has been ordered to be wound-up, shall wholly or in part be paid or transferred to the liquidator or liquidators of the company, or be otherwise applied as part of the assets of the company, for the benefit of the reditors thereof." Mr. Dickinson, Q.C., and Mr. Hanson, for parties who had advanced the the sum deposited by the company, submitted that the money, if paid to the liquidator, should be treated as applicable to the payment of their debt. Mr. Rigby, for the Attorney-General, submitted that it had not been satisfactorily proved that any debts remained due from the company, and that this money if paid out might in reality go to the promoters of the company, through whose reckless mismanagement the company had been ruined, and that such destination of the money was contrary to the intention of the Board of Trade rule, which was to discourage reckless speculation. The Vice-Chancellor said that the rule vested a discretion in the Court to order payment of the deposit to the liquidator. Whether that discretion was exercised or not, it was clear that the debt of Mr. Dickinson's clients was a debt which he could not treat as being of such a nature that he ought not to make the order asked for. From the materials before him there was every reason to believe that there were other claims beside this which should be provided for. The money must therefore be paid out.

July 26.

(*Before Vice-Chancellor* SIR R. MALINS.)

IN RE THE SOUTH WALES ATLANTIC STEAMSHIP COMPANY.—This was a petition for the winding-up of the company, which was formed in January, 1871, for the purpose of establishing a regular line of steamships between Cardiff and other parts of South Wales and New York and other American ports. The capital was to be £108,000, in 256 equal shares of £425 each, and the shares subscribed for, amounting to £83,000, were all fully paid-up. The company, amongst the promoters of which were the Marquis of Bute, Sir William Armstrong, and Mr. Talbot, M.P., was unsuccessful, and the petition for winding-up was presented by a firm of solicitors at Cardiff, who were also the solicitors of Lord Bute, their claim against the company amounting to £477. Mr. Glasse, Q.C., and Mr. Grosvenor Woods, appeared for the petitioners; and Mr. W. Pearson, Q.C., and Mr. B. B. Rogers, on the part of contributories, opposed on the ground that as the company consisted of more than twenty members and was unregistered the court had no jurisdiction. Mr. H. Davey, Q.C., on behalf of the committee of management of the company, supported the petition, and stated that a large majority of contributories and the Clydesdale Bank, who were the largest creditors, desired that a winding-up order should be made. The Vice-Chancellor said most unquestionably an illegal company could not be wound-up at the instance of its own members, and he held that those who dealt with such a concern had thrown upon them the burden of ascertaining whether it was or was not legally constituted. The petitioners in this case were parties to the formation of the company, and he could not entertain a doubt that on that account an order to wind-up the company could not be made upon their petition. It was impossible for those who had been guilty of an illegal act to invoke the assistance of an Act of Parliament which declared their conduct to be illegal; and therefore, though with much regret, he felt constrained to dismiss the petition with costs.

July 27.

(*Before Vice-Chancellor* SIR R. MALINS.)

IN RE THE BRENTWOOD BRICK AND COAL COMPANY, LIMITED.—In this matter a petition was presented by a creditor of the company praying for an order to wind it up compulsorily.—Mr.

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J. Napier Higgins, Q.C., and Mr. Chester were for the petitioner. Mr. Williamson, for the company, opposed the petition on the ground that the petitioner was not really a creditor of, but indebted to the company, and said that the company would prefer continuing a voluntary winding-up, which was now going on under the supervision of the Court. Mr. T. A. Roberts, Mr. Boome, and Mr. Lucas were for other parties. The Vice-Chancellor made an order to continue the voluntary winding-up under supervision, and referred it to Chambers to appoint an official liquidator in the place of a Mr. Mack, with liberty to Mr Mack to propose himself.

COURT OF BANKRUPTCY.

July 22.

(Before Mr. Registrar HAZLITT.)

IN RE ALFRED BOWES.—The bankrupt was a general merchant, carrying on business at Bermondsey and in the New Kent-road. His debts were returned at £22,745, with assets £6,692. At a meeting recently held under the 28th section of the Act, the creditors passed a resolution accepting a composition of 4s. in the pound, payable by three instalments extending over a period of eight months, with security; and the resolution provided for the annulment of the adjudication. Upon the application of the trustee, his Honour confirmed the resolution.

July 23.

(Before Sir J. BACON, *Chief Judge.)*

EX PARTE JONES—RE JONES.—This was an appeal from the Liverpool County Court, and involved a question of some nicety in regard to the rights of execution creditors in cases of composition. Mr. Little, Q.C., and Mr. Finlay Knight were counsel for the appellant; Mr. De Gex, Q.C., and Mr. F. O. Crump for the respondent. It appeared that on the 8th of May, Messrs. Sabel recovered a judgment against the debtor, a trader, for £55 10s., and on the 10th execution was issued upon the judgment and lodged with the sheriff. On the same day the debtor filed a petition for liquidation, and on the 13th execution was levied by the sheriff upon his goods. A receiver was then appointed, and an injunction obtained restraining further proceedings under the execution, and at the first meeting the creditors passed a resolution, which was afterwards confirmed, accepting a composition of 7s. 6d. in the pound, payable by instalments. The County Court afterwards made an order dissolving the injunction. The debtor appealed. His Lordship said that no doubt the Act of Parliament had given trouble in its interpretation, but there was one plain distinguishing feature—that liquidation and composition were totally distinct from each other. Liquidation gave the creditors the whole of the debtor's property, but in cases of composition the creditors took the means which the law afforded to enforce payment of that composition, and they had no recourse to the debtor's estate. The present case came to this—that, the goods being bound by the lodging of the writ, the creditors had chosen to accept a composition, and they now asked the execution creditors to give up the right which they had acquired. The other creditors looked to the debtor for payment, without reference to the property seized. The execution creditors, having lodged the writ, were entitled to the benefit of it. The order of the County Court was right, and the appeal must be dismissed.

(Before Mr. Registrar HAZLITT.)

IN RE JOHN RANKING AND CO.—The debtors, Messrs. Harvey Ranking and Augustus Ranking, merchants, trading at 11 St. Helen's place, as John Ranking and Co., have filed a petition for liquidation by arrangement. Their liabilities are estimated at £110,000, after deducting the value of the securities held by creditors, with assets, consisting of merchandise, book debts, and securities, and also of real estate in England and Egypt, and elsewhere, valued at £70,000. Mr. Baker (Lawrance and Co.) now asked that Mr. Robert Fletcher, accountant, should be appointed receiver and manager. It appeared that a preliminary meeting had been held, at which the creditors expressed a strong opinion that the assets should be forthwith placed under control. His Honour granted the application.

IN RE J. C. FOWLIE.—This was another heavy failure. The debtor, described as a merchant, of 18 Leadenhall-street, has filed a petition for liquidation, with liabilities amounting to £140,000, and assets, consisting of furniture, £1,100; cash-book debts and claims, £50,000 and upwards; and property in Ceylon estimated at £10,000. Mr. Lucas appeared for the debtor. Mr. Registrar Hazlitt refused an application for an interim injunction staying further proceedings under a debtor's summons issued at the suit of one of the creditors, it being contrary to the practice of the Court to interfere with any steps which creditors may take under section 7 of the Act.

July 26.

(Before MR. REGISTRAR HAZLITT.)

IN RE SIR WILLIAM RUSSELL, BART.—The bankrupt, whose affairs have frequently occupied the attention of the Court, was formerly one of the members of parliament for Norwich, and had carried on business as a general merchant at 3, Salters'-hall-court, Cannon-street. He was allowed, after some opposition, to pass his public examination on a statement of affairs disclosing debts to the amount of £64,781, assets £750.

(Before SIR J. BACON, *Chief Judge.)*

EX PARTE WEAR—RE LINDSAY.—This was an appeal from an order of the Newcastle County Court, and involved the validity of a bill of sale granted by Mr. Lindsay, a shipbuilder at Newcastle, to the appellant. Mr. Winslow, Q.C., and Mr. Bagley appeared in support of the appeal; Mr. Little, Q.C., and Mr. Doria for the trustee. The bankrupt, it appeared, had two shipbuilding yards, one at a place called Mushroom, and another at St. Peter's-on-Tyne. For some time previously to the stoppage, he had been in difficulties, and had made application to various persons for assistance, and, among others, to the appellant, an iron merchant. In the beginning of July, 1874, the bankrupt was indebted to the appellant in the sum of £600, and about the same time he was repairing two ships, the Gitana and the Clarissa, for the appellant. At that time the bankrupt applied to the appellant for an advance of £200 on account of the repairs of the ships, and the appellant gave him the money. On the 12th of July the bankrupt called upon the appellant and said he wanted £1,000 to meet certain liabilities then falling due, and at the same time promised that, if the appellant would make the advance, he would give him a bill of sale over his stock and plant as a shipbuilder, whenever the appellant required. Upon that promise the appellant advanced the money, and he afterwards lent other sums, making an aggregte of £1,593. On the 13th of August the appellant required the bankrupt to give him the security he had promised, and upon the faith of which he had made the advances, and thereupon solicitors were instructed to prepare a bill of sale over the bankrupt's stock and plant at St. Peter's, and the deed was duly executed and registered. On the 19th of August the appellant took possession of the property, and on the 10th of December the debtor filed a petition for liquidation, and he was afterwards adjudicated a bankrupt. The trustee claimed the property on the ground that the bill of sale constituted a fraudulent preference, and he alleged that the advances were really made on account of the repairs of the two vessels. The County Court decided that the bankrupt executed the bill of sale with a view to prefer the appellant over the other creditors, and declared that the deed was fraudulent and void against the trustee. Mr. Wear appealed. The case

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having been fully argued, his Lordship held that the execution of the bill of sale was, under the circumstances, a perfectly honest and straightforward transaction, and reversed the decision of the Court below.

EX PARTE STAFF—RE STAFF.—This was an appeal from an order of the Oxford County Court, refusing to register a resolution for a liquidation by arrangement. The debtor, Henry John Staff, a brewer, carrying on business at Oxford, had presented a petition under the 125th and 126th sections, and at the first meeting he produced a statement of affairs which showed debts amounting to £540 14s. 2d., and assets £52 8s. 2d. The creditors passed a resolution for liquidation by araangement and granted the debtor a discharge, but upon the matter being brought before the Registrar he declined to register the resolution, on the ground mainly that there were practically no assets for distribution. The debtor appealed. Mr. Finlay Knight appeared for the appellant; Mr. Smart for the respondent. His Lordship thought the machinery of the Court of Bankruptcy ought not to be employed in such a case. The resolution was an abuse of the process of the Court, and the Registrar was quite right in refusing to register it. The appeal must be dismissed.

July 27.

(*Before Mr. Registrar* HAZLITT, *sitting as Chief Judge*).

IN RE LAMBERT BROTHERS AND SCOTT.—Messrs. Francis Devereux Lambert, jun., and Richard John Lambert, shipowners and ship and insurance brokers, coal factors and merchants, carrying on business at 85 Gracechurch-street, the Coal Exchange, and Rochester, have filed a petition for liquidation. They trade under the style of Lambert Brothers and Scott, and they have also a business at Deptford jointly with Mr. Charles Hart, and at Port Said, Egypt, as the Port Said and Suez Coal Company. Their liabilities are returned at £380,000. a considerable portion of which is upon bills, and the amount likely to rank against the estate will not exceed £180,000, with assets, consisting of shares in ships and collieries, coals in store, book debts, and various other items, and comprising also property at Alexandra subject to liens, of the total estimated value of about £127,000. Mr. Finlay Knight, for the petitioners, and with the concurrence of creditors for £160,000, asked that Mr. Saffery, accountant, should be appointed receiver and manager of the property. It appeared that in consequence of the great extent and nature of the business, the debtors and the creditors desired the appointment to be made, as numerous contracts were pending which must either be abandoned or continued for the benfiet of the estate. His Honour granted the application.

July 29.

(*Before Mr. Registrar* BROUGHAM, *sitting as Chief Judge.*)

IN RE ALEXANDER AND WILLIAM COLLIE.—Mr. Hollams, jun., on behalf of Mr. John Young, the receiver and manager under this petition for liquidation, applied for leave to proceed to a sale of the mansion, 12 Kensington-park-gardens, recently occupied by Mr. Alexander Collie. The affidavits showed that the house was of a very exceptional character, and had been built by Sir Matthew Digby Wyatt. A meeting of creditors was held yesterday, when the proposed sale was discussed, and an adjournment was taken until Tuesday, so that an application might be made to this court for leave to proceed to a sale, as any delay would seriously affect the value of the property. Considerable expense had already been incurred in advertising the house and furniture. Mr. Registrar Brougham said the course adopted had been irregular. It was the duty of the receiver and manager to protect the property of the debtors in the interest of the creditors, but it was no part of his duty to realise it. The Court had no power, even in bankruptcy, to make an order for a sale unless the property was considered to be of a perishable nature. If the receiver and manager proceeded to a sale, he must do so on his own responsibility. Mr. Hollams—then your honour dismisses the application? Mr. Registrar Brougham—I make no order upon it.

IN RE H. A. AND G. RUDALL.—The debtors, Messrs. Henry Alexander Rudall and George Rudall, merchants, carrying on business in King William-street, under the firm of J. H. Rudall and Son, have filed a petition for liquidation, with liabilities estimated at £60,000, and assets about the same amount, subject to realisation. Upon the application of Mr. Brough, for the petitioners and creditors, his Honour appointed Mr. James Waddell, accountant, receiver and manager of the estate.

IN RE JOHN STRACHAN.—The debtor is an East India merchant, of the New City-chambers, Bishopsgate-street Within. Upon the application of Mr. Robertson Griffiths for the debtor and several creditors, his Honour appointed Mr. James Waddell, accountant, receiver under a petition for liquidation filed by the debtor. The debts in this case are estimated at £127,000, with assets, consisting principally of consignments, of which the value is not yet known.

PARLIAMENTARY INTELLIGENCE.

HOUSE OF COMMONS, JULY 26.

EUROPEAN ARBITRATION ACT.—Mr. Stacpoole wished to know whether Mr. Reilly, the Parliamentary draughtsmen, had been appointed Arbitrator under the European Arbitration Act, 1875; and if application was made to any ex-Chancellor, Judge, or any other person having the qualification required by the Arbitration Act, 1872, to accept the office before appointing Mr. Reilly; and, if so, to whom. The Attorney-General, in answer to the question of the hon. member, I have to state that Mr. Reilly has been appointed Arbitrator under the European Assurance Society Arbitration Act, 1875. I am unable to state whether application was made to any ex-Chancellor, Judge, or other person having the qualification required by the Act of 1872 to accept the office before Mr. Reilly was appointed. The power to appoint an arbitrator was placed by the Act of the present Session in the hands of the Lord Chancellor, who is alone responsible for the appointment he has made.

CHARGE OF FRAUDULENT BANKRUPTCY.

At the Worship-street Police Court Henry Webb, a china and earthenware dealer, of Brushfield-street, Spitalfields, appeared on his bail for further examination on a charge of having neglected to deliver up to trustees appointed under his bankruptcy all his property. Mr. Besley and Mr. Grain appeared for the prosecution, and Mr. Montague Williams defended. The evidence against the defendant, which has been taken at great length, showed that he had carried on business in Brushfield-street and High-street, Stoke Newington, until in September, 1874, he filed a petition under the Liquidating Debtors Act, 1869. The principal facts relied upon by the prosecution were admissions by the defendant in his examination before the Bankruptcy Court. In his petition he had put down "cash in hand" as *nil*, but subsequently, before the Court, admitted that he was possessed at the time of £50, which he had since spent in "bribing his creditors to accept a composition." At his first examination the defendant said he had surrendered to his trustees all his property, books, and papers, and had not, either then or at the time of filing his petition, any goods deposited any where or at any place except his business premises. Subsequently he admitted that after his bankruptcy he had sold goods to a man named Payne for £14, but had said nothing about it to his trustees, and having

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received the money, had spent it on himself and family. Also he admitted that after the receiver was appointed he, carrying on the business, and supposed to hand over all receipts to the person in possession, had received about £30 in cash, and had paid it away in settlement of some business matters. Further, that he had sold goods to a Mr. Boyden for over £9, and received the money, but had not accounted for it to the trustees. The defendant had in his statement set down that he had no accommodation bills out, but subsequently the Midland Banking Company put in a proof for £500, all upon bills accepted by the defendant, and principally drawn by a Mr. Bettamy, a china and glass dealer, of Stoke-upon-Trent, and himself in liquidation. After a lengthy hearing the prosecution asked for a further adjournment, to enable them to put in some formal papers, and a remand was taken, the defendant being admitted to bail as before.

SUMMER ASSIZES.

MIDLAND CIRCUIT, LINCOLN.

July 24.

LLOYD v. PERRY.—This was a peculiar action, and was brought by the plaintiff, who is a timber merchant at Great Grimsby, against the proprietor of the *Weekly Bankrupt Gazette* for not supplying information in pursuance of his promise contained in a prospectus or advertisement in the *Gazette*. Mr. Digby Seymour, Q.C., and Mr. Lawrence were for the plaintiff; Mr. Waddy, Q.C., and Mr. Wilberforce for the defendant. The plaintiff sent a check for three guineas to the defendant in consequence of a conversation with Mr. Revill, the defendant's agent, who produced the advertisement. Among other things, the advertisement stated that the defendant supplied "every species of information calculated to protect merchants," and also supplied "important confidential information." The plaintiff wrote to the defendant to make inquiries about Edward Cotterill and Co., timber merchants, Derby, and Mr. Revill wrote to the defendant to ask him to make inquiries of Messrs. Roe, eminent timber merchants at Derby. The plaintiff received for answer a document from the defendant headed "without responsibility or guarantee." The document stated—"E. C. and Co. are recently established. C. has been foreman to a builder, and the Co. are said to consist of several respectable and trustworthy people." The plaintiff had received an order from Cotterill for £421 worth of timber, and had supplied £28 worth, but hesitated to send more until inquiry. Upon the receipt of the above document the plaintiff supplied all the timber, and took Cotterill's bills for the amount. In January Cotterill's affairs came into liquidation, and subsequently he was sentenced to six months' imprisonment as a fraudulent bankrupt. His assets were £300, and his liabilities £2,000. There was no company nor any partner whatever, and Cotterill had not been foreman to a builder, but had been a working sawyer. The plaintiff had not applied to Messrs. Roe, of Derby. At the close of the plaintiff's case, Mr. Waddy, Q.C., took several objections upon the pleadings, and submitted there was no case. His lordship ruled that there was. The defendant's case was that there was no guarantee that the information was correct, that he did not say the firm consisted of several respectable persons, but only that it was "said to consist," and that the defendant had made inquiries and sent the best information in his power. Mr. Perry, the defendant, stated that his office received and answered as many as 200,000 inquiries in a year. He had received information from a Mr. Peile, a retired bookseller in Derby, in January, 1874, as to the position of Cotterill, and sent his letter to the plaintiff on the strength of that information, and did not inquire of Mr. Roe, according to his agent's (Mr. Revill's) advice. Mr. Peile had made inquiries in the middle of last year with respect to Cotterill and Co. on receipt of 6d. in postage stamps from the defendant. He inquired of a Mr. Ride, a clerk to Messrs. Sutton, who were lately eminent timber merchants in Derby, and of a glazier and butler, and who wrote to the defendant what the defendant afterwards communicated to the plaintiff. His lordship said it was clear that three guineas were paid by the subscribers not only for the paper called the *Gazette*, but also for the additional information to be supplied upon inquiry. The question for the jury was whether a contract was made that defendant would furnish to subscribers of three guineas important information, and did the defendant comply with that contract. If he did not, what were the damages? Then, apart from the question of contract, was the defendant guilty of negligence in the execution of the duty he had taken upon himself? The jury found that the contract had been made, that the information supplied was untrue, that there had been negligence, and found as damages £250.

COURT OF BANKRUPTCY, DUBLIN.

July 20th.

(Before the Hon. Judge MILLER.*)*

IN RE GEORGE MEARES.—Bankrupt was a wholesale stay maker on Crampton Quay. It will be remembered that bankrupt and his clerk, Alfred Francis O'Hely, were committed to prison for being concerned in a singular fraud practised on the court, in connection with the signing of certain documents. O'Hely was to-day brought up in custody for further examination. Mr. M. T. O'Brien, on behalf of O'Hely, said that his client had nothing to add to his depositions, that he was no party whatever to the personation, and that his wife and five children were now in the workhouse. Judge Miller said that O'Hely had lived next door to the bankrupt, in a house belonging to bankrupt's mother, and must have been well-acquainted with her appearance, and that he had made an affidavit stating that she was the party who signed the bills. Under these circumstances, it was idle for him to allege that he was not in collusion with the bankrupt, and if he had no further information to give, he should go back to prison, where he would keep him till he got at the bottom of the whole transaction.

RE JEREMIAH GERALD QUILLINAN.—Bankrupt was a trader in Cork. Mr. Carton, for the official assignee, opposed the passing of the final examination. Counsel stated that bankrupt had been only six months in the trade, during which time he purchased goods to the amount of £1675, which he sold subsequently for £1965, and yet alleged he had sustained a loss of £700. He submitted that the explanation was not satisfactory. Mr. Larkin, for bankrupt, contended that his client had made the fullest disclosure, and was, therefore, entitled to pass his final examination. Of course, the question of certificate would be for future consideration. Judge Miller said that under the present aspect of the case, he could not pass the final examination, and adjourned the sitting.

It is notified that the partnership heretofore subsisting between John Richardson, Charles Fletcher Richardson, and Charles Robinson Trevor, public accountants, of Manchester, under the style or firm of Richardsons and Trevor, has been by effluxion of time and mutual consent dissolved, as from the 24th day of June, 1875, and that the business will henceforth be carried on by Mr. Charles Robinson Trevor alone.

Mr. M. H. Chaytor, chairman of the Alliance Bank, speaking at the general meeting of shareholders, referred to the recent alleged frauds, and said that the directors had made up their minds to pass every guilty man through the Court of Bankruptcy. The plague-spot now resting upon the commercial community must be stamped out, and he was sure that the shareholders would approve of this being done.

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CREDITORS' MEETINGS.

A. COLLIE & Co.—A meeting of the creditors of this company was held on Wednesday afternoon at the City Terminus Hotel; Mr. Smith (Travers, Smith, and Co.) in the chair. The chairman in opening the proceedings called upon Mr. Young (Turquand, Young, and Co.) to read a statement with regard to the affairs of the Company. Circumstances, he added, had not been entirely favourable to the full examination of the accounts. Mr. Young submitted the following statement:—

Approximate Statement of the Affairs of Messrs. Alexander Collie and Co., of Manchester and London.—July 2, 1875.

To creditors unsecured			£90,027 7 2
To creditors' balances, subject to payment of their acceptances			1,274,292 5 0
To creditors partly secured:			
Claim		£42,788 8 0	
Security		22,248 2 10	
			20,540 5 2
To creditors fully secured:			
Security		197,386 3 11	
Claim		165,036 3 11	
Surplus to contra		32,350 0 0	
To creditors for rents, rates, and salaries			927 9 11
To liabilities per list			39,418 14 7
To liabilities on bills receivable:			
Drawn against consignments... £666,286 11 2		Estimated to rank £50,000 0 0	
Unsecured— £2,260,347 9 9			
Less Credit balances as above 1,274,292 5 0	986,055 4 4		
	£1,592,341 15 6	430,849 19 5	
		480,849 19 5	
Deduct cash and other securities in hands of holders of bills		16,270 10 11	
			461,579 8 6
Total estimated liabilities			£1,889,785 10 9
			Estimated to realise.
By cash at bankers and retained against bills discounted		£11,406 10 11	
By cash in hand			£1,148 16 3
By bills receivable in hand		15,295 18 10	7,500 0 0
By debtors, good			12,775 12 7
By stocks in warehouse, &c			48,607 18 3
By stocks and shares and sundry assets			30,510 0 0
By freehold premises, Aytoun-street, estimated surplus after payment of balance of purchase money			75,000 0 0
Separate Estates.			
By Alexander Collie, estimated surplus		£60,000 0 0	
By William Collie, estimated surplus		15,000 0 0	
			75,000 0 0
Estimated available assets			£250,542 7 1
By assets requiring time for realisation:			
Estimated surplus from creditors fully secured		32,350 0 0	
Bad debts, £223,198 0s. 3d. estimated to realise		10,000 0 0	
Sundries as per statement		71,000 0 0	
Carolina cotton warrants		38,500 0 0	
Ventures accounts, subject to adjustment Balance of the several accounts, £146,540 19s 4d.			
Judgment-recovered against the United States Government, subject to appeal, and subject to law charges and expenses, about £190,000 of which it is estimated will belong to the estate		100,000 0 0	
Further amounts to be recovered, estimated at		300,000 0 0	
		£551,850 0 0	

After some comments from Mr. Young, and others present, it was agreed to adjourn the meeting till Tuesday, and then to place the affairs in the Court of Bankruptcy.

J. W. SMITH (BINGLEY).—A meeting of the creditors of Mr. John Wilson Smith, commission woolcomber, of Bingley, was held on Saturday at the offices of Messrs. Rawson, George, and Wade, solicitors, Bradford. A statement of the debtor's affairs, prepared by Mr. Henry Dickin, the receiver, showed the total liabilities £10,872, and assets £962, and allowed to the joint creditors of Messrs. Jonas Foster and Co., £1,583. It was resolved to wind-up the estate in liquidation, Mr Dickin being appointed trustee. Mr. Smith received his discharge, the meeting expressing great sympathy with him.

HAY, INGRAM, AND CO.—At the adjourned meeting of the creditors of Messrs. Hay, Ingram, and Co., at the offices of Messrs. Lawrance, Plews, and Co., it was resolved to liquidate by arrangement, Mr. Waddell being appointed trustee, with a committee of creditors. The liabilities are £107,979 7s. 3d., with assets of £21,190 11s. 3d.

W. WILSON (HAWICK).—A statement of the affairs of Mr. Walter Wilson, Hawick, shows assets £44,355 16s. 1d.; liabilities, £47,843 4s. 7d.; claims which will not be paid in full by proper debtors, £31,429 17s. 8d.; total deficiency £34,917 6s. 2d. In this case it is believed an amicable arrangement will be arrived at and work continued.

LAING AND IRVINE (HAWICK).—A statement of the affairs of Messrs. Laing and Irvine, Hawick, shows liabilities (business) £99,685; ditto (adventures), £73,048; assets, £76,615. Total deficiency, £96,118. A composition of 7s. 6d. in the pound has been declined by a minority of the creditors, who persisted in the resolution to sequestrate the estate,

J. WILSON AND SON (HAWICK).—A statement of the affairs of Messrs. John Wilson and Son, Hawick, shows assets, £62,549 4s. 2d.; debts £65,918 10s. 10d.; claims which will not be paid in full by proper debtors, £32,923 5s. 9d.; total deficiency, £36,347 12s. 5d. It is believed that the offer of 12s. in the pound will be accepted by the creditors.

R. BENSON AND CO.—At a meeting of creditors of Messrs. Robert Benson and Co., American merchants, the liabilities were stated at £133,000 and assets at £48,000. It was decided to adjourn till the 4th of August, when a full statement of the affairs of the firm will be submitted.

C. DEW.—At an adjourned meeting of creditors held in this matter on the 21st inst., the debtors statement of affairs showed liabilities £1,200, assets £1,090 12s. 1d. It was resolved to liquidate the estate by arrangement, and Mr. Edmund Charles Chatterley (C. Browne, Stanley, and Co.), was appointed trustee.

J. P. WESTHEAD AND CO.—At a meeting of the creditors of Messrs. J. P. Westhead and Co. the liabilities were stated at £317,900, and assets at £301,727, apart from the private estates, valued at £90,100. An offer to pay in full, by instalments extending over twelve months, with 4 per cent. interest, was accepted. The business is to be continued by a company, with a capital of £400,000.

T. HAMPTON (SHEFFIELD).—A meeting was held at Sheffield on Wednesday of the creditors of Mr. Thomas Hampton, one of the founders, and until recently the managing director of the Phœnix Bessemer Company, which is in course of liquidation. The total liabilities were stated at a little over £20,000. The meeting resolved to liquidate the estate by arrangement, and Mr. Hampton was granted his discharge, and sympathy was expressed with him in the losses he had sustained.

PATON, COOK AND CO. (GLASGOW).—A meeting of the creditors of Messrs. Paton, Cook and Co., 85 Queen Street, was held on the 27th. An offer of 16s. 8d. in the pound was accepted, payable in 3, 6, 9 and 12 months, with security for last instalment.

A petition has been presented to the Court of Chancery for the winding up of Hester and Company, Limited, and the Cadogan Advance Company, Limited.

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FAILURES.

ENGLAND.—Messrs. Schulze and Mohr, a firm in the East Indian trade, suspended payment on the 24th instant, with liabilities estimated at about £300,000, most of which fall on Continental houses, but most of the creditors are said to be secured. The books have been placed in the hands of Messrs. Cooper Brothers and Co.—A petition was filed in the Huddersfield County Court on Friday, July 23rd, by Henry Roebuck, yarn spinner, of East-parade, Huddersfield, for the liquidation of his affairs with liabilities at £3,000. Messrs. Scholes and Son, of Newsbury, are the solicitors, and Mr. Wm. Schofield, accountant, Huddersfield, has been appointed the receiver.

BRITISH NORTH AMERICA.—Advices received lately from Halifax, N.S., announce the following failures, viz.:—Messrs. Robertson, M'Leod, and Co., wholesale dry goods merchants, with liabilities of £56,000. Mr. Samuel Sweet, with liabilities of £55,000, owing, it is said, to stagnation in the plaster trade. Messrs. Martin and Co., Mr. Robert Conroy, and Messrs. Raymond and Darkee, of Yarmouth, Halifax, also failed. Messrs. J. W. Warner and Son, bankers and brokers, Montreal, suspended.

AMERICA.—The failure of Messrs. Duncan, Sherman, and Co., of New York, was announced in England on Wednesday morning, the losses here are expected to be very small, the liabilities, which are estimated at from £1,000,000 to £1,200,000, being chiefly due to firms in the United States.

The *Allgemeine Zeitung* reports the failure of Herr Hyra, the proprietor of a number of steam mills and of considerable mining works in Bohemia. His liabilities amount to £150,000, against assets estimated at £206,800, and it is proposed to pay in full by instalments extending over three years.

CHARGE OF FRAUDULENT BANKRUPTCY.—Nicholas D. Corandrea, a Greek, but a naturalised British subject, who until recently carried on business in Manchester as a shipper, with a branch house in London, was charged at Manchester on the 26th, with having defrauded his creditors of £17,000 worth of property. In October last year the prisoner left England, and in January of this year he was made bankrupt. Previous to the bankruptcy it is said the prisoner was in the habit of sending goods to his brother at Constantinople. Last week he was apprehended in Paris. The case was adjourned.

Messrs. Alexander and William Collie again appeared at the Guildhall on Wednesday, on the charge of having obtained about £200,000 from the London and Westminster Bank by false pretences. Mr. Percy Sanderson, a member of a late firm of bill brokers, was the principal witness, and he was examined at considerable length by Sir Henry James, for the prosecution, respecting the bills of the defendants. The case was adjourned for a week.

THE EUROPEAN ASSURANCE ARBITRATION. — Mr. Francis Savage Reilly, barrister, has been appointed by the Lord Chancellor to be Arbitrator under the European Assurance Arbitration Act of the present year. Mr. Reilly is the son of the late Mr. James Miles Reilly, barrister, of Cloan-Eaven, Downshire, by the daughter of the first Viscount Bangor, and was born in 1828. He was educated at Trinity College, Dublin, and was called to the Bar at Lincoln's-inn in Easter Term, 1851, and he is an Equity draughtsman and conveyancer. He has acted as assessor in the Albert and European arbitrations, and has edited the reports of the decisions of Lords Westbury, Cairns and Romilly therein. Mr. Reilly has also had a large experience in Parliamentary draughting, especially of Government Bills, and he was a member of the Digest Commission, and of the Lord Chancellor's Committee for the Revision of the Statutes. He has also acted as referee for the Board of Trade under the Metropolitan Gas Company's Acts.—*Solicitor's Journal.*

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

The Master of the Rolls has appointed Mr. Frederick William Sperring, Public Accountant, 26 Philpot lane, Fenchurch-street, E.C., Provisional Liquidator of the Ballyclare Paper Mills (Ireland) Limited.

Mr. Henry T. Vivian, of the firm of Messrs. Haydon and Vivian, Public Accountants, 29 New City Chambers, 121 Bishopsgate-street within, has been appointed by the Lord Chancellor, Receiver of the Estate of Samuel Brent, of Rotherhithe.

Mr. Edward J. Barrett (of the firm of Barrett and Patey), Public Accountant, 90 London Wall, E.C., has been appointed Trustee of the Estate of Daniel Austin, builder, No. 1 Warlock-road, St. Peter's park, Paddington, in liquidation.

Mr. H. H. Patey (of the firm of Barrett and Patey), Public Accountant, 90 London Wall, E.C., has been appointed Trustee of the Estate of Charles Wilmott, stationer and bookseller, No. 34 Praed-street, Paddington, in liquidation.

Mr. J. J. Saffery (Messrs. J. J. Saffery and Company), of Old Jewry Chambers, has been appointed Receiver and Manager of the Estate of Messrs. Lambert Brothers, and Scott, of 85 Gracechurch-street, of the Coal Exchange, and of Rochester and Deptford, ship owners, ship and insurance brokers, coal merchants and factors, and also trading at Port Said, in Egypt, under the title of the Port Said and Suez Coal Company, who suspended payment on the 15th instant, with liabilities amounting to £380,000.

The Master of the Rolls has appointed Mr. J. Waddell liquidator of the British National Insurance Corporation, Limited.

Vice-Chancellor Malins has appointed Mr. Edward Gustavus Clarke (of Messrs. Barnard, Clarke, and Co.), provisional, official liquidator of the Ely Paper Company, Limited.

Vice-Chancellor Malins has made an order appointing Mr. Frederick Whinney (of the firm of Harding, Whinney and Co.) official liquidator of the Lisbon Steam Tramways Company, Limited.

BRADFORD BANKRUPTCY COURT.—At a sitting of the Bradford Bankruptcy Court on the 6th instant, before Mr. W. T. S. Daniel, Q.C., judge, two motions in connection with the liquidation of Thomas and William Hall, Victoria Mills, Eccleshill, were heard. The first motion was made on behalf of Wilkinson Hall, asking for an order directing the trustee in the estate of T. and W. Hall to reverse his decision and to compel him to admit a proof on the estate for the sum of £200, and the other was a cross motion on behalf of the trustee asking for an order directing Wilkinson Hall to refund the sum of £105 16s. 6d. to the trustee, being a sum of money paid to him by the debtors on the eve of their bankruptcy which was not due to him, and which payment was therefore a fraudulent preference and consequently void. Mr. Watson was for Wilkinson Hall, and Mr. Killick was for Mr. A. B. Kemp, the trustee. It appeared that until about two years ago Wilkinson Hall was a member of the firm. At that time a dissolution took place, and it was alleged on behalf of Wilkinson that the sum of £300 to which he was entitled was lent to the firm at 5 per cent. interest, and that certain sums had been paid to him on account of the debt. The £105 16s. 6d. which was paid on the 8th October, 1874, was part of this lent money.—His Honour, after examining the books of the firm, held that the case was one for a jury, and directed an issue accordingly, at the same time ordering that Wilkinson Hall should pay into court the sum of £50 to abide the event.

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Trading at a Loss.—An Indian merchant writes to the *Pall Mall Gazette* :—"I am the junior partner in an old-established firm of merchants trading with the East Indies, and in the days of old John Company Bahador—peace be with his ashes—our name was as well known and stood as high as it does at this moment. We have never pretended to rank among the chiefest magnates in the business, our capital is not reckoned by the million, nor, perhaps, would many hundred thousand fairly represent the money at our back; but we were steady through the black days of 1866, and even the Bombay panic, serious as it was, barely fluttered our pulses at home. We fancied we had detected premonitory symptoms of both catastrophes, and had strengthed ourselves in good time. In fact, we are an old-fashioned sort of people, consoling ourselves for that reproach by a secret flattering belief that in our moderate way we combine the straightforwardness and caution of the old school with the readiness of the new. At any rate, we prospered, some of our partners retired with a competence, but without weakening the concern; I myself brought in a fair amount of capital, and we gradually extended our operations. Well, it may be said, 'You've had bad times lately, you've lost money, like other people, and you'll be wiser next time.' But that's not quite it, either. To begin with, we haven't absolutely lost money; but I'm telling no secret when I say that for the past three years we have done very little more than pay our way, and that my income would have been larger if I had had my money in Consols, quite apart from any payment for my labour. I confess that what puzzled me a little was that while I was cutting down my expenses, seeing how narrow the margin of profit had become, and endeavouring to avoid all doubtful transactions, men, neither older nor better informed than myself in comparatively new firms were living at a rate that I could not begin to emulate. But what puzzled me still more was that although I knew by careful and personal examination that we traded as close both here and in India as any one, although our bills were always sought after, and, having some capital, we were in no hurry to realize, and could afford to be content with a moderate percentage, we were, nevertheless, constantly undersold at prices with which we could not pretend to compete except at a dead loss. I have positively known certain classes of goods consigned by houses here sold in Bombay at less than the wholesale price by contract in the city where they were manufactured—and this not as a single instance. There is no money to be made at that game unless it be other people's. Indeed, it required the greatest care on our part to avoid being ruined altogether by such systematic flooding of an already glutted market. When the end or the beginning of the end came, as it has come within the last few weeks, the whole thing became clear enough. These benefactors of their species who sold cheaper than anybody else could buy, sinking freight, interest, and commission, had really little or nothing at stake in the matter, and could well afford to sacrifice profits so long as they could 'float' their paper. More than one Board of Directors have found out by this time that the lucrative part of that business is not done by the banks, Indeed, if the four rules of arithmetic can be relied upon to give absolute results, they have not finished their lesson yet. Meantime, steady-going folk like ourselves have been the sufferers for the credulity of some of 'the ablest men of business in the city of London.' I can assure you, Sir, it is no satisfaction whatever to me for the bankrupt competition that I have had to undergo that the shareholders in joint-stock banks should be mulcted in a few millions, and have to make inroads on the fair proportions of their reserves, because thier managers would bolster up firms which they could easily have discovered were trading year after year at a heavy loss. I should only be very glad if on the next occasion they would keep their cash in their vaults. The mischief of the collapse, now that it has commenced, is that the extreme of confidence has been followed by an excess of distrust. The one is as bad as the other. How soon we shall return to a healthy state of things is more than any one can say.

A Doctor of Medicine's Debts.—At a meeting of the creditors of a doctor of medicine, held at the Cannon-street hotel, on Monday last, Mr. Sydney Smith, accountant, submitted a statement of affairs, showing liabilities £46,930 9s. 4d., assets £6844. The creditors resolved to liquidate by arrangement, and Mr. Sydney Smith was appointed trustee, with a committee of inspection.

The Committee on Public Accounts.—The Committee on Public Accounts in their second report express regret that their hope of being enabled to inform the House of a settlement of the questions respecting various irregularities in the Post Office and Telegraph services has only been in part realised. The report also dwells at some length on the questions at issue between the Irish Church Commissioners and the Comptroller and Auditor-General. The Committee are of opinion that it was an omission in the Irish Church Act that the Commissioners were not required to make reports to Parliament at stated intervals. Had this been done, the Committee think it is probable that the "misunderstandings and somewhat heated controversies which have unfortunately arisen between the Comptroller and Auditor-General and the Commission would have been in great part if not altogether obviated." The Committee examine in detail the chief points at issue between the Comptroller and Auditor-General and the Commission, and conclude by trusting that every care will be used to realise, at all events, the amount of surplus estimated by the Commissioners—viz. £5,180,000. They also hope that "if their recommendation of reports to be made by the Commissioners be adopted, a future report will, together with other important information which may be looked for, point out the reason of several compensations and heads of expenditure generally having proved in excess of the amounts anticipated by those most competent to form an opinion."

The European Assurance Arbitration.—On Monday the Royal assent was given to the Bill amending the European Assurance Society Arbitration Acts. Under the new Act Mr. F. S. Reilly, of Lincoln's-inn, barrister-at-law, has been appointed arbitrator in the place of Lord Justice James, who had accepted the office temporarily. We may now expect that the litigating part of the arbitration, which has been stayed for the past seven months, will again proceed. One of the chief provisions of the Act is to admit an appeal to the Court of Appeal in Chancery from any determination of the arbitrator. As originally brought in the Bill allowed an appeal from any of the decisions of the previous arbitrators; but this provision was amended in Committee, and is now limited in the following way :—"As regards any determination or order given or made before the passing of this Act, an Appeal shall not lie therefrom unless the arbitrator expressly certifies in writing that by reason of differences between previous decisions on matters of principle relating to cases of novation or of liability of contributories, it is desirable that an appeal be brought." It is to be observed that those who wish to appeal from any decision of Lord Westbury or Lord Romilly should be speedy in giving notice, as three weeks only are alllowed from the passing of the Act, unless the arbitrator is pleased to extend the time. With regard to future decisions, an appeal is not to "lie," except on a matter of principle, unless the arbitrator certifies that an appeal may properly be brought. With the exception as to appeals being allowed, the unlimited powers that are given to the arbitrator by the Act of 1872 are continued. It was originally proposed by the Bill to withdraw these powers, and direct the arbitrator to settle and determine matters in accordance with the legal and equitable rights of the litigants. But the Act, as passed, enacts that the Court of Appeal may have regard to the power and authority vested in the arbitrator by the Act of 1872 to settle matters "on such terms and in such manner in all respects, as he in his absolute and unfettered discretion thinks most fit, equitable, and expedient, and as fully and effectually as could be done by Act of Parliament."

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Touting Solicitors.—The following is from a legal contemporary:—A firm of solicitors in forwarding to us a circular letter, addressed by another firm of solicitors, to creditors of an insolvent client, observe as follows:—The system of touting for proxies and proofs in bankruptcy matters is becoming so serious, and is of itself so highly objectionable and improper, that we send you a copy of a circular sent to one of our clients, and which we trust you will copy in your next publication, and make such condemnatory observations as it seems to you just and proper. We trust that your powerful censure and the publicity given to the matter will be the means of checking a system that is unfair and unprofessional. The circular is in the following form:—"In consequence of several creditors having adopted legal proceedings against Mr. —— of this town, to recover accounts which he is unable to pay, he has, in order to obviate his estate being wound-up under a petition in bankruptcy which has been filed against him, been compelled to file a petition for liquidation of his affairs by arrangement or composition with his creditors. You will receive from us, through the court, a form to prove your debt, and of proxy to vote in the appointment of trustee at the first meeting of creditors, to be held on the —— which please have completed and return to us, with any bills of exchange given you by the debtor, with as little delay as possible. Should you not be able to attend personally, please to complete the proxy at the foot of your proof in the names of ——" (we feel strongly that here the words "your solicitors" should have appeared, but instead of this we find the names of the solicitors issuing the notice), "and we will represent you at the meeting." This is a matter to which we have on more than one occasion referred, and the more we deliberate upon it the more we appreciate the difficulties that present themselves. It cannot be objected that a solicitor commits a breach of etiquette if he, acting on the instruction of his client, threatened with bankruptcy, puts a liquidation petition on the file, and communicates with the creditors. The very nature of the business often requires that this should be done in the interests of the client, while professional usage imperatively requires that such a solicitor should (where he knows that a certain creditor is usually professionally represented by a certain other solicitor), send the notice also to, or otherwise communicate with, the solicitor to such a creditor. Frequently these applications for proxies are made by persons styling themselves accountants, and we think it far better that, where really necessary in the interests of a client, these circulars should be issued by solicitors, provided always that the solicitors of creditors are, as far as possible, consulted on behalf of their clients; any breach of this rule would deserve and receive from us the strongest condemnation.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 85.] SATURDAY, AUGUST 7, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF STAFFORDSHIRE, HOLDEN AT WALSALL.

A DIVIDEND is intended to be declared in the matter of BENJAMIN GILES BLOOMER, of Pilsall and Walsall, both in the County of Stafford, Consulting Engineer, &c, adjudicated a Bankrupt on the 17th day of February, 1875.

Creditors who have not proved their debts by the 21st day of August, 1875, will be excluded.

Dated this 24th day of July, 1875:

EDWIN WIGNALL,
Trustee.
27 Colmore Row, Birmingham,
Public Accountant.

IN THE MATTER OF DAVID WILLIAMS, DECEASED.

THE Creditors of DAVID WILLIAMS, late of Pantffrydlas, in the Parish of Llanllechid, in the County of Carnarvon, Quarry Agent, who died on the 15th day of July, 1875, are hereby requested to send the particulars of their claims to the Office of Mr. WILLIAM JOHN PARRY, Public Accountant, 3 and 4 William's Court, Betheada, or in default thereof the Executor will, after the 1st day of September, 1875, proceed to distribute the assets of the said David Williams.

DAVID JONES,
Executor.

DISSOLUTION OF PARTNERSHIP.

NOTICE OF REMOVAL.

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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the Accountant has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The Accountant thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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The Accountant.

AUGUST 7, 1875.

The law of imprisonment for debt has undergone such rapid modifications, and is exposed to so much declamation, that it may be looked upon as destined to speedy and entire extinction. As it at present exists the power may be abused, but it is impossible to deny that its retention is beneficial. The case of Mr. Smallbones, which has been so frequently brought before the House of Commons, and is principally remarkable for the ignorance of law displayed by judge, solicitors, and counsel alike, is one in which the martyr to judicial error can scarcely receive much sympathy. Mr. Smallbones was a trustee, who set up a claim to the property which he was appointed to protect; and on being forced by the judgment of a County Court to abandon his prey, failed to pay the costs his misbehaviour had caused. His imprisonment was illegal, as extending for too long a period, but the judge might have attained the same end by repeated committals. The power is, of course, one which can be assailed by that profusion of rhetoric which so takes the popular fancy. The poor man who rots in a dungeon because he cannot raise a pound, while the rich man, whose fraudulent bankruptcy has ruined thousands, goes scot free, has figured many times in the columns of sensational journals. But the difference between the two is trifling. The bankrupt goes free because he has given up all his property to his creditors for the payment of his debts; the poor man is sent to prison because, having the means of payment, he persistently keeps his creditors out of their money. A rich bankrupt who pursued an analogous course, would find that the law for the rich and the law for the poor were not so widely different in their application as popular rhetoric might induce him to suppose.

Imprisonment for debt has received another blow from the recent decision of the Lords Justices in the case of "Cobham v. Dalton," though it must be considered as valid law, and is supported by reasoning of undeniable cogency. A trustee is ordered by a Court of Equity to pay over certain trust moneys. He fails to do this, and files a petition in bankruptcy, or is, at any rate, adjudicated bankrupt, at whose suit it is not stated, though this might have had some bearing on the decision. The day after adjudication he is arrested by order of the Master of the Rolls, for contempt of court in not obeying the direction to pay over the money. The sections of the Debtors' and Bankruptcy Acts which were referred to as to the legality of this arrest were few in number. First, it was said that under the Debtors' Act the power

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of committal survives only in certain cases, one of which is "default by a trustee ordered to pay by a court of equity any sum in his possession," and it is clear that Mr. Dalton came within this section. But then the Bankruptcy Act declares that no creditor shall have any remedy against his debtor other than provided in that Act, in which imprisonment is not included. Therefore it seems to have been held, that as this sum in respect of which default was made was an amount for which proof might be tendered in the bankruptcy proceedings, the imprisonment was illegal, as being a resort to a remedy which was not included in the Act. But this seems open to question. The imprisonment is a punishment for the contempt shown to the orders of the Court of Chancery. It is a remedy for the non-payment of the debt to this extent only, that the trustee, in order to get out of prison, might use efforts to get the money. Then arises a further difficulty. The *cestuis que trustent* might prove as creditors certainly; but they would, so long as the bankruptcy proceedings were pending, be entitled merely to their dividends in common with the other creditors, and for the debtor to apply a portion of his assets in payment of their claim in full, would be contrary to every principle of bankruptcy practice. We cannot help thinking that it would have been better if the power of a Court of Equity to commit had been more boldly dealt with. We agree with the reasoning of the Lords Justices, if the committal is regarded as a process of the Court set in motion by a creditor to procure payment of his debt, but we have always understood that the power of committal was one intrusted to Courts of Equity in order to enforce obedience to their commands, and as punishment for contempt. But it would have been better, possibly, if committal for non-payment of money were limited to those cases in which the default is wilful, as is the rule now in the County Courts. To commit for non-payment of money which the debtor has not got, is in reality punishing debt as crime. Nor do we see how Lord Justice Mellish's remarks as to the state of the law meet this hardship. So long, he said, in effect, as the bankruptcy proceedings are pending, the debtor's person is free. But when the bankruptcy is closed, and the unfortunate victim is let loose stripped of all his assets, he may then be lawfully imprisoned for non-payment of this trust money. It may be expedient to visit breaches of trust with a severe punishment, but if at any time a defaulting trustee deserves pity, it is at the time when justice imprisons him for failing to pay claims, the means of paying which she has just absolutely deprived him of.

The decision of the Lords Justices in the case of the late Dr. Lankester and the European Assurance Company leads to a curiously complicated state of things. Dr. Lankester, who was one of the many victims of that ruinous concern, had borrowed a sum of £140 on the security of his policies, an amount, it is needless to say, far below their surrender value, and consequently still more below their worth to a purchaser who did not consider the unstable position of the company. Under the Arbitration proceedings these policies were valued at £446, on which a dividend of three shillings in the pound has been declared. Dr. Lankester's affairs are in liquidation, and the European Society's liquidator has sought to prove for the full amount of £140 and interest, against which his trustee claimed to set off the value of the policies. This, however, was not allowed. The £446 was, so the Lords Justices seem to have held, a value denoting not the money value of Dr. Lankester's claim, but the proportion which he might receive compared with his fellow-sufferers, whose claims might be denoted by proprtionately similar figures. Under these circumstances the liquidator is to receive ten shillings in the pound from Dr. Lankester's estate on the debt of £149, and pay three shillings in the pound on the debt of £446, and a further dividend, if any is ever declared. A little calculation will show that the European Society will thus receive a balance of £8 1s. 0d. We presume that this was really fought as a representative case, as the costs involved will probably swallow up both dividends, and the decision is doubtless justifiable on technical grounds of equity. But it is a case of extreme hardship. The value of Dr. Lankester's policy to the company must have been considerable. Had misfortune suddenly struck him down, and prevented any further payment of premiums, they would have been large gainers, and the surrender-value left undoubtedly a large margin beyond the loan. We hear of many cases in which policies lapse through misfortune. In those instances, would a loan by the company on the security of those policies be vigorously exacted, or would it be mercifully concluded that t might be set off against the surrender-value?

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The decision seems to say not. We do not question its accuracy, or its propriety. But we would finally direct the attention of law reformers to the point of expense:—a company which wrings money with difficulty from impoverished shareholders, to hand over a modicum of it to its ruined and despairing clients, contests the right to three sovereigns with the trustee of a bankrupt professional man. It will, doubtless, be a great comfort to shareholders, claimants, and creditors to think that though they have paid the amount over and over again, twenty or a hundred-fold, they have elicited the correct state of the law, even though its result be one of regret rather than of rejoicing to all who may have occasion to incur liabilities.

A correspondent last week called our attention to a difficulty arising under the Bankruptcy Act as to the discharge of liquidating debtors. The 9th paragraph of the 125th section of the Act, as he pointed out, declares that the provisions previously given as to the discharge of a debtor "shall not apply in the case of a debtor whose affairs are under liquidation by arrangement, but the close of the liquidation may be fixed and the discharge of the debtor granted by a special resolution of the creditors in general meeting." From these words our correspondent argues that an evil disposed creditor, by canvassing for the proxies of careless or ignorant creditors, may at any time prevent the obtaining of a statutory majority in favour of the order of discharge. Strictly speaking, this is well-founded, but we think that a sufficient remedy may be found in the Act itself. If the time of discharge, (according to rule 82) is not settled when the resolution for liquidation is originally passed, the trustee may summon a meeting for the purpose of considering the question, or the committee of inspection, or the debtor, with the concurrence of three-fourths in value of the creditors who have proved, may require the trustee to summon a meeting for that purpose. At this meeting full discussion would take place, and it is scarcely probable that creditors who would not take the trouble to attend would give a special proxy to a creditor to object to any discharge being granted for that meeting. But if this happened, the Court has full power in case of injustice or delay to the debtor to proceed in bankruptcy, when the discharge is granted as a matter of course. And in such a case, the Court would interfere on behalf of the debtor, and if it thought that the creditors were acting with undue severity, would probably protect any future earnings, just as if the order of discharge had been granted. Our readers who have access to legal reports may study with advantage a case of "Ex parte Tinker," which is given in the 43rd volume of the Law Journal Bankruptcy Reports, p. 147. We should be glad to know from our correspondent "Alpha," if he has merely sought an opinion upon a purely hypothetical case, or whether the point has actually occurred within his personal experience.

The great question of "novation" is about to receive a fresh consideration. Lord Cairns was inclined to view the acts of a policy-holder somewhat strictly, Lord Westbury extended his rights against his original company, and Lord Romilly characteristically veered about from one opinion to the other. Under these circumstances the European Arbitration which is to be henceforth practically brought under the guidance of the Court of Chancery, is to open the case again. Mr. Reilly has selected certain representative cases on which the Lord Chancellor and the Lords Justices are to decide, and he will then exercise his judicial functions of applying the rules which those high authorities are to lay down to the various cases to which they may be applicable, with, it is to be trusted, a fitting amount of discrimination. Mr. Hort's case, the first one selected, seems fairly representative of a well-known class. He was transferred to the European without being consulted, and paid his premiums to them till they failed. The result must await the sittings of the Court in November. The point is really on whom lies the onus of proof. Is the fact of paying premiums to the new society, evidence of an intention to release the old one from liability, or must the policy-holder definitely declare his intention to do so? At this point judicial authority is divided, though Lord Cairns, who is most favourable to the companies, will probably incline to his former opinion. But we hope that the point will at last be settled beyond dispute.

On Thursday the directors of the Bank of England reduced their rate from 3 per cent., to which it was lowered on the 8th of the present month, to 2½ per cent., a movement that was almost generally expected on account of the ease in the rates outside.

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COURT OF APPEAL IN CHANCERY.

August 3.

(*Before the* LORD CHANCELLOR *and the* LORDS JUSTICES.)

IN RE THE EUROPEAN ASSURANCE SOCIETY.—IN RE THE ROYAL NAVAL AND MILITARY AND EAST INDIA LIFE ASSURANCE COMPANY (HORT AND GRAIN'S CASES).—IN RE THE WELLINGTON REVERSIONARY ANNUITY AND LIFE ASSURANCE SOCIETY (CONQUEST'S CASE).—IN RE THE ANGLO-AUSTRALIAN AND UNIVERSAL FAMILY LIFE ASSURANCE SOCIETY (PRATT AND HANNAN'S CASES).—These cases were specially appointed for hearing this day before the full Court of Appeal, upon special cases submitted by Mr. F. S. Reilly, the newly-appointed arbitrator in this liquidation, for the opinion of the court, under the provisions of the European Assurance Society Arbitration Act, 1875. The cases raised in somewhat different circumstances the great question whether there had been a "novation of contract" on the part of policy-holders whose original offices had become "amalgamated," or transmuted into the European Assurance Society. This question, as it may be remembered, has received perfectly different solutions from the late Lord Romilly and his eminent predecessor in the arbitration, Lord Westbury. Difficulties having arisen in the conduct of the administrative business of the arbitration from this cardinal difference of opinion upon a question of such essential and primary importance, a short Act has been passed in the course of the present Session by which jurisdiction is given to the Court of Appeal in Chancery to entertain appeals from any decision or order of the Arbitrator, who is also empowered to state any question arising on a matter of principle in the arbitration in the form of a special case for the opinion of the Court of Appeal in Chancery. The first of the cases now submitted to the court was that of the Rev. C. Josiah Hort, Chaplain of Her Majesty's Forces at Portsmouth, in whose favour Lord Westbury, in April, 1873, had decided that there had been no novation as between himself and the European Society (the absorbing office), that his original right continued in all its integrity, and that in respect of that original right he was entitled to prove as a creditor against the Royal Naval and Military Society, with whom Mr. Hort had effected policies upon his own life in 1855 and 1857. Upon his first appointment as Arbitrator after the death of Lord Westbury, in the summer of 1873, Lord Romilly announced his attention of following in the lines laid down by his predecessor. But, in course of time, his Lordship appears to have modified his views, and in one of these cases of novation which came before him, he, in effect, overruled the decision of Lord Westbury upon an almost identical case, and went so far as to criticise, and express his dissent from, the principles laid down by Lord Westbury as the basis of his decision. In this state of things, certain representative cases had been selected by Mr. Reilly for the decision of the Court of Appeal in Chancery. It may be added, that the decisions of the present Lord Chancellor upon this question of novation, when acting as Arbitrator in the affairs of the Albert Assurance Company, had not been altogether adopted by Lord Westbury, and that the views taken by these eminent Arbitrators were, to say the least, not easily reconcilable. The first case in the paper was Hort's case, and, as their Lordships postponed their judgments, it will be sufficient to state that in 1855 and 1857, the Rev. C. J. Hort effected policies upon his own life for £200 and £300 respectively in the Royal Naval Society. In August, 1866, negotiations for the transfer of the business and liabilities of the Royal Naval to the European Assurance Society were entered into by the directors. Mr. Hort and the other policy-holders of the Royal Naval received circulars, informing them that arrangements had been made with the European Society for undertaking the obligation of their policies (upon which the terms and conditions would be unaltered), and that the European Society would in future be the substitute of the Royal Naval Society. He was also informed that, although by the covenants contained in the deed of transfer his claims were fully guaranteed, he might, for greater security, have an endorsement upon his policies to that effect, or have a policy guaranteeing the existing policy, or a new policy of the European Society. Mr. Hort sent his policies to the European Society, and they were returned to him with endorsements, sealed with the seal of the Society and signed and countersigned, to the effect that its funds and property were liable for the sums assured by the policies, provided all future premiums were paid to it. Mr. Hort continued to pay his premiums at 17 Waterloo-place, the place of business of the Royal Naval Society, and where, according to the circulars, "the Royal Naval, &c. Department" of the European Society would be conducted. The receipts for the premiums presented—if the term may be allowed—a series of dissolving views, in which, while the Royal Naval, &c. gradually, and by almost imperceptible changes, faded away and melted out of sight, the European assumed shape and prominence, until at last "European Assurance Society, Chief Office No. 17 Waterloo-place," figured boldly alone as the head and front of the premium receipts and notices. Mr. Higgins, Q.C. (Mr. Romer with him), appeared for the official liquidator of the Royal Naval Society, on the present appeal from Lord Westbury's decision in favour of Mr. Hort's claim to be admitted to prove as a creditor against that company. Mr. Ince, Q.C. (Mr. F. C. J. Millar with him), for Mr. Hort, supported the decision of Lord Westbury. At the conclusion of the arguments, it being then 3 o'clock, the Lord Chancellor said that their Lordships had been anxious to dispose of these cases before the Long Vacation, but, as this was the only day available for their hearing, and the other cases, although to some extent similar in principle, arose in somewhat different circumstances, and could not be fully discussed within the time now at their Lordships' disposal, they thought it better to adjourn the hearing of the other cases until the sittings of the Court in November, and not to decide Hort's case while the others remained unheard.

July 30.

(*Before the* LORDS JUSTICES.)

IN RE THE WEST HARTLEPOOL IRON COMPANY.—This was an appeal from an order of Vice-Chancellor Bacon making an order for a compulsory winding-up of this company. The company was registered in June, 1874, for the purpose of taking and carrying on Messrs. Richardson's ironworks, but it stopped payment in April last, when it was resolved to wind-up voluntarily. A petition having been presented for a compulsory winding-up, it was sought, on behalf of the company and creditors to a large amount, to have the voluntary winding-up continued under the supervision of the court, as the best mode of realising and distributing the assets. The Vice-Chancellor not being satisfied that the majority of creditors wished for a supervision order, was of opinion that the petitioning creditors were entitled to a compulsory order. From this order the present appeal was brought. Mr. De Gex, Q.C., Mr. Little, Q.C., Mr. Swanston, Q.C., Mr. Jackson, Q.C., Mr. William Pearson, Q.C., Mr. Houseley, Mr. A. T. Watson, Mr. Caldecott, and Mr. W. Druce appeared for contributories and creditors who desired a supervision order rather than a compulsory winding-up; Mr. Kay, Q.C., and Mr. Robinson, Q.C., for parties desiring a compulsory winding-up. Lord Justice Mellish said that although a creditor who could not get paid, was entitled *ex debito justitiæ* to a winding-up order, yet if there had been a resolution passed for voluntary winding-up before any order made on the creditor's petition, then it became the duty of the court to have regard to the wishes of the creditors as to a voluntary or compulsory winding-up. In his opinion there was sufficient evidence that the majority did wish for a voluntary winding-up. A very large number of them had actually signed a petition to that effect, and a very considerable number of those who did not sign the

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petition had appeared by separate counsel and supported the same view. It appeared that, as the majority of the creditors thought it would be better that the company should be wound-up under supervision, and as no injustice would be done to the particular creditors who petitioned for a compulsory order, there was no reason why the wishes of the majority should not be attended to. The order of the Vice-Chancellor would, therefore, be discharged.

COURT OF CHANCERY.

August 2.

(*Before the* Lords Justices *of Appeal.*)

Cobham v. Dalton.—This appeal from an order made by the Master of the Rolls on Saturday raised a question of considerable importance with regard to the power of arrest for debt under the Debtors Act, 1869. On the 6th of June an order was made upon the defendant to this suit for payment of a sum of £94 14s., trust money received by him and not accounted for. The order directed that he should make the payment by the 30th of June. He failed to do so, and on the 15th July he was adjudicated a bankrupt. On the 16th of July an attachment was issued against him by the Court of Chancery for contempt in disobeying the order. On the 30th July he was at the Court of Bankruptcy, in Portugal-street, to attend his public examination, and after he left the court he went into a publichouse in Chancery-lane to obtain some refreshment before returning to his home, and while there he was arrested under the attachment. He applied to the Master of the Rolls for his release, which his Honour declined to order, being of opinion that the bankruptcy proceedings did not protect him from arrest. The defendant appealed. Sec. 4 of the Debtors Act, 1869, abolishes imprisonment for debt, with certain exceptions, one of which is "default by a trustee or person acting in a fiduciary capacity, and ordered to pay by a Court of Equity any sum in his possession or under his control." Sec. 12 of the Bankruptcy Act, 1869, provides, "Where a debtor shall be adjudicated a bankrupt, no creditors to whom the bankrupt is indebted in respect of any debt provable in the bankruptcy shall have any remedy against the property or person of the bankrupt in respect of such debt, except in manner directed by this Act." And by section 49 an order of discharge is not to release the bankrupt from any debt incurred by breach of trust. Mr. E. C. Willis, for the appellant, contended that sec. 12 gave the bankrupt freedom from arrest, at least until he had obtained his order of discharge in the bankruptcy, or the bankruptcy had been closed. At any rate, the appellant had been improperly arrested when he was on his way home from the Bankruptcy Court. Mr. Dyne, for the plaintiff in the suit, argued that the Bankruptcy Act and the Debtor's Act ought to be read together, and that the Legislature had thus in effect directed that for a debt of this kind the bankrupt should be liable to arrest, notwithstanding the bankruptcy proceedings. Lord Justice James thought the appellant was entitled to be discharged from custody. The words of the Bankruptcy Act did not give the power to arrest him. The Act said that after the adjudication no creditor for any debt provable in the bankruptcy should have any remedy against the person of the bankrupt except in manner directed by the Act. The Act contained no direction on this point. This section appeared to have been intended as a substitute for the protection order which was given under the former Acts. When the bankrupt had obtained his order of discharge or the bankruptcy was closed, the special right of this particular creditor against any further assets which the bankrupt might acquire would accrue, while the other creditors would have lost all remedy against the bankrupt's estate, and this creditor, in order to enforce his right, would then be able to proceed with his attachment. This might, perhaps, be the reason for the provisions of the Act; but, whether that were so or not, his Lordship could not find that the Act had directed any manner in which process against the person of the bankrupt could be enforced. His Lordship also thought the appellant was entitled to his release on the other ground raised. The attachment must, therefore, be discharged. Lord Justice Mellish was of the same opinion. Section 12 was expressed in very plain terms. It was quite clear that this debt was one provable in the bankruptcy, though it was one from which the order of discharge would not release the bankrupt. It would require very strong reasons to induce the Court to depart from the plain words of the section. But his Lordship was not at all certain that this was not the intention of the legislature. The bankrupt's property was to be divided equally among his creditors, and this particular creditor was not to have any preference until after the order of discharge. Arrest for debt under the Debtors Act, as, indeed, before that Act, was not by way of punishment, but as a means of compelling payment of the debt. If the man paid the debt when he was in prison, he would be entitled to his release. Therefore it seemed to his Lordship that there was nothing unreasonable in saying that, as long as the debtor's property remained equally liable to all his creditors, this particular creditor was not to use his own special remedy. But as soon as the order of discharge had been obtained, the creditor might enforce his remedy against the after-acquired property or against the person of the debtor. In some respects this was for the benefit of the creditor. He could prove his debt in the bankruptcy and get his share of the existing property of the bankrupt, including his property acquired after the adjudication, and then, when the order of discharge had been obtained, he could enforce his debt against the after-acquired property of the debtor and also against his person as a means of compelling payment.

August 4.

(*Before the* Lords Justices *of* Appeal).

In re Hester and Company, Limited.—This was an appeal from an order of Vice-Chancellor Bacon, made on Saturday last, directing the compulsory winding-up of this company. The company was formed in May, 1873, for the purpose of purchasing and carrying on the business of J. C. Hester and Co., tea merchants, of Great Tower-street, E.C., and of the Anglo-Indian Tea Company, Limited, with a capital of 12,500 shares of £10 each, all of which had been called up. On the 13th of July last, at an extraordinary general meeting of the company, resolutions were passed for voluntarily winding-up the company, and adopting a provisional agreement with a company to be formed under the name of "The Tea Company, Limited," for the purpose of taking over the business and liabilities of the company. A resolution was also passed that if any member should express his dissent from the arrangement within seven days, and require the voluntary liquidator to purchase his interest, the liquidator should raise the money for buying up the interest of such dissentient member by a sale of shares in the proposed new company. The petitioner, who was the holder of 50 paid up shares, objected to the proposed arrangement as being, if not *ultra vires*, at least impeachable and calculated to diminish his security by shifting the liability from one set of directors to another, while by the proposed conversion of the paid-up £10 shares into £15 shares, with £5 remaining to be called up, the shareholders joining the new company would, in effect, be compelled to subscribe £5 per share additional capital. He had accordingly filed a petition for a compulsory winding-up, and his petition was supported by nine shareholders, representing an aggregate of about 700 shares. On the other hand, the petition was opposed by 111 holders of 4,173 shares, and also, as it was stated, by all the creditors of the company. From the compulsory order for winding-up made by Vice-Chancellor Bacon the company now appealed. Mr. Little, Q.C., and Mr. H. B. Buckley ap-

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peared for the company in support of the appeal; Mr. Romer (Mr. Jackson, Q.C., with him) appeared for a large majority of the shareholders who also supported the appeal; Mr. Higgins, Q.C., and Mr. Caldecott appeared for the petitioner in support of the compulsory order, and were aided by Mr. George Henderson, representing the holders of 664 shares, and by Mr. Locock Webb, Q.C., and Mr. Brooksbank, for two holders of 40 shares. After considerable discussion, their Lordships discharged the order of the Vice-Chancellor upon the undertaking of the voluntary liquidator not to part with the assets of the company until the value of the shares of the petitioner and the other dissentient shareholders should have been paid to them, such value to be ascertained by arbitration under Section 162 of the Companies Act, 1862, unless the parties agreed upon the amount.

VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

July 31.

(*Before Vice-Chancellor* Sir R. MALINS.)

IN RE THE CADOGAN ADVANCE COMPANY, LIMITED.—The Vice-Chancellor made an order in this matter to continue the voluntary winding-up of the company, under the supervision of the court. Mr. Hadley was the counsel engaged in this case.

IN RE THE ELY PAPER COMPANY, LIMITED.—The Vice-Chancellor made an order in this matter to wind-up the company compulsorily, and to continue the interim liquidator. Mr. Glasse, Q.C., Mr. J. Napier Higgins, Q.C., Mr. Ince, Q.C., Mr. Lawrence, Mr. Everett, and Mr. Romer were the counsel engaged in the case.

IN RE THE CAPE BRETON COMPANY, LIMITED.—EX PARTE RAILWAY SHARE TRUST COMPANY, LIMITED; IN RE THE CAPE BRETON COMPANY, LIMITED,—EX PARTE WEGG.—The Vice-Chancellor made an order in the first of these matters to wind-up the company compulsory, and that the costs of the second matter should be costs in the winding-up, and to continue the official liquidator. Mr. Glasse, Q.C., Mr. J. Napier Higgins, Q.C., and Mr. Macnaghten were the counsel engaged in this case.

(*Before Vice-Chancellor Sir* JAMES BACON.)

IN RE THE HACKNEY MASONIC PUBLIC HALL COMPANY.—This was a creditor's petition for a winding-up order. It was arranged that an order should be made, which was not to be drawn up for six weeks, to give the company an opportunity to pay off the debt in the meantime. Mr. Kay, Q.C., and Mr. Dauney appeared for the petitioner; Mr. Romer for the Company.

IN RE HESTER AND CO., LIMITED.—This was a petition by paid-up shareholders, which prayed for a compulsory winding-up order. Special resolutions had been passed at a meeting of shareholders, and confirmed at a subsequent meeting, to wind the company up and sell the business to a proposed company, to be called "The Tea Company." It was provided by the resolutions that holders of £10 fully paid shares in the existing company should be entitled to three £5 fully paid-up shares in the proposed company for each share, and that dissentient shareholders should sell their shares to the liquidator and receive the price from the purchase-money of the corresponding shares in the new company which the liquidator was to sell. This resolution was made as in pursuance of section 161 of the Companies Act, 1862, which empowers a company in a voluntary liquidation to sell its business to another company for shares in the purchasing company, to be distributed among shareholders in the selling company *pro ratâ;* dissentient shareholders having a right to stop the sale or be paid the value of their shares. It was contended, on the part of the petitioners, that the resolution was invalid by reason that the dissentient shareholders were only given the price the new shares would fetch when sold by the liquidators, and not the value of their shares assessed in the manner provided by the Act (section 162). Also that the sale of the business was not to an existing company, but only to one which it was intended to form. They also contended that the resolution was void for want of formalities, both because insufficient notice of the meeting had been given, and the interval between the meeting at which the resolutions were passed and that at which they were confirmed was not 14 clear days. Mr. Kay, Q.C., and Mr. Caldecot appeared for the petitioners; Mr. Locock Webb, Q C., and Mr. Brooksbank and Mr. George Henderson for other dissentient shareholders who supported his view: Mr. Little, Q.C., and Mr. Buckley, for the company, opposed, and were supported by Mr. Jackson, Q.C., and Mr. Romer, on behalf of shareholders and the liquidator. At the bar, Mr. Kay, Q.C,, suggested that if the resolution so far as it provided for a voluntary winding-up could be supported, instead of a compulsory order, the Court should make a supervision order only. The Vice-Chancellor held that the resolution went beyond the powers given by the Act of Parliament. It proposed, instead of providing a dissentient shareholder with the price of his shares in money, and selling the assets to a company, to make an arrangement for a possible sale to a company that might be formed, and to give him the price new shares might realise—to give him, in fact, a mere chance of receiving something. Certain formalities as to the mode of passing the resolution had been alleged on one side and not denied. These would invalidate the proceedings. That the company had lost large sums of money and could not continue to carry on its business was agreed on all sides. He, therefore, made a compulsory order. The Court then rose for the vacation.

COURT OF BANKRUPTCY.

July 30.

(*Before Mr. Registrar* HAZLITT.)

IN RE JOHN ANDERSON AND CO.—LIABILITIES £273,000.—The debtors, John Anderson, John Duncan, and George Gray Anderson, have presented a petition for liquidation, describing themselves as merchants carrying on business at 17 Philpot-lane, and Colombo, Ceylon, trading under the above style. The liabilities are estimated at £273,000, and the amount of the assets is at present unascertained. Mr. Parker (Parker and Clarke) now applied for the appointment of a receiver to the debtors' estate. There were consignments continually arriving, and it was important, in the interest of creditors, that the estate should be protected. Creditors to the extent of about £50,000 supported the appointment of Mr. John Bishop (Turquand, Young, & Co.) to the office.—His Honour granted the application.

July 31,

(*Before Mr Registrar* MURRAY.)

IN RE THE HON. F. O. O'CALLAGHAN, M.P.—This was an adjourned meeting for public examination. The bankrupt is member of Parliament for Tipperary. His unsecured debts were returned at about £3,900, and assets £1,100. He now failed to appear, and no reason for his absence being assigned, his Honour ordered the usual memorandum to be entered. Mr. Theodore Lumley appeared for the trustee.

IN RE ALFRED WHITE.—The bankrupt, who had traded at 17 Mincing-lane, in partnership with Henry White, as merchants, was allowed, after some opposition, to pass his public examination on a statement of affairs, disclosing liabilities to the extent of £10,967, and assets £4,007. Mr. Beddall appeared for the trustee; Mr. T. Plews for the bankrupt.

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August 3.

(*Before* Mr. Registrar Hazlitt.)

In re Lambert Brothers and Scott.—Upon the application of Mr. Finlay Knight, his Honour continued, until further order, an interim injunction staying proceedings instituted by the Crow Orchard Colliery Company, Limited, against the debtors, who have presented a petition for liquidation, describing themselves as of 85 Gracechurch-street, also of the Coal Exchange, of Rochester, and Deptford, shipowners, ship and insurance brokers, coal factors, and merchants, also trading at Port Said, in Egypt, under the title of the Port Said and Suez Coal Company. The liabilities are estimated at £380,000, of which about £180,000 are expected to run off; the assets are computed at £127,000, subject to certain liens thereon. Messrs. Stocken and Jupp are the solicitors to the proceedings.

August 4.

(*Before Mr. Registrar* Murray, *sitting as Chief Judge.*)

In re Minoggio.—A point of some nicety and importance arose in this case. The bankrupt formerly carried on business as a goldsmith at 12 Charles-street, Middlesex Hospital, and on the 4th of May, W. A. Bendelow, a creditor, recovered judgment against him for £30 15s. 3d., and £4 costs. On the 4th of June the bankrupt committed an act of bankruptcy by failing to comply with the terms of a debtor's summons, issued under Section 7 of the Act, at the suit of other creditors. Before any petition was presented, and without any notice of an act of bankruptcy, Mr. Bendelow levied an execution upon the goods of the bankrupt for £20 3s. 3d., being the amount due to him upon the judgment, after deducting a payment made on account. On the 15th of June a petition for adjudication was filed against the bankrupt, and on the 23d an *interim* injunction was granted, and afterwards continued, restraining a sale. On the 3d of July the court adjudicated upon the petition, and on the 20th a trustee was appointed under the bankruptcy. Mr. Bagley, for Mr. Bendelow, the creditor, now appeared in support of an application to dissolve the injunction. He contended that a creditor for a sum under £50 having levied upon the goods of his debtor without notice of any act of bankruptcy, was entitled to the benefit of his execution, notwithstanding the fact that bankruptcy had ensued before a sale could be effected. Mr. Sydney, for the trustee, urged, on the other hand, that the adjudication when made had relation back to the date of the act of bankruptcy, and that the execution in this case having been levied subsequently, the title of the trustee must prevail, although the creditor had not any notice of the act of bankruptcy. Mr. Registrar Murray held that the creditor having levied an execution for a sum under £50, without notice of any prior act of bankruptcy, became a secured creditor under section 12 of the Act, and was entitled to realise his security. The act of bankruptcy committed in this case was a secret act, and available to those creditors only who took out the debtor's summons. The execution creditor being, therefore, entitled to the goods, the injunction would be dissolved, with costs.

In re Da Costa Raalte and Co.—A petition for liquidation has been filed by the debtors, who are described as merchants, of Leadenhall-street and Manchester, and having also an interest in the house of Behrends Brothers and Co., of Alexandria. The liabilities are estimated at £600,000 in the aggregate, with assets consisting of Egyptian securities, payable to bearer, returned at £50,000, stock-in-trade at Manchester, bills receivable, and other items, of which the value is not yet ascertained. Mr. Rawlins, for the petitioners, and with the concurrence of creditors for £110,000, asked that Mr. William Turquand, accountant, should be appointed receiver and manager. Mr. Brough, for creditors amounting to £40,000, supported the application. Mr. Registrar Murray appointed Mr. Turquand as receiver, but intimated that some further evidence would be requisite as to the necessity for a manager before making the further appointment.

BRADFORD BANKRUPTCY COURT.

August 3.

(*Before* Mr. W. T. S. Daniel, Q.C., *Judge.*)

Re David Hainsworth—Ex parte Rayner.—In this case there were cross-motions arising out of one that had previously been heard by the Court. In that instance an issue had been left by the judge to be tried by a jury, as to whether certain goods which had been returned by Hainsworth, of Farsley, the debtor, shortly before his bankruptcy, to John Rayner, of Leeds, of whom he had previously bought them, was a *bona fide* transaction, or whether it was a fraudulent preference on the part of the bankrupt. The jury found in favour of the trustee on all the questions put to them by the judge, the effect being that in their opinion the transaction was a fraudulent preference. Mr. Watson now appeared for the trustee, and Mr. E. Tindal Atkinson, barrister, for Rayner. The first motion was made by Mr. Watson, who asked the Court for an order confirming the jury's decision. In the other motion, Mr. Atkinson applied for an order directing a new trial, or for an order reversing the decision of the jury, on several grounds, the general effect of which was that the verdict of the jury was against the weight of evidence. Mr. Atkinson contended that there had not been the slightest evidence adduced at the trial before the jury to show that Rayner, at the time he received the goods back, had any notion that Hainsworth was insolvent, and held that under the 92nd section of the Act such knowledge of the insolvency of the debtor at the time the transaction took place was necessary in order to prove *mala fides* on the part of Rayner. After a somewhat lengthy discussion, his Honour said he thought the finding of the jury was right, and satisfied the Act of Parliament. He would, however, give his reasons for that decision on a future day.

Re David Hainsworth—Ex parte Tomlinson and Guerney.—This was a motion on behalf of the trustee in the estate of David Hainsworth, of Farsley, asking for an order directing Messrs. Tomlinson & Guerney, mungo and waste dealers, of Leeds, to deliver up to the trustee five sheets of mungo which the debtor had handed over to them shortly before the bankruptcy, on the ground that such handing over of the goods by the bankrupt was a fraudulent preference.—Mr. Watson again appeared for the trustee, and Mr. Walker, of Leeds, for Messrs. Tomlinson & Guerney. The circumstances were of a similar character to those in Rayner's case; the debtor had had dealings with the defendant, and towards the time when he failed, he owed them money. A short time before the bankruptcy he sent back a quantity of the goods which he had received from the defendants, and the trustee now urged that this transaction, as in the previous case, was a fraudulent preference, and therefore null and void. After the case had been argued, his Honour said he would take time to consider his decision.

Re David Booth, ex parte J. and H. Booth.—This was a motion on behalf of J. W. Close, of Leeds, the trustee in the estate of David Booth, cloth manufacturer, Idle, asking for an order of the court directing the production of accounts showing the amount received for waste sold by Booth's two sons, from August, 1872, up to the beginning of 1875; also to say what sums were due to the two sons for wages, and for the paying of the balance between these two accounts. Mr. West, barrister, appeared in support of the motion, and Mr. Watson opposed. The facts were shortly as follow, as stated

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by Mr. West on behalf of the trustee:—David Booth was a cloth manufacturer, and in the early part of this year he filed a petition for the liquidation of his affairs, and resolutions were duly passed for the liquidation. The bankrupt had two sons—Henry Booth and James Booth—who left school in 1867, and were at that time respectively about the ages of fourteen and sixteen years. From 1867 to August 1872 they assisted their father in his business, and received from him a gratuity for pocket money of a shilling a week. He (Mr. West) might therefore take it that they were at that time living with and maintained by their father. In August, 1872, the two sons asked for some definite sum as wages or salary, and according to their account, there was an arrangement made that they should have the whole of the proceeds from the sale of the waste produced at the mill. It would be seen that the waste so produced was worth £6 per week. The two sons received the proceeds from the sale of the waste for two years and six months, and they received as nearly as possible £800. If that was so, and prior to that date they were receiving nothing at all, then the question was how far that was a voluntary gift, or how far it was for good consideration. The only estimate of their services was, as the eldest son said, 30s. a week. He had very fairly put himself and his brother on the same basis as the other people in the mill. He (Mr. West) said nothing at present as to their being maintained by their father, but they did not cease to live with him at the time of the arrangement referred to. He put the case that this arrangement was either a voluntary settlement under the 91st section of the Act, or it was a voluntary gift prejudicing the creditors. If they themselves stated the value of their joint services at £150 a year, it would be seen that they were getting exactly double their own estimate, and, therefore, so far as their father received no consideration, the arrangement must be set aside. There was not only the question of valuable consideration; but there was the fact that one of them was aware in September, 1872, of the position of his father. He had, he said, an opportunity of examining his father's books, and he saw from the examination that the business was being carried on at a loss of from £50 to £80 per week. Mr. West proceeded to read the affidavits of Booth and his two sons in support of his statement. Mr. Watson contended that the Act only referred to settlements made two years before the bankruptcy. In this case the bankrupt made the arrangement in question two and a half years before the bankruptcy, and he thought it was not very likely that a debtor who intended to defraud his creditors would make a settlement more than two years before the bankruptcy. His Honour: This was a voluntary arrangement between the father and his two sons which he could put an end to at any time. Mr. Watson: Certainly. His Honour: The question is whether or not what they received was excessive, so as to give evidence of an intention to defraud the creditors. Mr. Watson submitted that if the parties had *bonâ fide* entered into an arrangement like that without any intention to defraud the creditors, then it was not for that court to inquire into or adjust the matter. That would be doing the business of the debtor which he ought to have done for himself. These young men ought not to suffer because they happened to be debtor' sons. Suppose they had been two strangers, and had made a bargain with the debtor two and a half years before his bankruptcy by which they had got very much the better of him, they would not have been asked for the money. He submitted, however, that in this case there was sufficient evidence to show that this was not an unprofitable bargain. The two sons had attended the market on their father's behalf, and had brought to bear on his general business a large amount of business talent. It was not, however, necessary for him to show that the sons were paid exactly what they were worth, for before the trustee could expect judgment in his favour he must show that there had been an intention to defraud.—His Honour reserved judgment, remarking that the point was one which he believed had never before arisen in bankruptcy proceedings.

LEEDS COUNTY COURT.

(*Before* Mr. W. T. S. Daniel, Q.C., *Judge*.)

Re Thomas Mason Robinson.—This was an application on behalf of Mr. W. H. Burrell, the trustee of the estate of Thomas Mason Robinson, now in liquidation, that Anthony Robinson, of Leeds, grocer, might be ordered to deliver up to him as such trustee certain goods specified in the schedule to the notice of motion, as having been unlawfully delivered to him by the debtor, and to pay the costs incidental to the application. Mr. Walker supported the motion when the case was argued three weeks ago, and Mr. J. W. Middleton opposed it.—His Honour now delivered an elaborate judgment. The motion was opposed on two grounds, first that the court had no jurisdiction, the petition and the proceedings under it being void *ab initio*; and second, upon the merits. The facts relied upon in support of the objection on the ground of want of jurisdiction were as follows:—On the 24th January, 1874, the debtor filed a petition for liquidation, and on the 11th February the first meeting of his creditors was held. At that meeting he proposed to his creditors to accept a composition of 7s. 6d. in the pound, payable by three instalments at three, six, and nine months from the date of filing the petition, the first instalment to be 3s. 6d., and the other two 2s. each. The first and second instalments were to be secured by the debtor's acceptance, and the last instalment by the bill of the debtor on and accepted by the respondent, Anthony Robinson. These resolutions were confirmed and registered, and the bills and acceptances for the various instalments given. The first instalment was duly paid, but the second the debtor was unable to pay, and on the 29th July he filed a second petition, signed the previous day, the second instalment having become due on the 27th July. It was stated upon the hearing of the motion that none of the original creditors disputed the propriety of the second petition or the proceedings under it, and they had since received the third instalment from the respondent as surety by acceptances. He inferred that the creditors who did not attend the meeting on the 14th August might have objected to the registration of the resolutions passed at that meeting, and either have sued the debtor for his original debts, giving credit for the instalments received, or have made the debtor a bankrupt. It was contended that when a composition had been duly made and was in force against a debtor, he was disqualified from presenting another petition for liquidation, so that any proceedings under such a petition must be void. Two decisions were cited in support, and his Honour, having commented upon these, considered that the principle to be extracted from these two decisions was that there was not any mere technical objection to a debtor presenting a second petition for liquidation; but if he did, and resolutions were passed under the second petition which prejudicially affected the interests of creditors under the first petition, and if any of such creditors objected, the resolutions ought not to be registered; if no creditors objected to the resolutions under the second petition, they might be registered, and if registered, he was of opinion that for all purposes of jurisdiction they would stand good against third parties. That was the case here, and he therefore thought the first objection failed. As to the facts, the respondent in his affidavit stated that prior to the first meeting of the creditors the debtor had many interviews with him to induce him to guarantee the payment of the last instalment, but he positively refused any such guarantee. Subsequently he was pressed so much that he promised the guarantee on the condition that he first received cloth as full security, and that he had authority to sell the cloth for the purpose of recouping himself for any moneys he might be called upon to pay under the guarantee. Respondent refused to execute the deed of composition and to sign the bills of exchange for the last instalment until the cloth had been deposited with Messrs. Howden and Wade, his nominees. The cloth so deposited by

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the debtor was stated by him to be worth £789 12s., and the aggregate amount of the last instalment proved to be £829 13s. 9d. All the bills of exchange given for the last instalment were duly met. The facts, as thus candidly stated by the respondent, continued his Honour, in his judgment amounted to an admission that the transaction of the deposit of the cloth in question with him by the debtor was fraudulent and void as against the creditors, upon three distinct grounds —(1) that it was a fraud upon the agreement for composition; (2) that it was an act of bankruptcy within the second subsection of section 6 of the Bankruptcy Act of 1869, as being a fraudulent transfer and delivery in England by the debtor of part of his estate; (3) that it was void at common law under the statute of Elizabeth as having the necessary effect of defeating and delaying the creditors. On behalf of the respondent it was contended that as between him and the debtor the transaction in question was not voluntary, but founded upon valuable consideration, namely, the liability he had come under for the benefit of the debtor to pay the third instalment, and that he expressly stipulated for the transfer of these goods to him by the debtor as the condition upon which he agreed to become surety, sign the acceptances, and execute the composition deed. But this contention rested upon the foundation that the debtor was then the owner of the goods and had full power of disposition over them, and that foundation obviously failed, because at the time the debtor had commenced an act of bankruptcy available for liquidation by his creditors, and had thereby incapacitated himself from dealing with the property to their prejudice without their consent. All this was known to the respondent, and the obligation was thus, from the very nature of the transaction, thrown upon him of obtaining the sanction of the creditors to it. This was not done, nor attempted to be done. The communication was perhaps not purposely withheld, but rather perhaps through ignorance, and the respondent did not consider it necessary. But no man could justify or claim the benefit of a wrong done to another by alleging his ignorance that the law declared it a wrong. It must have been obvious to the respondent as a man of business and ordinary intelligence that the transaction he was entering into with the debtor was one which, if communicated to the creditors, they would not have assented to. Upon the whole, his Honour was of opinion upon the facts stated in the respondent's affidavit, that the transaction between him and the debtor was void as against the trustee upon each and every one of the three grounds he had mentioned. He added, that he had entered at greater length into his reasons for the decision than he should have thought it necessary to do had he not observed from this and other cases which had come before him judicially that a notion seemed to have been entertained by some men of business in Leeds that in compositions under the arrangement clauses of the Bankruptcy Act of 1869, it was competent for a person who voluntarily came forward in the interest of the debtor to guarantee one or more of the instalments of a proposed composition, to protect himself against liability upon his guarantee by a private arrangement with the debtor that the whole, or what, as in this case, might be considered a sufficient part of the debtor's property, should be assigned or made over to the surety, so as to be realised by him for his own benefit, to an amount sufficient, or as far as it would extend, to repay whatever sum he might be called upon to pay under his guarantee. All such arrangements were in his opinion void unless fully communicated to the creditors, freely assented to by those who might attend the meeting in person or by proxy, and approved of by the court, so as to bind dissentient and absent creditors. It was hardly possible to suppose that any meeting of creditors, unless influenced by the motive of favouring the debtor at the expense of themselves or of proxies and those whose interests they represented, would ever sanction such a suicidal arrangement; but if a meeting could be packed for the purpose by creditors willing to befriend the debtor, he was of opinion it would be *ultra vires* and void as against dissentient and absent creditors, and the registrar would be justified in refusing to register such resolutions. If brought before the court for approval, the court would be bound to reject them unless the express assent of every creditor were obtained. If, however, he was wrong in the views he took upon this matter, it was a satisfaction to know he could be set right again, but the practice, however general it might have become in Leeds or elsewhere, was in his opinion at direct variance with the principle upon which the proper administration of insolvent debtors' estates was secured by the Bankruptcy Act of 1869, and was bad in law. The only question that remained was as to the form of the order. Some of the goods having been sold, if the parties could agree as to the sum realised by such sale, the order could be made at once for the delivery of the parts remaining in specie, and the payment of the sum representing the parts sold. If no such agreement could be come to, he must refer the matter to the Registrar, with certain directions, which he specified. The costs of this application, up to and including the order, to be borne by the respondent, but other costs to be reserved.

YORK COUNTY COURT.

July 23.

In Re Matthews.—In the matter of Charles Matthews, innkeeper, of Harrogate, Mr. V. Blackburn (instructed by Mr. Bateson, Harrogate, and Mr. Crumbie, York), applied for an order as to the disposal of a quantity of goods, now in the possession of the trustee appointed to wind-up the affairs of the bankrupt, who filed a petition on the 19th of May last. It seems that when the bankrupt's effects were about to be sold, Messrs. Milling, wholesale drapers and furnishers, of Leeds, claimed possession of the bankrupt's furniture, on the ground that it was lent by them to Mr. Matthews. The trustee, however, did not give up the furniture, but, at the first meeting of creditors, applied to the registrar of the York County Court for an order to sell. The question was referred to his Honour, and at the last court the matter was adjourned until to-day. Mr. Blackburn stated that the bankrupt was formerly the station-master at Harrogate, but he resigned this position, and became the proprietor of the North-Eastern Hotel at that place. The hotel required furnishing, and Mr. Matthews accordingly went to Messrs. Milling at Leeds, where he had certain transactions with a Mr. Wilson and Mr. Porter, the managers. Goods were forwarded to Matthews, during December last, to the extent of £900, but in May, Matthews became a bankrupt, and his effects were placed in the hands of a trustee. Immediately afterwards Messrs. Milling urged a prior claim, and consequently the furniture was not sold. The bankrupt's affidavit stated that when he purchased the furniture in question he was treated as an ordinary customer, and no mention whatever was made of a hiring agreement. He agreed with Mr. Porter that his payments should be made by instalments on certain dates, but the money not being forthcoming Mr. Porter, in February, wrote to him for securities, and produced a lending agreement, with which, however, nothing was done. In April Mr. David Milling called on him (Mr. Matthews) with an agreement, which stated that Messrs. Milling were to be the owners of the furniture until it was paid for, and that $7\frac{1}{2}$ per cent. interest was to be charged. At first Mr. Matthews refused to sign the agreement, but ultimately was induced to do so, when securities were spoken of.—Further corroboration having been given, Mr. West (instructed by Mr. Pullen, of Leeds) who represented Messrs. Milling, read Mr. J. H. Porter's affidavit, which contradicted the bankrupt's statement, with reference to the agreement. Mr. Matthews was not treated as an ordinary customer, but as an extraordinary one by the arranging of the hiring agreement. He had received £150 on account in January, but as the bankrupt could not find satisfactory securities, the hiring system was proposed. Mr. Wilson, one of Messrs. Milling's managers,

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stated in his affidavit that he informed the bankrupt the goods were being lent him, whilst Mr. Howitt, of the firm of Howitt and Co., furnishers, of London, stated that this custom was now very prevalent.—Mr. Blackburn contended that the hiring agreement was an afterthought, and that the goods were supplied in the ordinary way of business, whilst Mr. West held that the agreement was consented to from the first. After a lengthy legal argument his Honour gave the following decision:—Declared that the goods in question were in the order and disposition, &c. of the bankrupt at the time of his making the assignment on the 13th May, 1875, that being an act of bankruptcy, to which there is relation back. That the respondents be at liberty to go in under the bankruptcy to prove for damages on their debts. The respondents to pay the costs of the trustee of this motion, including the costs of the affidavits of Drake and Powell. Ordered that the trustee do not part with any of the goods in question on the motion until after Monday week.

THE EXPENSES OF RECEIVERS.

EX PARTE GORDON RE GOMERSALL.—This was an appeal heard by the Chief Judge in Bankruptcy from an order made on the 15th of April, 1875, by the Judge of the County Court at Dewsbury. John Gomersall and James France Gomersall, who carried on the business of woollen cloth manufacturers at Dewsbury, in co-partnership, under the name of "Gomersall Bros.," filed a petition for liquidation on the 3rd Sept., 1874, and on the same day Joseph Dobson Good, accountant, was, at their instance, appointed receiver and manager of their estate. The debtors occupied and worked two large cloth mills, and were the owners of valuable plant and machinery therein, and also of very considerable stock in trade both in the raw and unfinished state. Of all this property the receiver took possession, and employed the debtors at a salary of £15 per week to assist him in carrying on the business until the appointment of the trustee mentioned below. The debtors employed the receiver to assist them in preparing their statement of affairs, which was submitted to the first meeting of their creditors held on the 22nd Sept. By the statement filed by the debtors their estate was valued at £28,000, their liabilities were estimated at £63,000 and their assets at £24,000. In order to enable him to prepare a proper statement the receiver had had valuations made, without any authority from the court, or any consultation with the creditors, of all the property of the debtors at an expense of nearly £300. At this meeting a composition of 7s. 6d. in the pound was proposed and accepted subject to certain guarantees being given, which, however, were not forthcoming, and ultimately the proceedings fell through. On the 3rd October, a bankruptcy petition was presented against the debtors, and an adjudication followed on the 5th. The first meeting under the bankruptcy was held on the 23rd October, when John Gordon was appointed trustee with a committee of inspection. The receiver, in passing his accounts, claimed to be allowed the £300 for the valuations taken by him, and £120 for wages paid to the debtors whilst he was carrying on the business. The trustee by the direction of the committee of inspection refused to allow these two items on the ground that a receiver and manager had no right, without the sanction of the court or of the creditors, to make a large allowance to the debtors between a liquidation and bankruptcy, or to incur the expense of valuations before the first meeting of creditors under a liquidation petition. On the 15th April, 1875, the County Court Judge, upon the application of the receiver, made an order that the costs of the valuations made for the receiver in order to enable him to prepare the debtors' statement of affairs for the first meeting of creditors should be allowed with costs, subject to all such costs being taxed. The same day the judge made another order, allowing the £120 paid by the receiver to the debtors as wages. Against both these orders the trustee, by the direction of the committee of inspection, appealed. The two appeals came on together. Mr. De Gex, Q.C. and Mr. Finlay Knight, who appeared for the appellant, referred to the Bankruptcy Rules 260, 261, 262, and submitted that upon general principles the large sum charged by the receiver for valuations ought not to be allowed. The 262nd rule did not apply to the receiver, because he was not appointed by the creditors; but, even if he were, this duty was only to investigate the debtors' affairs and not to prepare an account. *Russell* v. *Minet*, 5 DE G.M. & G. 373.— If a receiver appointed by the court were to be at liberty to make valuations of a debtor's estate, and take similar steps with respect to the debtor's affairs without the previous sanction of the court, it would be laying down a rule of practice which might lead to very serious abuse. Mr. Little, Q.C., and Mr. E. C. Willis, who appeared for the receiver, were not called upon. The Chief Judge: The receiver has only such power as the court will delegate to him in the first instance, or sanction the exercise of by him afterwards. I think that much too narrow a construction has been placed upon the rules in the course of the argument adopted by the counsel of the appellant. The 260th rule provides for the appointment of a receiver and manager, with power to take immediate possession of the debtor's effects, and rule 261 provides that any receiver or manager so appointed shall enter upon and act in the performance of his office at such time, and in such manner, and to such extent as the court may from time to time direct. Now, although that rule speaks of the future, I am not at all sure that the proper construction of it is not that the direction of the court may be given after a thing is done, provided that the court is satisfied that it is well and properly done, as the court may, in the first instance, unquestionably direct it to be done. Then when you come to the 262nd rule, the duties of a receiver named by the creditors are very distinctly pointed out. It was not at all necessary to point those duties out in the rule relating to the appointment of a receiver by the court, because, as the power was to proceed from the court in the first instance, it is left with the court to regulate the proceedings of the receiver. Where the creditors take the matter in hand under the 262nd rule, there the nature of the duties of the receiver, which are to be discharged in favour of the creditors, is more distinctly pointed out; but even then the trader is required to state in his petition the estimated amount of the debts owing by him to his creditors; "and where no receiver or manager has been appointed by the court, a majority in value of such creditors may, at any time prior to the passing of the special, or extraordinary resolution, as the case may be, nominate and appoint a receiver or manager of the trade, effects, or business of the debtor, or any part thereof, according to the form in the schedule; and where any such receiver or manager has been so appointed, he shall investigate the state of the debtor's affairs, and report thereon to the general meeting of the creditors; and if any receiver or manager has been appointed by the court, the nominee of the creditors shall be forthwith substituted in his place, and the court shall order accordingly." Such are the provisions in the rules, and I should be narrowing their interpretation if I were to make them apply only where a receiver is appointed by the creditors. The duties to be exercised are so clearly pointed out that no one can doubt what the court in its discretion would direct the receiver appointed by it to do. The receiver is to investigate the state of the debtor's affairs, not to examine into his accounts, but to investigate the state of the debtor's affairs, and to report thereon to the general meeting of the creditors. That is his duty. He must make himself acquainted with the nature of

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the debtor's property in order to arrive at the state of his affairs. In this case it is stated that the debtor's property consisted of freehold and leasehold estates, goods manufactured, and in the possession of the manufacturers, and plant of very considerable value. It was, therefore, the duty of the receiver, whether appointed by the court, or by the creditors, supposing that he properly discharged his duty, when the meeting of the creditors took place to present himself there, and to say, "I have been appointed receiver; I have investigated the state of the debtor's affairs, and I have ascertained what is the value of the assets in respect of which he is about to submit a proposition for a composition. It is right that you should know what his means are, which are available to satisfy his debts, and proceedings were taken in order that the interests of the creditors should be conserved." Yet, because it is not in these rules stated in terms that a receiver appointed by the court shall discharge the same duties as a receiver appointed by the creditors, I am now asked to say that the receiver who has been appointed by the court, who has discharged his duties, as I must assume, to the satisfaction of the court, and has the sanction of the court for what he has done as well in respect of this valuation as any thing else, and who is thought to be entitled to remuneration subject to taxation by the proper officer of the court, than which no order can be more consistent with the proper administration in bankruptcy, should not be so entitled; and it is said that by so doing I am laying down a general rule that may be abused, and which would give power to any receiver appointed by the court to make what valuations he pleased. I make no such rule, nor did the learned judge below; but he, having the means of deciding and the power of exercising his discretion, was of opinion that in the interests of the creditors the valuations ought to have been made, and that as a matter of justice the receiver who simply discharged his duty should be remunerated for all that he had done in that respect, subject, as I have said, to taxation. If only upon the question whether it is a proper exercise of the discretion of the court below, I should have hesitated to say that I would interfere with that discretion, for the learned judge must know the facts of the case far better than I can. What I have said is for the purpose of guarding myself against it being supposed that I have laid down any rule, by virtue of which a receiver may be at liberty to make charges, which otherwise he would have no right whatever to make. In my opinion there is no ground whatever for this appeal, and it must, therefore, be dismissed with costs. The second appeal was then heard. Mr. De Gex, Q.C. and Mr. Finlay Knight, for the appellant, submitted that it was *ultra vires* for the receiver to make an allowance to the debtors for wages or to employ them in carrying on the business. It was for the trustee, who is entitled, and not for the receiver, to appoint the bankrupt to superintend the management of the estate, and to make him an allowance for his services. The Bankruptcy Act 1869, ss. 26, 38. Mr. Winslow, Q.C. and Mr. Brough, for the debtors, were not called upon. The Chief Judge being of opinion that the appeal was frivolous and without substance, dismissed it with costs.

Railway Earnings.—The returns made to the Board of Trade show that the net receipts of the railways of the United Kingdom in the year 1874 amounted to £26,643,003, being 4·37 per cent. on the paid-up capital. The returns for the 14 years 1860-74 (omitting 1868 on account of imperfection in that year's returns) show a material improvement in the last six years. In the three years 1862, 1863, and 1867 the net profits were below 4 per cent. on the paid-up capital; in 1861 and 1866 they exceeded 4, but were below 4·10 per cent.; in 1860 and 1865 they exceeded 4·10, but were below 4·20 per cent.; in 1864 and 1869 they exceeded 4·20, but were below 4·30 per cent.; in 1870 they reached 4·41 per cent.; in 1871, 4·66 per cent.; and in 1872, as much as 4·74 per cent.; 1873 shows a decline to 4·59 per cent., and 1874 a further decline to 4·37 per cent.

LEGAL AUDITORS.

We extract from a legal contemporary the following report of rather an edifying squabble which took place at the annual general meeting of the Incorporated Law Society:—

"Mr. Macarthur moved that the auditors' report be referred back to the auditors for reconsideration and amendment. Upon the face of it there were many inaccuracies and inattention to particulars required in such accounts, which he was sorry to see in the accounts of a society which ought to be a model of correctness and exactness. The sheet was headed 'The Auditors' 49th Account,' but it did not say of what. Perhaps they would refer him to the face of the document. There he found 'The Incorporated Law Society,' which was not the name given to the society in its charter. Even if the first page were accepted, the document proved that the auditors did not know their own name. He noticed in the report up to the 31st December there was omitted a very important division and distinction of accounts into capital and income. For years previously that was the form of the accounts; this year it was omitted. The account was sent out with capital and income jumbled together, and those who knew any thing of the accounts of societies must know that this is the first indication of a failing or fraudulent society. (Laughter.) Another question was why, starting in the usual manner with their receipts on the left hand side, and their payments on the right, when they came to give a statement of their assets and liabilities they should change sides, and put what ought to be on the credit side on the debit side, and what ought to be on the debit side on the credit side. They might answer that it came to the same thing if it was understood they had done it that way, but still it was an incorrect way of doing it. What should be on the debit side was on the credit side, and having exhausted that vagary they put the statement of capital on the proper side. He admitted that the figures, put on either side, would come to the same, but it should not have been done as it had been done when there was no motive whatever for doing it. (Time.) The sheet showed 'Arrears of subscriptions of members to 31st December, 1874, estimated at £1059.' What was the meaning of estimated? He had been told there was a large amount of arrears, and that the £1,059 was the sum estimated as being likely to be recovered. He objected very strongly to such items as furniture purchased for the last twenty-five years, and books in the library, appearing as part of the capital, without any reduction having been made for deterioration, and hoped the accounts would be referred back to the auditors for reconsideration and amendment.

"The Chairman would take this opportunity of stating that Mr. Macarthur had been offered an inspection of the society's books, and it would be much more convenient if that were done in the next room instead of bringing it on at the meeting, where it was impossible to appreciate it.

"Mr. Kimber very much regretted that a great many of the remarks they had just heard were in a great measure justified. He was much surprised that the society, consisting, as it did, of the *élite* of the solicitors' branch of the profession, should make up their accounts very much in the manner of the accounts of those companies who desire to conceal the true position of their affairs. (Laughter.) He was perfectly justified in this observation, and would simply refer to one or two of the items. In the list of expenses the house expenses, including gas, were put down at £420 5s. 3d.; coals £116 5s., servants' liveries £87 9s. 6d., and then comes an item, sundry bills. Adding these items together, and deducting from them what was carried out, they had a sum of £200 unexplained. This was a very convenient way of making up a balance sheet, and no man who had had the slightest experience of the way in which balance sheets were now and then got up would hesitate to explain it to himself. This list of payments condemned the Council. (Cheers.)

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"Mr. Clabon said that having had the honour to hold the post of chairman of the finance committee, he would ask them whether they wished the auditors to write 'Incorporated Law Society of the United Kingdom not being barristers,' &c. upon their report, in preference to the shorter title they had adopted? He invited Mr. Macarthur to meet the finance committee, and he, as its chairman, would be happy to meet him, and if there were any point in respect of which Mr. Macarthur could satisfy him that the account could be improved in any respect, he would do his best to get the council to alter it. It was admitted that the account was honest. All that was said was that there were some errors in it. He would venture to say that, if the meeting sent the accounts back to the auditors, the auditors must simply send it back again as it was.

"The resolution that the auditor's report be received and approved, was then put and carried unanimously."

"BANKRUPTCY LAW ABSURDITIES."

Under the above title, the *Pall Mall Gazette* discourses in the following lively fashion on the Bankruptcy Law. As a specimen of light reading, and of the mode in which a writer of good imaginative powers can make bricks with the smallest possible quantity of straw, it is eminently worth perusal:—

"The law fortifies the bankrupt against his creditors by permitting him to select his own accountant and solicitor to declare his suspension and to 'prepare,' as it is called, after any interval which may meet the convenience or policy of the parties, 'a statement of affairs,' to be laid before what is called by custom and courtesy and fiction 'a meeting of the creditors.' This is a position manifestly at variance with common sense and decency. The resolution to suspend payment can only be taken by any rational man as the result of a careful scrutiny of his means and obligations, and a careful marshalling of all the facts and expectations. The motion, therefore, that the eminent A.B. is to be called in by the bankrupt, to spend several weeks in preparing (at the expense of the creditors) a statement which the bankrupt has already prepared in the most exhaustive fashion, is in the highest degree ridiculous and mischievous. The eminent A.B. enters upon his task deeply indebted to the bankrupt for exercising in his favour a valuable piece of patronage—a piece of patronage rendered doubly delicious by being at the expense of others—and these 'others,' persons who will have the unalloyed pleasure of subtracting from their minute dividends the cost of the professional skill directed to prove that, microscopic as those dividends are, they still ought to be received with joy and thanksgiving. While the 'statement is being prepared,' the eminent A. B. is not idle in the interests of his patron and client—the bankrupt. He goes about among the creditors, and speaks in his professional, confidential, and friendly capacity of the favourable prospects of the estate if the meeting can go off quietly, still more if a few Christian words of sympathy can be bestowed on the unfortunate victim of circumstances wholly beyond his control and on his interesting wife and amiable family. If at all an expert in his vocation, he plays off one creditor against another. His lively imagination and his natural zeal for a prolonged liquidation enable him to exalt neutral answers into promises of strong support, and the case is either very bad indeed or very badly managed if the meeting of creditors does not end in leaving the whole affair—assets, liabilities, dividend, and bankrupt's allowance—to the eminent A. B. and his patron and client, the debtor, under the guise of a private winding-up. And so practically the whole thing disappears into the pigeon holes and pocket of the eminent A. B., and rapidly becomes one of those mythical mysteries to inquire into which is at once both profane and useless, a mystery also supported very much on the principles so successfully practised long ago by the prudent silversmiths who devoted their lives to plating and praising the sacred embodiment of the Goddess Diana as revealed at Ephesus."

PARLIAMENTARY INTELLIGENCE.

House of Commons, July 26.

The Friendly Societies Bill.—On the consideration of the Lords' amendments to this Bill, a number of verbal amendments were agreed to. The Chancellor of the Exchequer moved to disagree with the Lords' amendment reducing the amount for which the lives of children under five years of age might be insured for from £6 to £3. The Bill provided securities to keep in check any tendency towards culpable neglect of young children, and the Government had evidence before them that the £3 would not in all cases cover *bonâ-fide* medical and funeral expenses. The opinion of a large majority of members of this House on this point had been overruled by a very small majority of the House of Lords. Government would be cautious how they entered into any other convention on the subject. When the House saw the correspondence, he thought they would come to the conclusion that the Government had taken the only course open to them in withholding their consent from the bill.

House of Lords, August 3.

Friendly Societies Bill.—On the order for the consideration of the Commons' Amendments to the Lords' Amendments in this bill, Earl Beauchamp moved that the Lords should not insist on their amendment reducing the insurance for children in Burial Club from £6 to £3. Lord Stanley of Alderley thought the Lords should adhere to their amendment. The motion was agreed to, and their lordships did not insist on their amendment.

CREDITORS' MEETINGS.

N. Alexander, Son, and Co.—The creditors of Messrs. N. Alexander, Son, and Co. held a meeting on the 30th July, at which a statement of the firm's affairs was presented; the liabilities being £240,535, and the assets £34,254. Some singular revelations were made at the meeting in regard to the connection of the firm with Collie and Co.

J. Baxter (Blairgowrie).—On the 3rd inst. a meeting was held in the office of Messrs. W. and D. Myles, accountants, of the creditors of Mr. John Baxter of Ashbank and Ashgrove Works, Blairgowrie. A statement of affairs was submitted, showing liabilities to the extent of £30,600, and assets to about £10,900; and an apparent dividend of 6s. 10d. in the pound. No offer of composition was made, as it had been anticipated that the estate would have turned out better. A committee was appointed to make an investigation, and to report to a future meeting.

A. Collie & Co.—On Monday, the adjourned meeting of the creditors of Messrs. Alexander Collie and Company was held at the City Terminus Hotel, Cannon-street, and, as on the previous occasion, Mr. Smith (of the firm of Travers, Smith, and Co., solicitors to the London and Westminster Bank) presided. There was a very small attendance. Mr. Hollams (solicitor to Messrs. Collie) said the meeting was *pro forma*, as he stated would be the case last Wednesday, and they did not propose to put forward any resolution, as it would have no legal effect if they were to do so. The chairman then briefly remarked that the proceedings for private liquidation were at an end. Proceedings, however, would be taken with the view of making these debtors bankrupt.

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W. H. TURNER (PUDSEY).—The first meeting under this bankruptcy was held at the County Court, Bradford, on the 3rd inst. Mr. Alexander Atkinson, of Bradford, public accountant, was appointed trustee, with Messrs. Terry and Robinson as solicitors to the trustee.

SHAND & CO.—At a meeting, on Thursday, of the creditors of Messrs. Shand and Co., in the East India trade, who failed on the 17th ult., the liabilities were stated at £341,980, and assets at only £38,368, thus showing a deficiency of £303,612. The accommodation bills in connection with Collie and Co. amount to about £207,000, and the creditors generally assented to the estate being wound-up in bankruptcy.

E. CORRY.—At an adjourned meeting, on Thursday, of the creditors of Mr. Edward Corry, in the metal trade, whose acceptances for Messrs. Fothergill, Hankey, and Co., amount to £154,709, a resolution was passed to the effect that if the debtor, who offered 4s. in the pound, can make arrangements by the 1st September to pay a composition of 5s. either wholly in cash or partly by approved instalments, ranging over a very limited period, with security, it should be accepted, but that otherwise the estate should be administered in bankruptcy.

FAILURES.

ENGLAND.—A petition was filed on the 30th inst., in the Sheffield Bankruptcy Court, in behalf of Mr. Charles W. Machen, iron and steel merchant, Sheffield, whose liabilities are estimated at £5,000, with assets not yet ascertained. The failure is reported of Mr. Telo S. Hare, in the cotton trade, with liabilities amounting to £170,000, the whole of which, however is covered excepting about £20,000. The losses consist of differences on arrival contracts. The Bombay house represented by Mr. Hare is stated to be unaffected by his suspension.—The bills have been returned of Messrs. W. Walker and Co., ship builders, &c., of Poplar. Their liabilities are estimated at about £50,000.

AMERICA.—Messrs. George H. Lane and Co., Boston, had suspended.—Messrs. E. Nulting and Co., of Indianopolis, stove manufacturers, had failed, with liabilities of £40,000; as also Mr. Joshua Getshell, of Exeter, New Hampshire, general dealer; liabilities £14,000.

The *Allgemeine Zeitung* states that Franz Hyra, of Pilsen, one of the largest employers of labour in Bohemia, has called his creditors together. The liabilities are estimated to amount to about £150,000, and the assets to £206,800. The firm is, therefore, solvent, and payment in full by instalments extending over three years is offered.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Vice-Chancellor Sir Charles Hall has appointed Mr. J. Thornton official liquidator of the Air Gas Light Company, Limited.

The Master of the Rolls has appointed Mr. Frederick William Sperring, Public Accountant, 26 Philpot Lane, Fenchurch Street, E.C., Official Liquidator of the Ballyclare Paper Mills Company (Ireland) Limited.

The Master of the Rolls has appointed Mr. J. J. Saffery (J. J. Saffery and Company) Official Liquidator of the Borough of Hackney Newspaper Company, Limited.

Vice-Chancellor Malins has appointed Mr. Edward Gustavus Clarke (Barnard, Clarke and Co.), and Mr. James Milne, of Bristol, Official Liquidators (under the order for the voluntary winding-up) of Morgans and Guard (Limited). His Honour has also appointed Mr. Edward Gustavus Clarke Official Liquidator of the Ely Paper Company, Limited.

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VOL. I.—NEW SERIES.—No. 86.] SATURDAY, AUGUST 14, 1875. [PRICE 6D.

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The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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The Accountant.

AUGUST 14, 1875.

The world in general, which, by a cheerful legal fiction, is supposed to be acquainted with the whole of the law of the realm both statute and common, will find some difficulty in coming to a correct opinion on the state of the law with reference to imprisonment for debt. In "Cobham *v.* Dalton," on which we commented last week, the Lords Justices distinctly laid down that a debtor who was in prison under an attachment by order of the Court of Chancery for non-payment of money, was entitled to his release if he had been adjudicated a bankrupt, and was protected from any further proceedings till he had obtained his discharge. In that case, their Lordships apparently considered that imprisonment was an unpleasantly severe remedy, put in action by a creditor for the purpose of obtaining payment of his debt, and disregarded the failure to obey the express directions of the Court of Chancery. The point has, however, arisen again, and the great principle which was to serve as a beacon to all future debtors and creditors alike, has been somewhat shaken by the decision in Deere's case, which we report this week. Mr. Deere was ordered to pay money which he had received in his capacity as an attorney. This he failed to do, and a rule for attachment being obtained, he was committed to prison. Previously to this Deere had become bankrupt, and on the authority of "Dalton v. Cobham," he claimed to be released. The Lords Justices, however, held that the only power they had to order his release was under the 18th section of the Bankruptcy Act, which gives a discretionary power to the Court to restrain legal process against the debtor; and that they ought not to interfere with the process of another tribunal.

It is not easy to distinguish the two cases from each other, except that in the first instance the Lords Justices sat to review the decision of the Master of the Rolls, and in the second instance to review a decision of the Court of Bankruptcy. But the circumstances of the two cases are so similar, and the reasoning of the Judges in one of them so applicable to the other, that the distinction is a matter of the most extreme refinement. Both prisoners made default in payment, under circumstances mentioned in the 4th section of the Debtors Act, and between which no difference is made; both became bankrupt after the order was made, and before attachment issued; and both were imprisoned in obedience to the mandate of a Court of competent jurisdiction,—Mr. Dalton by the Court of Chancery, and Mr. Deere by the Court of Exchequer. Yet Mr. Dalton is discharged from custody because his arrest is illegal, while

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Mr. Deere is detained in prison because, though apparently his arrest is illegal, the Court of Bankruptcy will not exercise a discretionary power of ordering his discharge. We can understand the Lords Justices ordering the discharge of a prisoner committed by the Master of the Rolls, on the ground that the committal was not justified by the facts, and hesitating to question the propriety of a judgment of a Common Law Court, though they might be less particular in the case of a judge whose decisions they may have constantly to consider. But Mr. Dalton's discharge was ordered, not because his committal was not warranted by his default, but because his arrest was not warranted by any direction in the Bankruptcy or Debtors' Acts. Surely, if this was so, Mr. Deere's arrest was equally wrong. However this conflict of opinion may be settled, the last of the long vacations must press hardly upon Mr. Deere, who may consider himself as born under an unlucky star, and while considering the old aphorism,

"*Dat veniam corvis, vexat censurâ columbas,*"

may also reflect on the inconsistencies of the courts of which he is an officer.

The case of Mr. Thomas Mason Robinson, in which we reported, last week, a long and elaborate judgment of Mr. Daniel, is typical of what happens under a great many liquidations. Mr. Daniel intimated that it was probable that his views would be considered by a higher Court; and with every respect to the opinion of one who is admitted to be one of the soundest and most accurate of our County Court Judges, we should be glad to see a decided rule laid down, especially as Mr. Daniel made various observations in giving judgment, which are of great importance. The point may be very simply stated. Robinson filed a petition for liquidation, and at the first meeting of creditors a composition was accepted, payable in three instalments, the payment of the last being guaranteed by a third party, Mr. Anthony Robinson. Previous to giving this guarantee, Anthony Robinson obtained certain goods from the debtor which he held as security, with the understanding that he was at full liberty to sell these, if necessary, and recoup himself any moneys he might be called upon to pay under the guarantee. The first instalment was paid; but just after the second became due, the debtor filed a fresh petition for liquidation, and Anthony Robinson was called upon to pay the third instalment, which he did. The trustee under the second liquidation claimed the goods from Anthony Robinson, and this claim the Judge decided to be well-founded. It was, he said, necessary to communicate the whole of the terms to the creditors, and obtain their assent to the arrangement. Till the composition had been accepted, the goods were not the debtor's to pledge; and, unless the express permission of every creditor was obtained, it was the duty of the registrar to refuse to register the resolution, as being *ultra vires.* Without pushing the doctrine laid down to its extreme limits, which, we must candidly say, in our humble judgment, Mr. Daniel seems to do, we agree with the rule that creditors ought to be informed of the transaction. There may be many considerations which would make such proceedings both advantageous and valid. Composition is either an act of mercy to the debtor, or it is considered as a means of saving the sums which would otherwise be swallowed up in expenses; and a smaller dividend which is speedy and secure, is often preferable to the chances of one which looms larger through the remote distance. So that if a surety chooses to guarantee payment of the whole or any portion of the composition, and trust to the assets for repayment if necessary, he is merely doing what the creditors decline to do for themselves, namely, running the risk of having to liquidate the estate for himself. But the whole matter is, after all, a question of the correctness of the accounts. If a large surplus is shown or deduced, friendly creditors can have no right, in reliance on private arrangements, to force a composition upon dissentients who only want to make the best of their loss. If a large deficiency is shown, or the assets are of doubtful value, the surety who guarantees a sum certain in amount, looking to those assets for payment, will find his offer accepted. While we do not hold with Mr. Daniel's sweeping censure on the plan, we quite agree with his views as to the propriety of the most thorough frankness and openness in stating the nature of the arrangement to the creditors.

Receivers are often a race of persons who, like officials generally, have a strong tendency to enlarge the scope of their proper functions. A receiver, whose duty is simply to receive rents and duly account for them to the Court of Chancery, not unfrequently gets into trouble because he has taken too large a view of

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his duties, and exercised the power of a manager. Chief Judge Bacon has recently had an opportunity of considering this point in the case of "Ex parte Gordon—Re Gomersall," and both judgment and arguments were chronicled in our columns of last week. The crimes of Mr. Joseph Dobson Good, an accountant of Dewsbury, who was appointed receiver and manager of Messrs. Gomersall's estate, were not of a very heinous nature. He had employed the debtors at a salary, to assist him in carrying on the business, without seeking the sanction of either Court or creditors; and he had paid certain sums of money to valuers. Possibly, as a receiver, pure and simple, he had no right to do this, and ought to have contented himself with simply collecting such debts as he could, but both as a matter of law, and a matter of fact, he was amply justified in his proceedings. He was appointed receiver and manager, and consequently his authority was as great as that of the ordinary manager of a concern. And it must be noticed that the rules as to the duties of receiver obviously use the term as synonymous with that of manager; "receiver *or* manager" may be either read as "receiver *and* manager," in obedience to a well-known rule of judicial construction, or the last designation may be considered as extending the definition laid down by the first. And further, the Chief Judge explained very clearly the construction to be placed on the rules. It had been argued that nothing was said as to the duties of a receiver appointed by the Court, though there were sufficiently clear directions as to what had to be done by a receiver appointed by the creditors. This somewhat fine-drawn argument was overruled as summarily as it deserved. The creditors may nominate a receiver, if the Court has not done so; and it was certain that if the creditors had nominated Mr. Good, nothing could have been said of his proceedings. If the debtors had been obstinate and refused to acknowledge his authority, the Court would have confirmed him in his post, and no question could then have arisen. What the Chief Judge held was, that there was really no distinction between the various modes of nomination as regards the duties of the office, and this construction is most certainly the sound one.

Petitions have been presented to the Court of Chancery for the winding-up of the British Guardian Life Assurance Company, Limited, and British, Colonial, and Foreign Property Insurance Corporation, Limited.

Correspondence.

CREDITORS AND THEIR GRIEVANCES.

To the Editor of the Accountant.

SIR,—It is not very long since a rather sensational letter, signed "Unfortunate Creditors," appeared in the columns of a prominent daily paper. In justice to the class of business men which your Journal so ably represents, I think it would not be out of place if you were to give publicity to the proceedings at a meeting of creditors which was held a few days ago in the City. Every creditor had in the first place received due and proper notice of the day and hour of meeting. The estate, although certainly not a very large one, was of sufficient importance to several creditors on the list to call for personal attendance; yet what was the result? *Three* solicitors, armed with their respective bundles of proxies, were the sole constituents of the "meeting," and as they were "friendly," there was, consequently, neither opposition nor discussion, and it may be presumed no more formality than was necessary to engender a lucrative amount of litigation. It appears most ridiculous and absurd for the public to raise an outcry about the manner in which liquidations, compositions, or arrangements are carried out, when no one individual will trouble himself to look after his own affairs; and it would, perhaps, not be out of the way to suggest that future epistolary contributions to the press should bear signatures of an applicable nature. In instances similar to the one I have quoted above, and which tallies, doubtless, with very many other cases, I would suggest to complaining "unfortunate" Creditors the advisability, for consistency sake, of qualifying themselves in a slightly more accurate manner; and I have not the least doubt that an analytic test would tend greatly to diminish the list of the self-named "Unfortunate," and to swell the list of "Indifferent" Creditors to no inconsiderable extent.

Yours,
X.

WINDING-UP.—A petition for the winding-up of the Wedgwood Coal and Iron Company, Limited, is to be heard before Vice-Chancellor Malins on the first petition day in Michaelmas Term.

THE MIDSUMMER BALANCE-SHEET.—The account of the public income and expenditure of the United Kingdom in the year ending the 30th of June, 1875, shows that the income received from taxes—viz., Customs and Excise Duties, stamps, and land, house, and Income-tax—amounted to £64,032,000; from the Post Office, £5,888,000; telegraph service, £1,032,000; Crown lands, £385,000; miscellaneous, £4,091,013—making the total income £75,516,013. The expenditure comprised £27,113,227 for interest on the National Debt; £15,044,649 for the Army, including the Purchase Commission; £125,000 Ashantee Expedition Vote of credit; £10,860,404 for the Navy; £13,383,002 for Civil Services; £2,660,510 Customs and Inland Revenue Departments (cost of collection); £2,957,575 Post-Office; £951,000 packet service; £1,198,065 telegraph service—making a total expenditure of £74,293,432, or £1,222,581 less than the income. A sum of £600,000 was also raised in the year for expenditure on fortifications and localisation of the military forces. This sum, however, was a charge upon the year's income, but was raised by the creation of annuities amounting to £68,595, terminating in 1885, and which will appear from year to year among the items of expenditure.

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COURT OF CHANCERY.

August 5.

(*Before the* LORDS JUSTICES *of Appeal.*)

IN RE DEERE.—This was a case of some importance with regard to the power of the Court of Bankruptcy to discharge from custody a person who has been committed to prison by one of the Courts of Common Law for non-payment of money which he had received while acting in the character of attorney and solicitor. This is one of the debts which is excepted from the general abolition of imprisonment for debt, which was effected by the Debtors' Act, 1869. On the 11th of November, 1874, an order was made by Baron Amphlett that Mr. J. M. Deere, an attorney, should forthwith pay to Mr. T. Forgham a sum of £48 12s. which Deere had received from him while acting in the capacity of attorney. The money was not paid, and the order was afterwards made a rule of Court. On the 13th of February, 1875, Deere was adjudicated a bankrupt. In Easter Term, 1875, a rule *nisi* for an attachment was obtained against him for non-compliance with the order, and this rule was, before the end of the Term, made absolute by the Court of Exchequer. On the 24th of July Deere was arrested and lodged in the Surrey county gaol. He applied to Baron Cleasby at Chambers to order his discharge, but the learned Judge refused to interfere with an order made by the Full Court. Mr. Deere then applied to the Court of Bankruptcy. His application was refused by Mr. Registrar Murray, acting as Chief Judge, and from this refusal Mr. Deere now appealed. Mr. E. C. Willis and Mr. R. G. Glenn, for the appellant, contended that the Court of Bankruptcy had power, under Section 13 of the Bankruptcy Act, 1869, to order his release from custody. The attachment was really in the nature of a civil process to enforce payment of the debt, and in a case of that kind a bankrupt was, according to the decision of this Court in "Cobham v. Dalton," not liable to arrest during the pendency of the bankruptcy. Mr. Moulton, for the creditor, contended that the attachment order was made by the Court of Exchequer in the exercise of a *quasi*-criminal jurisdiction over its own officer. The payment of the money would not entitle the bankrupt to his release as a matter of course, as in the case of a writ of *ca. sa.*, but he would have to make an application to a Judge in Chambers. At any rate, this Court had a discretion under Section 13, and would leave the question to be decided by the Court of Exchequer. Mr. E. C. Willis was heard in reply. Lord Justice James was of opinion that this being the case of an attachment issued by a Court of competent jurisdiction against its own officer, the Court of Bankruptcy, in the exercise of the discretion given to it by Section 13, ought not to interfere with the process of the other Court. There was nothing to prevent the appellant from suing out a writ of *habeas corpus*. Under the circumstances, this Court ought not to go into the merits of the case. Lord Justice Mellish was of the same opinion. If the Court of Bankruptcy had any jurisdiction in the matter it was under Section 13, and the exercise of that jurisdiction was discretionary. It was not right that this Court should decide the question whether the attachment was merely for the purpose of enforcing payment of the money, or whether it was also by way of punishment. This question ought to be decided by the Court which made the order.

EX PARTE JONES—IN RE JONES.—This was an appeal from a recent decision of the Chief Judge in Bankruptcy. It involved a question of some nicety in regard to the rights of execution creditors in cases of composition. On the 8th of May, Messrs. Sabel recovered a judgment against the debtor, a trader, for £55 10s., and on the 10th execution was issued upon the judgment and lodged with the Sheriff. On the same day, at an earlier hour, the debtor had filed a petition for liquidation, and on the 13th execution was levied by the Sheriff upon his goods. A receiver was then appointed, and an injunction obtained restraining further proceedings under the execution, and at the first meeting, on the 26th of May, the creditors passed a resolution, which was afterwards confirmed, accepting a composition of 7s. 6d. in the pound, payable by instalments. After the registration of the resolution the execution creditors obtained an order from the Judge of the Liverpool County Court dissolving the injunction, thus leaving them at liberty to proceed with their execution. On appeal by the debtor to the Chief Judge this decision was affirmed. The debtor appealed. Mr. Little, Q.C., and Mr. Finlay Knight were heard in support of the appeal; Mr. De Gex, Q.C., and Mr. F. O. Crump, for the execution creditors, were not called on. Lord Justice James was of opinion that the decision of the Chief Judge was quite right. In order to take away any legal right there must be found express words or plain indication in the Act. By the law of the land the respondents had obtained a security upon the goods of the debtor. If the proceedings under the petition had resulted in a bankruptcy or a liquidation by arrangement, no doubt this right would have been lost, because the goods would have ceased to be those of the debtor, and would have become the goods of the trustee. But in the case of a composition, the goods never ceased to be the goods of the debtor, as against whom there was a binding security upon them. It was said that the other creditors had power under the Act to make the respondents accept the composition for their debt, and therefore they had also a right to affect their security for the debt. That would be monstrously unjust. Then it was said that it was a mere matter of words; that bankruptcy, liquidation and composition were really the same thing, and that in bankruptcy or liquidation this security would have been destroyed. But that only resulted from the power which the creditors would have had to compel the respondents to take their rateable share of the assets; it did not follow that they could destroy the security and make the respondents accept what they thought it fair to take from the debtor. The decision of the Chief Judge was right, and the appeal must be dismissed with costs. Lord Justice Mellish was of the same opinion. There were no words in the Act to take away the security which the respondents had obtained against the debtor. In bankruptcy or liquidation it would have been taken away by the relation back of the title of the trustee. There was no such relation back in a case of composition. Section 126 of the Act said that the provisions of the composition should be binding on all the creditors whose names and addresses and the amount of whose debts were shown in the debtor's statement. But that could not mean that it should be binding so as to destroy any security which a creditor might have. In bankruptcy or liquidation any security obtained before the act of bankruptcy would remain untouched. In the case of composition there was nothing to distinguish between a security obtained before the filing of the petition and one obtained between the filing of the petition and the first meeting of the creditors. In the present case, at the time the first meeting was held, the goods were bound, as against the debtor, and there was nothing in the Act to affect the right so acquired.

ALLEGED FRAUDULENT BANKRUPTCY.—At Worship-street police-court on Wednesday, August 4th, Henry Webb, a china and glass dealer, of Brushfield-street, Norton Folgate, who has been several times before the court on a charge of neglecting to deliver up the whole of his estate to the trustees of his liquidation for the benefit of his creditors, appeared for further examination. Mr. Besley was for the prosecution; Mr. Montagu Williams for the defence. The case was reported in the *Accountant* of July 31st, and the depositions being now concluded, the defendant was fully committed for trial to the Old Bailey. Bail was allowed—two sureties of £40 each, and the defendant himself in £80.

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EUROPEAN ASSURANCE ARBITRATION.

August 9.

(*Before Mr.* F. S. Reilly.)

This was the first sitting under the new Act relating to this arbitration. On taking his seat the learned Arbitrator said:—"Mr. Higgins, in taking this seat, in succession to eminent Judges, I rely much on the assistance of my brethren at the Bar. It is also a satisfaction to me to know that a part of the new arrangements made by the Legislature—one without which, indeed, I should not be placed here—is that the parties and myself will have the benefit of appeal."

Nash, Middlemist, and Muriel's Case.—This was a question as to whether Messrs. Nash, Middlemist, and Muriel are liable to a call as contributories to a company called "The English Widows Fund and General Life Assurance Association." The point in dispute related to the constitution and state of the company, and to the peculiar circumstances attending its amalgamation with the British Nation Life Assurance Association. Mr. Napier Higgins, Q.C., and Mr. Romer appeared for the joint official liquidator; Mr. De Gex, Q.C., and Mr. Horton Smith for Messrs. Nash, Middlemist, and Muriel. The Arbitrator reserved judgment.

Charles Taylor's Case.—The question for consideration was whether the executors of the late Mr. Charles Kemp Taylor, of Stockport, ought to be placed on the list of contributories to the European Assurance Society. Miss Ann Bowden held 200 shares in the Society, and on her marriage with Mr. Taylor, in 1861, no marriage settlement was executed. After Mr. Taylor's death in 1864, both the widow and the executors claimed the shares. Ultimately, in August, 1865, the executors waived their claim to the shares, and also gave up to Mrs. Taylor a dividend that they had received in January, 1865. Subsequently the Society paid all dividends to Mrs. Taylor. Now that the Society is being wound-up, the official liquidator seeks to place the executors on the list of contributories, either jointly with or instead of Mrs. Taylor. Mr. Napier Higgins, Q.C., and Mr. Romer appeared for the joint official liquidator; Mr. Ilbert for the executors.

Lake's Case.—Mr. Warmington applied on behalf of the trustees in bankruptcy of Mr. Henry Lake, formerly the general manager of the European Assurance Society, to be paid the sum of £350, in respect of services rendered in the liquidation of the British Nation Fire Insurance Company. The joint official liquidator contended that Mr. Lake was fully paid for all his services by the very large stipend he received from the European Assurance Society, with which the British Nation Fire Insurance Company had become amalgamated. Mr. Napier Higgins, Q.C., and Mr. Romer appeared for the European Assurance Society. In this case, also, judgment was reserved.

August 10.

(*Before Mr.* F. S. Reilly.)

The Munster Bank.—Mr. Higgins, Q.C. (with him Mr. Romer) applied to have a sum of money paid by the European Society to the Munster Bank refunded to the former. The question raised was whether certain payments made after the presentation of the petition, on which an order was made to wind-up the European Society, were invalid, and whether the money was liable to be returned or not. In this case he asked that the sum of £532 10s., paid to the bank on the 3rd July, 1871, by the society, should be directed to be repaid to the joint official liquidator, on the ground that that amount was paid during the pendency of the petition to wind-up the society, and therefore void under the Companies' Acts. The claim of the bank on the policy was admitted by the society on the 3rd of February, 1871. The amount, however, remained unpaid; and on the 6th of June the holder of the policy commenced an action in Ireland against the society. On the 10th of June a petition was presented by Mr. Greenhough to wind-up the society. On the 13th and 14th of the same month the usual statutory notices were inserted; on the 12th of January, 1872, the actual order was made. Nevertheless, on the 3rd of July, 1871, a cheque for £532 10s. was handed over to Messrs. Thomas and Hollams, the legal representatives of the bank, on receiving which they handed over to the society the original policy on the life of the assured. He contended, therefore, that at the time of receiving the cheque in question Messrs. Thomas and Hollams were well aware of the presentation of the petition, and so likewise were the Munster Bank; and as a consequence, he urged, that the payment in question having been made after the commencement of the proceedings for winding-up the society, was a void disposition of the funds of the society under the 153d section of the Companies' Act, 1862, and the sum ought to be refunded by the Munster Bank to the society. He illustrated his contention by observing that the payment referred to had no more force in law than would such a payment if made now from the assets of the society. Mr. Martin, Q.C. M.P., for the bank, submitted that the bank received the money in a *bonâ-fide* dealing with the society, and without receiving notice of the presentation of the petition; that the bank, upon the faith of the payment, gave the person assured under the policy credit; that if any body was to be applied to for payment, that person must be the assured rather than the bank. Then, as regarded the policy itself, that was one taken out in the associated companies, not the European Society proper, and there was nothing to show that the latter could not pay the money as executive trustees for the British Nation, considering the manner in which the directors carried on the business; that, in short, the money was paid in the ordinary course of business, and the fact of the payment must be recognised and sanctioned as the satisfaction of a debt, without in any way contravening the 153d section of the Companies' Acts, and the amount ought not therefore to be refunded. Mr. Martin further urged that the bank were persons claiming as mortgagees or as the assignees of the assured, and were mere outside creditors paid in the ordinary course of business. He denied that statutory advertisements had been held in the arbitration to fix the party affected with knowledge of the pendency of a petition to wind-up, and quoted in support of his contention extracts from the judgment of Lord Westbury, who had declared that he would not take away from persons what they had honestly received, and in the case of his (Mr. Martin's) clients he asserted that they had received the money without a suspicion or any notion that the directors had not full power to pay, and it was clear the directors were carrying on the business of the society in a legitimate manner, and had full power to do so. With regard to costs of resisting the present application, it certainly was not a case for costs to be given against the bank, in the event of the decision going against them; but as it was a representative case, the costs ought to come out of the estate of the arbitration.—Mr. Higgins, Q.C., in reply, contended that under the 153rd section of the Companies' Act every payment of money to a creditor after the presentation of a petition to wind-up a company was void. The money was liable to be recovered back if an order be made to wind-up a company on petition, unless there be something special in the case which might induce the Court to say that under all the circumstances it would be inequitable to apply the section in question to that particular case.—His Honour deferred judgment.

Wade and Forshaw's Case.—In this case application was made that Edward Wade and John Forshaw, of Preston, should be ordered to repay to the liquidators the sum of £156, which was paid to them by the society on the 21st June, 1871, during the pendency of the petition to wind-up. This claim was resisted, on the ground that at the time when John Forshaw received the cheque for the money neither he nor Wade had any notice or knowledge whatever that the petition had been presented, or that any proceedings were in progress

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or contemplation for the winding-up of the society, nor of the advertisements.—The Joint Official Liquidator contended that the publication of the advertisements operated as constructive notice to them of the pendency of the petition, whether in fact they were or were not aware of it. That the payment in question was made under circumstances which made it a void disposition of the property of the society, or else was an undue preference to a particular creditor under the 164th section of the Companies' Act.

Goodall and Longfield's Case.—This was a similar case to the one preceding. Application was made that Charles Goodall and Joseph Longfield, of Leeds, be ordered to repay £208 13s. 2d. to the liquidators, which was paid to them on the 5th July, 1871, during the pendency of the petition to wind-up. They had received the money as trustees under a marriage settlement, and had handed it over to the beneficiare under the will of the assured. They urged that they were not liable to refund, because it was a *bonâ-fide* transaction, and was completed six months before the date of the order to wind-up; that if there was a right to recover, steps ought to be taken against the widow, the person to whom it was paid in pursuance of the trusts of the settlement referred to.

There were other cases of a like character, where similar applications were made for a refund of money; after hearing the arguments in which his Honour said he should reserve his judgment.

The sittings were then adjourned *sine die*.

COURT OF BANKRUPTCY.

August 7.

(*Before Mr. Registrar* Murray, *sitting as Chief Judge.*)

In re W. Walker & Co.—The debtors, William Walker, Christopher Crouch, and B. Magnus Lindwall, trading in co-partnership as shipbuilders and engineers, under the firm of W. Walker and Co., have presented a petition for liquidation, their liabilities being estimated at about £130,000, and assets £70,000. Upon the application of Mr. Finlay Knight, his Honour appointed Mr. Coker, accountant, Cheapside, receiver and manager of the estate. An interim injunction, staying further proceedings in several actions, was also granted.

August 10.

(*Before Mr Registrar* Murray.)

In re Kilburn and Kershaw.—The bankrupts, Messrs. Henry Ward Kilburn and William Kershaw, were silk and piece goods brokers, carrying on business at 28 St. Mary-axe. At a first meeting of creditors now held debts to a considerable amount were proved, and Mr. W. Turquand, accountant, was appointed trustee, to act with a committee of inspection consisting of Messrs. Arthur L. Beart, 41 Lothbury, and Andrew de Metz, 25 Throgmorton-street. A statement of affairs returns debts of £201,476, of which £67,567 is due to unsecured creditors, with assets £6,577. Messrs. Amory, Travers & Co., solicitors, and Messrs. Ashurst, Morris, & Co. took part in the proceedings.

August 11.

Mr. Registrar Murray, sitting as Chief Judge, disposed of a list of petitions and debtors' summonses.

(*Before Mr. Registrar* Hazlitt.)

In Re Henry Adamson and Sons.—This case was brought under notice upon an application to register a resolution of creditors. The debtors, Messrs. Henry Adamson, jun., and John Saunders Adamson, were shipowners, and ship and insurance brokers, carrying on business at 75 Mark-lane, under the style of Henry Adamson and Sons. They recently filed a petition for liquidation, and at the first meeting of creditors a resolution was passed appointing Mr. John Young, accountant, trustee, and for a liquidation by arrangement. The joint debts and liabilities form a total of £94,298, with assets £12,917; the separate estates show a surplus, which will be available to the joint creditors. Messrs. Hollams, Son, and Coward supported the application. It appeared that through an inadvertence, creditors to the amount of £1,513 had not received notice of the first meeting, but none of them opposed the registration, and the necessary majority was not affected by the omission. Mr. Registrar Hazlitt allowed the resolution to be registered.

BRISTOL COUNTY COURT.

August 6.

(*Before* R. A. Fisher, Esq., *Judge.*)

Re Thomas Davies of Merthyr Tydvil, deceased.—An application was made to the court on the 19th ult., by Mr. Norris, counsel on behalf of the Comptroller in Bankruptcy, for an order directing Mr. John Parsons of Bristol, the trustee under this bankruptcy, to carry back to the credit of the estate the sum of £15, which he had paid to the members of the committee of inspection as a remuneration for their services, and which the comptroller had disallowed in the trustee's accounts as an improper payment. His Honour now delivered judgment, in the course of which he fully reviewed the arguments of the learned counsel, and the bearing of the Act of 1869 upon the question at issue. It appears that the trustee, in making the payment, had relied on a resolution of creditors by which the amount was voted to the committee; but Mr. Norris, on behalf of the comptroller, contended that it was not within the power of a majority of creditors to pass a resolution dealing with the property of the bankrupt, except as permitted by the Act of Parliament. The judge took this view of the matter, and decided that as section 14 of the Act declared that the bankrupt's property should be divisible amongst his creditors in proportion to the debts proved by them under the bankruptcy, it was not competent for the creditors to deal with that property in any other manner unless expressly provided. By the same section power was given to the creditors, upon appointing a trustee, to determine what remuneration he should receive for his services, but with regard to the appointment of the committee of inspection the section was silent as to remuneration, thereby indicating the intention of the legislature that they should not receive any payment for their services, but that the office should be purely honorary. In fact, the position of a member of a committee of inspection was somewhat analogous to that of a trade or creditors' assignee under former Bankruptcy Acts, who was never allowed to derive any remuneration for performing the duties pertaining to that office. His Honour also pointed out that an ordinary trustee of property has no claim or title to payment for personal services. Under these circumstances, his Honour was of opinion that the trustee could not resist the application of the comptroller, he should therefore direct him to credit the estate with the amount; but as there was no *mala fides* on the part of the trustee, he should order the costs of the comptroller to be paid out of the estate. Judgment accordingly.

Court of Chancery.—According to a Parliamentary paper just issued, the receipts from dividends by the Court of Chancery and from other sources amounted in the year ended the 31st of March last to £242,613 6s. 8d., and a "deficiency" of £50,143 15s. 2d., making £292,157 1s. 10d. In the preceding year the amount was £289,362 7s. 9d. The net deficiency in the two years was £4,957 15s. 6d.

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LIVERPOOL COUNTY COURT.

Aug. 7.

(*Before* Mr. Collier, *Judge*.)

In re Augustus Tappenbeck & Co.—This was a motion of importance in a commercial point of view. Augustus Tappenbeck traded at Para, in partnership with Messrs. Schramm and Christiansen, under the style of Augustus Chistiansen and Co., and in Liverpool with Mr. Christiansen under the style of Augustus Tappenbeck and Co. The Para firm made shipments to the Liverpool firm, and to provide funds therefor drew bills on the Liverpool firm and sold them at Para, advising the Liverpool firm of such drafts. The bills of lading of goods shipped were made out to the order of the Liverpool firm, who insured on their own account and paid freight. From time to time, as goods were shipped, statements were sent by the Para firm to the Liverpool firm, debiting the latter with amounts of invoices, and crediting them with drafts, or parts of drafts, to an amount equal to the amount of the invoices, and in this way purporting to appropriate certain invoices to certain drafts. Both the Liverpool and the Para firms, about twelve months ago, became insolvent and are now in liquidation, and the question before the court was whether shipments which had been received by the Liverpool firm before failure, and subsequently by their trustee in the liquidation, and which had realised £10,133 7s. 3d., were applicable to the discharge of the outstanding drafts, amounting to £11,180 15s. 9d., or whether the proceeds of such shipments should be treated as part of the general assets of the Liverpool firm. The question, in fact, was whether there had been a specific appropriation of these shipments against the drafts. Some months ago the trustee applied to the court for directions as to the application of the proceeds of the shipments, but in the absence of several of the parties interested it declined to give any directions, and the motion now made was on behalf of the liquidators of the Para firm, that the proceeds of the shipments be applied in payment of the drafts, and thereby to reduce the amount of their liabilities. It may be mentioned that of the drafts, amounting to £11,180 15s. 9d., some had been paid before the Para firm stopped, others by being placed to the credit of holders who were indebted to the firm, and of those which were not discharged in any way some were accepted by the Liverpool firm, and others had not been so accepted. Mr. W. F. Robinson, Q.C., with whom was Mr. Aspland (instructed by Mr. George Rogerson), appeared for the Para firm, and Mr. Herschell, Q.C., and Mr. Walton (instructed by Messrs. Hull, Stone, and Fletcher) for Mr. Banner, the trustee of the Liverpool firm. The arguments of the learned counsel occupied the greater portion of the day, the main contention on the one side being that there had been an appropriation of property for a specific purpose, namely to meet the drafts; and on the other side it was argued that the shipments in question, on being drawn against, became the property of the Liverpool firm, and the course of business between the two firms was such as to negative the assumption that there had been any specific appropriation of any particular shipments. Numerous authorities on the point were cited, and the learned judge, at the conclusion of the arguments, said he should reserve his judgment.

HALIFAX COUNTY COURT.

August 7.

(*Before Mr.* Giffard, *Judge.*)

Action as to a Life Policy.—The judge had fixed to-day for a special sitting, to afford Mr. Robert S. Beswick (of Beswick and Co., accountants,) and Mr. William Powell, bill broker, of Leeds, an opportunity to show cause why an action commenced against them to recover possession of a life policy for £500 should not be heard before a jury. Mr. Beswick was, until recently, trustee under the bankruptcy of one Jacob Stead, and as such trustee he became possessed, on behalf of the estate, of a policy for £500 on Stead's life. This, it is alleged, he sold to Powell, a relation of his, for £48, with the object of benefitting himself and Powell, and not for the good of the creditors. Stead afterwards died; Mr. Beswick was removed from the trusteeship, and the present proceedings were commenced by his successor, the present trustee. Mr. T. E. West and Mr. T. Atkinson, barristers (instructed by Mr. Rhodes, of Halifax), now represented the trustee; Mr. Shaw, barrister (instructed by Mr. Charles Whiteley, of Leeds), appeared for Mr. Powell; and Mr. Lawrence Gane, barrister (instructed by Mr. Pullan, of Leeds), was counsel for Mr. Beswick. —Mr. Gane stated that when Mr. Beswick was examined on the 1st July before Mr. Registrar Rankin, he appeared without counsel, and a number of questions were put to him by Mr. West,—questions which the learned counsel shaped, and to which, of course, the witness had to give a brief and somewhat direct answer. Supposing he had had a legal representative, some of the questions might have been objected to in the first place; and in the second place, had he had more time, and not been hurried on from question to question, he would have given in many respects answers which, whilst being perfectly truthful, would have put a different complexion on the case than that occasioned by his replies to the skilfully-framed questions of Mr. West. He was taken over all the transactions without his papers, and had to rely on his memory to a great extent, and reports got into the newspapers; it appeared in one case at very great length; in another case it was briefer, but was decidedly incorrect. The case being a Halifax case, and the parties Halifax men, it had been the topic of conversation, and Mr. Beswick had been unfairly represented. For more than four weeks there had been before the public, in the various newspapers which circulated widely in the district, a one-sided statement of affairs, and without imputing bias to any man, he submitted it was perfectly impossible in a local case like this, where there had been considerable local feeling, for men to have their minds entirely unprejudiced. In one instance the newspaper report was headed "Extraordinary Disclosures;" in another "Singular Application," both very attractive sensational titles, which went to show the feeling on the matter. Under the circumstances, it was very improper the case should be tried by a Halifax jury. Without asking his Honour to change the venue, he might say they preferred to have the case tried by his Honour, as it was impossible the gentlemen who would compose the jury would be altogether unbiassed.—Mr. Shaw, on behalf of his client, said he did not deny the plaintiff had a right to take this course; but there was undoubtedly no concurrence to a trial by jury on the part of his client. But he relied on the sole ground that the case could be tried quite as well by his Honour as by any jury. It therefore rested with his Honour as to whether he required a jury to try it.—Mr. West replied, contending that what took place before the registrar had nothing to do with the case. As to Mr. Beswick not having his books and papers with him, the question was put to him, and he said, "They belong to Beswick and Co.; I am not a partner, and I have no power to bring them." Then as to the newspaper reports, what had appeared there was the statement of Mr. Beswick himself—the case as it was then shaped by him—and if any one had been prejudiced it was in favour of his side. True, Mr. Beswick was unrepresented by counsel, but the registrar was present, and any one who knew him would know that he was not the man to allow any unfair question to be asked. With regard to its being a Halifax question, could it be said that out of 70,000 people a jury of five would not be better than a jury of five out of the larger population of Leeds, especially considering that one of the parties to the case belonged to Leeds. If they wished to change the venue to Leeds it would be worse than

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hearing it at Halifax. He admitted there was not the consent of all parties to the trial by jury; but he submitted that it was a proper case for his Honour to exercise his discretion and require it to be heard by a jury; because it was a question of fraud arising out of circumstances, and the best tribunal in such cases was a jury. The Judge: I am disposed to have it tried by a jury.—After some further discussion on the point, his Honour decided in favour of the case being tried by a jury. A long conversation then ensued as to the issue to be tried, and it was agreed that the learned counsel should settle that among themselves, and submit it to the registrar for approval.

"AN ACCOUNTANT" CONSPIRING TO DEFRAUD CREDITORS.

At the Summer Assizes, York, on Saturday, July 31st, before Mr. Justice Field, James Hedley, 45, George Harper, 38, John Henry Bennison, 38, and Frederick Hodgson, 31, all on bail, were indicted for unlawfully conspiring together falsely and fraudulently to obtain certain monies, or securities for money, or divers goods, the property of the creditors of the said Frederick Hodgson, at Middlesbrough, within six months last past. Mr. Maule, Q.C. and Mr. Skidmore prosecuted; Mr. Foster and Mr. Whitaker defended Hedley, Harper, and Bennison. The indictments contained seven counts, for various offences under the Bankruptcy Act. Mr. Maule, Q.C., said the defendants were charged by means of a large body of evidence. After sifting the matter, he had concluded that it would be scarcely worth while pushing the case against Frederick Hodgson, and his learned counsel would be in a position to ask for his acquittal. If the judge would consent to this course, he (Mr. Maule) would proceed with the case, against the other three defendants. The judge said he fully approved of the course that was suggested, and Hodgson was acquitted. Mr. Maule then detailed the circumstances of the case which was reported in the *Accountant* of November, 1874. The defendants, he said, were connected with Middlesbrough. Hedley was an auctioneer, Bennison was "an accountant," and Harper was a collector of Queen's taxes. An agreement was drawn up between Hedley and Hodgson, purporting to convey to Hedley all the fixtures at the Ship Inn, in which, at the end of 1873, or the beginning of 1874, Hedley became interested, first as part owner and latterly as entire owner. Frederick Hodgson ultimately became a tenant of the Ship Inn. On entering upon the property, he purchased from Hedley and one Imeson, who at the time had a joint interest in it, the fixtures of the house, giving some £184 in payment by means of several acceptances of three or four bills, which covered other matters besides that of the fixtures. In March and during April there was a bill for £80 running, accepted by Hodgson in favour of Hedley, but at the end of April Hodgson gave up his tenancy. In May he became insolvent, and filed a petition under the Bankruptcy Act for liquidation with his creditors. Hedley was one of the latter, and was expected to take his chance with the other creditors. Hedley subsequently admitted that he had a bill of Hodgson's for £80, and also a collateral security of £80 for the same sum. On the 17th June Mr. Bennison instructed his clerk, named Gibson, to prepare the agreement in question to secure the fixtures at the Ship Inn to Hedley, against the creditors of Hodgson's estate. It was stamped by Hedley, and Hodgson signed it. It was dated 27th April, 1874. The 18th, the day following that on which the agreement was completed, was fixed for the examination of the witnesses in Hodgson's bankruptcy at Stockton. Had Hedley gone into the bankruptcy court as creditor, he might have taken up £5 or £6, instead of £80; but by being a signee of a substantial security of the fixtures, he got something to cover the whole of his debt, as the fixtures were valued at much more than £80, which was the amount of a bill drawn September 8th, to run for six months, it therefore coming to maturity on March 18th, 1874. This, submitted the learned counsel, was a fraud upon the creditors of the estate, as the fixtures which should have gone to meet Hodgson's liability, and become the property of the trustee, were intended to be transferred to Hedley. The evidence was similar to that previously reported, and the jury, after a few moments' consultation, found each prisoner guilty. The Judge said the three prisoners had been found guilty on evidence that left no doubt whatever in the matter, of a very serious crime, which they had carried out with a degree of persistency which he had seldom seen. The punishment must be severe. The prisoners would be sentenced to twelve months' imprisonment each, with hard labour.

The *Middlesbrough Gazette*, referring to the case, says:—"The prosecution has devolved on Mr. John Braithwaite, accountant, the trustee appointed to administer Frederick Hodgson's estate—a duty which ought to have devolved on a State prosecutor. The case was beset by numerous difficulties. To begin with, Mr. Braithwaite had only suspicion and John Gibson's statement to rely on. According to Gibson's own showing, we are doing him no wrong in saying that that statement was a very slender reed indeed on which to rely. Many allurements were held out to induce him to draw back; and if he had yielded to the strong temptations, the case must necessarily have collapsed. Again, had Mr. Braithwaite been disinclined to incur the necessary cost of the prosecution, and undergo the great amount of labour necessary in getting up the evidence, the culprits would have escaped scot free, and justice become a laughing stock. It is one of the blots on English jurisprudence, that the State only prosecutes great criminals like the Tichborne Claimant. In this case, the Treasury ought to reimburse Mr. Braithwaite for the heavy outlay he must have incurred by the two trials at York Assizes."

ALLEGED FRAUDULENT BANKRUPTCY.

At the Birmingham Police Court, on the 9th inst., William Dunn (40), brassfounder, of Lorne Cottage, Tenby-street, North, was charged on remand with contravening the Debtors Act by not disclosing all his real and personal property to the trustee of his estate, and removing goods with intent to defraud his creditors. Mr. Rowlands appeared for the prosecution; and Mr. Parry defended the prisoner. Mr. Rowlands, after mentioning the offences with which the prisoner was charged, stated that on the 27th May last prisoner filed a petition in the Birmingham County Court for the liquidation of his affairs by arrangement. Mr. Brown, accountant, of Bennett's Hill, was then appointed receiver to the estate. The first meeting of the creditors was held on the 14th of June, and at that meeting prisoner presented a statement of his affairs. It appeared that his total liabilities amounted to £329 10s. 4d., and his assets to £132 7s. The latter consisted of stock at his premises, 73 Northwood-street, which was valued at £119 12s. 6d., and furniture, at his residence, in Tenby-street, valued at £12 14s. 6d. He carried on the business of a brassfounder in the former street. Mr. Brown, who was elected trustee, caused certain premises in Lower Loveday-street to be watched, and it subsequently transpired that the debtor had secreted a quantity of goods there, and later on it was also ascertained that he had stowed goods away on premises in the neighbourhood of Hockley. The goods had been recovered by the trustee, but had not yet been sold. They amounted in value to between £50 and £60. Defendant, it appeared, had removed those goods a few days previous to the filing of his petition, and had not accounted for them to his creditors. Evidence having been given in support of this statement, prisoner was committed to take his trial at the Quarter Sessions, bail being accepted in two sureties of £100 each.

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EUROPEAN SOCIETY ARBITRATION ACT.

An Act (as amended in committee) for amending the European Assurance Society Arbitration Acts, 1872 and 1873:

Whereas by the European Society Arbitration Act, 1872 (in this Act called the Arbitration Act of 1872) provision is made for effecting a settlement of the affairs of the European Assurance Society and of other companies by arbitration:

And whereas Richard Baron Westbury, the first arbitrator, proceeded in the arbitration, and after his death John Baron Romilly, the second arbitrator, further proceeded therein, and is now deceased:

And whereas in some cases of great importance, as affecting the liquidations of the companies subject to the arbitration, the second arbitrator differed in opinion from and varied the determinations and orders of the first arbitrator, and difficulty has ensued therefrom in the conduct of the administrative business of the arbitration:

And whereas the Arbitration Act of 1872 enacts to the effect that no order of the arbitrator shall be subject to review or appeal in any court of law or equity or elsewhere, and it is expedient that provision for an appeal in certain cases be now made:

And whereas it is expedient that the closing of the several liquidations under the arbitration be expedited and facilitated, and that for that purpose provision be made for the absolute barring of claim and the final disposal of assets:

And whereas the Arbitration Act of 1872 enacts to the effect that if any arbitrator dies, resigns, or becomes incapable of acting, or unwilling to act, an arbitrator shall be appointed in his place by the Lord Chancellor, being a person filling or having filled the office of a Judge in one of the Superior Courts of law or equity in the United Kingdom, or being a member of the Judicial Committee of the Privy Council:

And whereas it is expedient that power be given for the appointment of a person not so qualified:

And whereas for the purposes aforesaid and for divers consequent and other purposes it is expedient that the provisions of the Arbitration Act of 1872 be in various respects enlarged or modified:

And whereas the objects aforesaid cannot be effected without the authority of Parliament:

May it therefore please your Majesty, that it may be enacted, and be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords, spiritual and temporal, and Commons in this present Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as the European Assurance Society Arbitration Act 1875.

The European Assurance Society Arbitration Acts 1872 and 1873, and this Act may be cited together as the European Assurance Society Arbitration Acts 1872, 1873, and 1875, and are in this Act referred to together, as the Arbitration Acts.

2. This Act as far as may be shall be read and have effect as one Act with the European Assurance Society Arbitration Acts 1872 and 1873.

In this Act the arbitrator means the arbitrator for the time being under the Arbitration Acts.

3. The Court of Appeal in Chancery shall have jurisdiction and power to entertain an appeal from any determination or order of the arbitrator given or made before or after the passing of this Act and (subject to the provisions of this Act) to hear and determine the same as if it was brought in the course of the appellate jurisdiction of that court under the Companies Act 1862, save that it shall be heard and determined by no less than two judges of that court.

An appeal shall lie from any determination or order of the arbitrator accordingly subject to the following provisions:

(1.) As regards any determination or order given or made before the passing of this Act an appeal shall not lie therefrom unless the arbitrator expressly certifies in writing that by reason of differences between previous decisions on matters of principle relating to cases of novation or of liability of contributories it is desirable that an appeal be brought.

(2.) As regards any determination or order given or made after the passing of this Act an appeal shall not lie therefrom except on a matter of principle unless the arbitrator expressly certifies in writing that an appeal may properly be brought.

(3.) An appeal shall not be heard in any case unless notice thereof in writing is given to the party respondent as regards any determination or order given or made before the passing of this Act within three weeks after the passing of this Act and as regards any determination or order given or made after the passing of this Act within three weeks after the same is given or made unless in either case such time is extended by the arbitrator before or after the expiration of such time.

4. Every appeal shall be on a special case unless in any instance the Court of Appeal in Chancery otherwise directs, and the special case shall be approved and certified by the arbitrator, and his determination on the settlement of the case shall be final.

5. The rules and practice for the time being applicable to appeal under the Companies Act 1862, shall, subject to the provisions of this Act, and to any rules or orders of the Court of Appeal in Chancery to the contrary, extend and apply to appeals under this Act.

6. No appeal shall lie from a determination or order of the Court of Appeal in Chancery under this Act.

7. Where under a determination or order of the arbitrator given or made before the passing of this Act any payment has been made out of the assets of any company in respect of the claim of any creditor, then notwithstanding any thing in this Act the creditor shall not be required under any decision of the Court of Appeal in Chancery to repay the money so paid or any part thereof, but any money payable to the creditor out of the assets of any other company in respect of the same claim shall to the extent of the first-mentioned payment be retained against him.

8. Where any question of principle is brought before the arbitrator or Court of Appeal for decision the arbitrator and Court of Appeal may if he or they think fit on application made for that purpose allow any class or classes of persons having a direct pecuniary interest in such decision to be heard separately.

9. Where goods or chattels are taken or intended to be taken in execution under process issued under the Arbitration Acts and a claim is made thereto or to the proceeds or value thereof by any person other than the person against whom process was issued the arbitrator shall have in respect thereof the like powers authorities and jurisdiction for adjustment of claims and for protection and relief of the sheriff or other officer and otherwise as the Court of Chancery would have on a bill of interpleader or bill in the nature thereof duly filed in that court by competent parties and the like powers authorities and jurisdiction as a superior court of law or a judge thereof would have in case the process had been issued out of a superior court of law and may direct in what court an issue directed shall be prepared and tried and the same may be tried accordingly.

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10. Sect. 9 of the Arbitration Act of 1872 (conferring on the arbitrator all the powers, authorities, and jurisdiction vested in or exercisable by the Court of Chancery or a judge thereof in court or at chambers in the liquidation of any of the companies scheduled thereto pending at the passing of that Act) is hereby extended so as to confer on the arbitrator, for the purposes of the liquidation of any of the companies subject to the arbitration, all powers, authorities, and jurisdiction vested in or exerciseable by the Court of Chancery or a judge thereof in court or at chambers by or under any statute passed or to be passed before or after the passing of the several Arbitration Acts or otherwise.

11. The arbitrator may, if he thinks fit, by order, appoint a day on which claims arising on policies or otherwise in the arbitration, and not brought in and proved, shall be barred, and the same shall by virtue of that order and this Act be absolutely barred accordingly.

12. The arbitrator may, if he thinks fit, cause to be paid into the Court of Chancery any sums left unreceived by the parties entitled thereto by a day appointed by the arbitrator, including sums of the following kinds (that is to say):

(a) Dividends allotted and directed to be paid.

(b) Premiums received in the Court of Chancery on the terms of being returned in certain events.

(c) Sums received from contributories for calls and directed to be returned to them.

(d) Sums received from contributories for calls and not required for discharge of claims, but too small in aggregate amount to be divided among and returned to the contributories.

13. Where any sums are so paid into the Court of Chancery there shall be filed in the court, under the direction of the arbitrator, a list distinguishing the sums paid in and the names, addresses, and description of the several persons entitled thereto, as far as the same have been ascertained in the arbitration.

The list shall be conclusive evidence of the title of those persons to those several sums.

The court shall from time to time, on application at chambers, cause those several sums (subject to payment of any proper costs or expenses) to be paid out to the persons entitled thereto, according to the list, or to their respective representatives or assigns.

14. The arbitrator may, if and as far as the provisions of this Act authorising payment into the Court of Chancery are not applicable, or are for any reason not applied, deal with and dispose of sums left unreceived as aforesaid, and may deal with and dispose of other undistributed assets or sums in such manner as with respect to those several classes of sums or assets he considers most equitable and expedient.

15. Any vacancy in the office of arbitrator happening after the passing of this Act may (notwithstanding anything in sect. 26 of the Arbitration Act of 1872) be filled by the appointment by the Lord Chancellor of a barrister of fifteen years' standing or upwards, and all the provisions of the Arbitration Acts relating to the arbitrator shall extend to any person so appointed subject to the following exceptions and qualifications:

(1.) He may, if he thinks fit, state any question arising on a matter of principle in the arbitration in the form of a special case for the opinion of the Court of Appeal in Chancery.

(2.) The question in a special case so stated by him may be heard and determined by any two or more of the judges of the Court of Appeal in Chancery.

(3.) His final award shall be made not later than the 31st Dec., 1876, or within such extended time (if any) as the Lord Chancellor, or one of the Lords Justices of the Court of Appeal in Chancery, by writing under his hand from time to time thinks fit to allow.

(4.) The provision of the Arbitration Act 1872 relating to remuneration shall not apply to him, and his remuneration shall be such as the Lord Chancellor from time to time approves.

16. In proceedings before the Court of Appeal in Chancery under this Act, the court may have regard to the power and authority vested in the arbitrator under sect. 8 of the Arbitration Act of 1872.

17. On the Supreme Court of Judicature Act 1873 coming into operation, all jurisdiction and powers of the Court of Appeal in Chancery under this Act shall be transferred to and vested in Her Majesty's Court of Appeal, established by the Supreme Court of Judicature Act 1873, as amended by any subsequent Act, and for the purposes of this Act there shall be substituted for the Lords Justices of the Court of Appeal in Chancery such judges of Her Majesty's Court of Appeal as the Lord Chancellor from time to time thinks fit by writing under his hand to designate in that behalf.

18. All costs, charges, and expenses preliminary to and of and incidental to the preparing of applying for obtaining and passing of this Act (including the costs, charges, and expenses of Caroline Brooke and Samuel Patterson Evans, being certain of the petitioners against the Bill for this Act) shall be paid out of such money, subject to the arbitration as the arbitrator directs.

PARLIAMENTARY INTELLIGENCE.

House of Lords, August 11.

Legal Practitioners' Bill.—On the motion of the Earl of Donoughmore, their Lordships went into Committee on this Bill, the object of which is to give solicitors and attorneys in England greater facilities for the recovery of their costs. The Bill does not apply to Ireland or Scotland. It passed through Committee, and was reported without amendment.

House of Commons, August 11.

Serjeants-at-Law.—Sir. C. Dilke asked whether, under the new Judicature Act, the existence of the degree of Serjeant-at-Law would serve any public purpose; and whether the Government had considered to whom, in the event of the Serjeants'-inn ceasing to be maintained, the title and property belonged. The Attorney-General.—In answer to the hon. baronet, I have to state that, by the Judicature Act of 1873, it is provided that it shall not be necessary for a Judge of the Supreme Court to possess the qualification of being a Serjeant-at-Law, and that the new Judicature Act which has just passed in no way affects the position of a Serjeant-at-Law. Under these circumstances, the question "whether the existence of the degree of Serjeant-at-Law will serve any public purpose" is one upon which the hon. baronet is quite as qualified to form an opinion as I am. With reference to his second question, I can only state that, so far as I am aware, the Government have not considered "to whom, in the event of Serjeants'-inn ceasing to be maintained, the title and property belong."

Messrs. Spain and Andrewes, accountants, 1 Gresham-buildings, Basinghall-street, have issued the following:—"We beg to inform you that we have admitted as a partner in our firm Mr. William Augustine Spain (brother of our Senior), who for some time past has had an interest in our business. The future style of our firm will be Spain, Andrewes and Spain."

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SUMMER ASSIZES—DERBY,

(*Before Mr.* Waddy, Q.C.)

James Langstaffe Mountain (on bail), described as an accountant, carrying on business in North Church-street, Sheffield, was indicted for having obtained on the 7th May, from Benjamin Hall, at Eckington, by means of a false pretence, £5 and a pair of boots worth 15s., with intent to defraud. Mr. Buszard prosecuted, and Mr. Barker defended. Mr. Buszard, in opening the case, said the false pretence alleged against the prisoner was, that he represented that he was authorised by a Mr. Bingham to demand from the prosecutor the payment of a sum of money owing by Hall to Mr. Bingham, and in the event of the money not being paid, to take possession of Hall's goods. Hall was a boot and shoe dealer at Eckington, and he had become indebted to Mr. G. C. Bingham, a boot and shoe manufacturer, carrying on business at Nottingham, to a considerable sum for goods supplied. Mr. Bingham thought it would be desirable to have some security for the money, and with a view of obtaining that security, he called in the assistance of the prisoner, who was carrying on business at Sheffield as an accountant. The prisoner was formerly a lawyer's clerk; and now acted as a kind of half attorney, half accountant. It would be much better if, when persons wanted legal work, they went to a properly qualified lawyer, and then they would not place themselves at the mercy of unscrupulous men, who would take every advantage they could of their client. However, Mr. Bingham consulted the prisoner, and by his advice, and with the consent of Hall, a bill of sale was drawn up on the goods of the latter for the sum of £133, although the debt owing was only £83. The bill of sale was executed on the 26th April, and at that time Mr. Bingham distinctly told the prisoner that he did not wish it to be put into effect, as he only had it executed for his own security, and that no steps were to be taken without his express instructions. The bill of sale was left with the prisoner to register, and Mr. Bingham gave no instructions for it to be put in force. On the 7th May, the prisoner, accompanied by Mr. Pierson, a solicitor, and a bailiff named Holmes, produced to Hall a notice, which was to the effect that he (the prisoner) was authorised by Mr. Bingham to take and keep possession of Hall's household furniture and effects, secured to Mr. Bingham under a bill of sale. Hall said he was sure Mr. Bingham would not give such authority, but the prisoner insisted on his right to enforce a bill of sale, and the result was, that Hall was induced to give him £5 and a pair of boots worth 15s. The prisoner said that would satisfy him for the present, and he would withdraw the bailiff from possession. On the following day Mr. Bingham heard what had transpired, and telegraphed to the prisoner asking for an explanation, but he received no reply. A few days afterwards he wrote to the prisoner, who replied that he had acted according to general instructions given him by Mr. Bingham. A few days afterwards the prisoner sent to Mr. Bingham a bill of costs, amounting to £18 17s. 6d., for taking possession at Hall's on the 7th May, but in that account he allowed £5 15s. for money received, which reduced the amount to £13 2s. 6d. Evidence having been given in support of this statement, the jury, after a long deliberation, returned a verdict of guilty, and the prisoner was sentenced to six months' imprisonment with hard labour.

Petitions have been presented to the Court of Chancery for the winding-up of the British Guardian Life Assurance Company, Limited, and British, Colonial, and Foreign Property Insurance Corporation, Limited.

Court of Bankruptcy.—The total receipts from dividends on Stock, &c. by the Court of Bankruptcy in the year ended March 31st last was £113,272 19s. 5d., and deficiency £21,735 15s. 6d., making £135,008 14s. 11d.

CREDITORS' MEETINGS.

Wilson and Armstrong.—At a meeting of the creditors of Messrs. Wilson and Armstrong, woollen merchants, of Aldermanbury, on Tuesday, the statement of affairs presented showed £251,538 liabilities, against £57,090 assets. This, however, does not include the assets and liabilities of the firm at Hawick, it being contended that the two are distinct. It was resolved to adjourn for six months, during which the question as to the real connection between the London and Hawick firms will, it is believed, be legally decided. Meanwhile the estate in Scotland has been sequestrated. The liabilities in connection with Collie and Co. amount to £60,000. During the discussion it was stated that the capital of the firm in April 1864, amounted to £100,000, the bulk of which has been lost in speculative operations in the shares of various companies.

E. Corry.—At an adjourned meeting of the creditors of Mr. Edward Corry, in the metal trade, it was resolved to accept a composition of 4s. in the pound, payable in a month from the 23rd instant.

J. O. Rackham (Yarmouth).—A meeting of the creditors of John Onesimus Rackham, of Great Yarmouth, late fishing boat owner, was held at the office of Mr. F. W. Ferrier, solicitor, Yarmouth, on August 10th, when it was resolved to accept a composition of 2s. 6d. in the pound. Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, being appointed trustee.

J. Baxter (Blaergowrie).—A second meeting of the creditors of Mr. John Baxter, Ashbank and Ashgrove Works, Blairgowrie, was held in the chambers of Messrs. Myles, accountants, Dundee, on Tuesday. It was unanimously resolved to apply for sequestration of the bankrupt's estates.

Digby, Gandy and Co.—A meeting of the creditors of Messrs. Digby, Gandy and Co., wine merchants, of Liverpool, was held on the 10th instant. The statement of affairs showed liabilities £1,776 1s. 6d., and assets £217 9s. 6d. No offer of composition being made, liquidation by arrangement, was resolved upon, Mr. Sheen (Sheen and Broadbent) being appointed trustee, with a committee of inspection. Messrs. Culshaw and Roberts were intrusted with the registration of the resolutions. Messrs. Adleshaw and Rodway represented the creditors.

R. Corkling and Co. (Manchester).—A meeting of the creditors of Messrs. Robert Corkling and Co., of Manchester and Alexandria, whose suspension was announced on the 12th ult., was held on Monday in London, when it was resolved to liquidate the estate by arrangement, Mr. Arthur Cooper, of the firm of Cooper, Brothers, and Co., and Mr. John Adamson, of Manchester, being appointed trustees. The statement of affairs showed liabilities £149,000, against assets estimated at £41,000.

Strachan and Co.—At a meeting of the creditors of Messrs. Strachan and Co., held on Monday, at the offices of Messrs. J. Waddell and Co., Mr. Lyne in the chair, a statement of the affairs was submitted by the receiver (Mr. J. Waddell), showing liabilities to rank £96,938 1s. 11d., and open assets £5,711 10s. 3d. The liabilities were mainly on acceptances to Messrs. Collie and Co. The general feeling was that the estate should be liquidated in bankruptcy.

FAILURES.

England.—The acceptances were returned on Wednesday of Messrs. Shaw and Thomson, iron merchants, of 150 Leadenhall-street, and at Glasgow. The firm was reconstituted in 1864, when Mr. Henry Moore retired. Mr. Shaw is one of the Sheriffs for London and Middlesex. The liabilities amount to £250,000, the greater part of which is covered by good securities. The claims which will be ultimately proved will amount to about £100,000, against which there are assets of £50,000, of which a considerable portion is cash in hand.

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The difficulties are attributable to the failure of other firms within the last few months, and to the recent unprecedented depression in the iron trade. The books have been placed in the hands of Messrs. Cooper Brothers and Co.

Scotland.—Messrs. D. Black and Co., shawl manufacturers and printers, 113 Virginia-place, Glasgow, have suspended payment. Their liabilities are reported to amount to £10,000.

America.—American advices announce the failure of Messrs. Baldwin and Stone, an extensive commission house in Chicago and Milwaukee.—Messrs. Keating, Lane, and Co., wholesale clothiers, Boston, had suspended; liabilities £34,000.—The Scofield Rolling Mill, Atlanta, Ga., was in difficulties.—Messrs. Sweeney, M'Luney, and Co., glass manufacturers, Wheeling, Va., had suspended, with liabilities of £31,000.—Messrs. Rooney, Dolan and Co., in the dry goods trade, Montreal, had suspended, with liabilities of £20,000.—The old-established mercantile firm of Messrs. George P. Mitchell and Sons, Halifax, N.S., were in difficulties; liabilities £36,000.—The Tobacco Exchange Banking Co., Louisville, has closed its doors.—Messrs. Campbell and Cassels, of Toronto, agents of Duncan, Sherman, and Co., New York, had suspended payment.—Messrs. John Mason and Co., sugar merchants, Philadelphia, had failed with liabilities of £40,000.—Messrs. J. B. Ford and Co., publishers of Mr. Beecher's works, had called a meeting of their creditors.—The Commercial Warehouse Co., William-street and Exchange-place, New York, had stopped. Liabilities £300,000; assets (not available) about £800,000. Messrs. Leishman, Wilkinson, and Co., of Montreal, have made an assignment.

Australia.—Advices from Melbourne report the failure of Messrs. M'Ewen and Co., general merchants, with heavy liabilities, but it is not expected to affect this side.

The *Levant Herald* announces that the long-established shipping firm of Heald, Mathwin, Todd and Co., of Galata, have been obliged to suspend payment owing to the recent failure of two large English firms.

Mr. Edward Hart (Hart Brothers, Tibbets, and Co., 37 Moorgate-street, E.C.), the official liquidator of the Royal Victoria Palace Theatre Syndicate, has, with the sanction of the Court, declared a first dividend of 7s. 6d. in the pound, payable at the above offices on or after the 17th inst.

A case which came up on appeal before the Calcutta High Court the other day is an amusing illustration of the extraordinary ideas of law and justice which are still to be found among some of the subordinate judicial officers in the Provinces. A native gentleman asked a number of friends to a dinner party. His guests accepted the invitation; but when the day came they for some reason best known to themselves did not attend, nor did they send any apologies. Thereupon the host promptly sued them for the price of the food which he had provided for the banquet, and which, through their want of courtesy, had been wasted. The Moonsiff who heard the case thought the cause of action a good one, and gave the insulted host a decree for the amount claimed. The High Court, it need hardly be said, took a more rational, if less sentimental, view of the matter. The Moonsiff's decision was reversed, the presiding judge remarking with grim humour that if the law laid down by the lower court were correct, then "the risk of accepting invitations would be very serious indeed."

New Act on the National Debt.—The act to amend the law with respect to the reduction of the National Debt and the charge for the National Debt in the Consolidated Fund has been printed. The principal provisions have reference to a new Sinking Fund and to the old Sinking Fund. Towards the new fund there is to be a permanent annual charge for the National Debt on the Consolidated Fund: during the financial year ending the 31st of March next, £27,400,000; for the year 1877, £27,700,000; and for every subsequent year £28,000,000. The annual charges payable out of the permanent charge are set forth, and any surplus is to be paid to the new Sinking Fund to reduce the debt. As to the old Sinking Fund, annual accounts are to be published of the income and expenditure, and the surplus is to be paid in reduction of the debt. The National Debt Commissioners are to keep the accounts of the old and the new Sinking Funds.

A Year's Failures.—The number of bankruptcies in England and of compositions with creditors and liquidations by arrangement conducted under the provisions of the Bankruptcy Act, was 7,919 in the year 1874; 7,489 in 1873; 6,835 in 1872; 6,280 in 1871; only 5,002 in 1870, the first year under the new Act. The total liabilities were £17,456,429 in 1870, but there were in that year some very heavy bankruptcies, in four of which the aggregate liabilities exceeded £3,300,000; in 1871 the liabilities were £14,158,859; in 1872, £14,287,418; in 1873, £19,184,812; in 1874, £20,136,670, showing a large increase of bad debts in the last two years. In the last five years the number of bankruptcies declined from 1,351 in 1870 to 930 in 1874, but the compositions increased from 1,616 to 2,549, and the liquidations by arrangement from 2,035 to 4,440. The assets in the failures of 1874 were but £5,431,848, to meet liabilities exceeding 20 millions, or half a million less of assets than in 1873 to meet liabilities which showed an increase of nearly a million sterling. The assets in the 930 bankruptcies of 1874 were estimated at no more than £485,445, the liabilities being £3,788,639. The number of bankruptcies with small assets tells upon the ratio of the cost of realisation to the amount of assets. In 1874 there were 670 bankruptcies closed; in 118 no assets whatever were realised, and in 223 more the assets averaged but about £77 in each case, and were absorbed in costs. In the other 329 cases dividends were paid, but only two-thirds of the assets realised were left for dividend after payment of costs and expenses. In the 552 cases in which there were assets, there were 116 in which the assets averaged less than £24. There were only 10 in which the assets exceeded £2,000. Of the whole 329 bankruptcies in which a dividend was paid there were only 56, or 17 per cent., in which it exceeded 7s. 6d. The inferiority of the class of estates wound-up in bankruptcy is attributed to the facilities offered to debtors for compositions with creditors or liquidations by arrangement under the Bankruptcy Act. The liquidations by arrangement advanced in number in 1874 to 4,440, but the gross value of the assets was only £3,461,893, or nearly £600,000 less than in the preceding year; the gross amount of the debts was £11,131,915, an increase of £100,000. The compositions increased to 2,549; the liabilities to £5,216,116, or £1,100,000 more than in the preceding year; the assets or gross amount of composition to £1,484,510, an increase of a quarter of a million. The number of compositions in which the rate paid exceeded 7s. 6d. in the pound has fallen from 34·77 per cent. of the total number in 1870 to 16·05 per cent. in 1874. In this last year, in one-fifth of the cases the composition did not exceed 1s. in the pound. In the whole above number of failures in 1874 the estimated assets were not quite equal to 27 per cent. of the liabilities; in the liquidation by arrangement 31 per cent., in the compositions above 28 per cent., in the bankruptcies less than 13 per cent. There were but 82 discharges granted to bankrupts in 1874, and that was nine more than in the preceding year. Of the 82 discharges, four only, as against ten in 1873, were granted on the ground that the bankrupts had or might have paid 10s. in the pound, the remainder, 78, having been granted on special resolutions of creditors that the bankruptcy or the failure to pay 10s. in the pound had arisen from circumstances for which the bankrupt could not justly be held responsible.—*Times.*

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The Lord Chancellor's Salary.—From a Parliamentary paper just printed it appears that the Lord Chancellor's salary from the Court of Chancery is £6,000 a year. His lordship has £4,000 in addition as Speaker of the House of Lords.

Mr. George Thomas Rait, public accountant, 70 and 71 Bishopsgate-street Within, announces that he has taken into partnership Mr. George Henry Kearton, who has been for many years in the office of Messrs. Robert Benson and Co.

Scrivenery and Printing.—In the year ending March 31st last the sum of £15,278 15s. 10d. was expended by the Court of Chancery in "scrivenery" (copying) and printing.

Appeals in Bankruptcy.—Last year 120 appeals were presented to the Chancery Appeal Court, in which judgment was affirmed in 55, and 10 were pending at the end of the year. To the Judge there were 111, and in 44 judgment was affirmed. At the end of the year 15 were pending.

A meeting of the shareholders and depositors in the City and County Bank, Limited, now in liquidation, was held on Tuesday, at the London Tavern. There was a considerable attendance, and a resolution was unanimously passed to establish a new concern to be called the Mutual Bank, with the view of conserving the business created by the City and County Banking Company in the course of the past three years. The capital proposed is £200,000.

The Hull Incorporated Chamber of Commerce and Shipping has passed the following resolution with reference to Limited Liability Companies' balance-sheets, viz.:—"That it is highly desirable that every company incorporated under the Limited Liability Acts be required annually to file with the Registrar of Joint Stock Companies a copy of its profit and loss account and balance-sheet for the preceding year, together with a statement of the principle on which its assets have been valued; such statements to be signed by the chairman or deputy-chairman and the secretary, under penalties similar to those provided by the Regulation of Railways Act, 1868; and that the Executive Council be and is hereby requested to bring this matter before the Board of Trade."

The New County Courts Act.—The statute to amend the Acts relating to the County Courts, which received the Royal assent on the 2nd inst., was issued on Monday. It contains 14 sections and two schedules, effecting some important alterations. In any action in a County Court the plaintiff may at his option cause to be issued a summons, or, on filing an affidavit in the form given, a summons to be personally served, and if the defendant does not appear within 16 days after notice and give notice in writing of his intention to defend, the plaintiff may, after 16 days and within two months of the service, have judgment entered up for the amount of his claim and costs. Either of the parties to an action or any other proceeding may obtain of the Registrar of the Court summonses to witnesses, and there are provisions as to summonses, and the Judge may do certain things within or without his circuit. Under this Act "assessors" may be appointed on the application of either party. An appeal may be made within eight days, without stating a special case. The Treasury may direct the remuneration to be given to officers under the Act. The Judges are to form new rules, to be submitted to the Lord Chancellor. The appointment of a high bailiff of a County Court as Registrar of a County Court shall vacate the office of high bailiff held by such appointee. No appeal from a decree of the High Court of Admiralty to be made on appeal from the County Court where such appeal affirms the judgment of the County Court, except by express permission of the Court of Admiralty. Where an Admiralty cause has been heard in the County Court with the assistance of nautical assessors, the Elder Brethren to be summoned in the hearing of the appeal. There are plain directions on the demands to be made, with instructions as to the way in which the parties are to proceed. The Act will come into operation on the 2nd of November next.

Mr. Alexander Collie failed to surrender to his bail on Monday, on the charge of defrauding the London and Westminster Bank. A warrant was at once granted for his apprehension, and the recognisances of his sureties were ordered to be estreated. Mr. Serjeant Parry appeared in court to charge Mr. A. Collie with obtaining, from the Union Bank of Scotland, £150,000 by false pretences, in relation to which a warrant had already been issued. In the absence of one defendant, Sir H. James would not proceed with the charge of conspiracy, and Mr. Wm. Collie was admitted to bail nominally to appear in a month.

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Vol. I.—New Series.—No. 87.] SATURDAY, AUGUST 21, 1875. [Price 6d.

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THE COMMITTEE appointed at the Meeting of Public Accountants, held at the Guildhall Tavern, on Wednesday, May 12th, 1875, beg to report:—

"That having been appointed to confer with the several Societies of Accountants in England, in order to arrive at some satisfactory Scale of Charges and remuneration to Accountants in relation to Liquidation, Composition, and Bankruptcy, and having communicated with the several Societies, and duly considered the question, they are of opinion that the difficulties of drawing up a fixed scale of charges which shall be applicable to all circumstances, appear to be greater than can at the present time be overcome."

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The Accountant.

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The Accountant.

AUGUST 21, 1875.

It has been often with a feeling of cynical amusement that we have reproduced some of the choice flowers of rhetoric which have from time to time been heaped on the unhappy fraternity of accountants. Our legal contemporaries occasionally fill up a stray corner by a sufficient measure of abuse; and one of the most gifted of our novelists has constructed a work of fiction in which the villains are represented by a firm of accountants, whose cold-blooded conspiracy to destroy an unfortunate debtor would not discredit a typical attorney in a transpontine melodrama. In the case of the popular lady writer, we can only commend the skill with which she has worked up a variety of episodes, more or less founded on real experience, into a dramatic and exciting work of fiction, and we console ourselves by calling to mind that the hero of one of her earliest and best books is a member of the profession which she held up to odium in *Mortomley's Estate.* Nor are we much concerned with professional jealousy, as evinced by legal journals. We have a strong feeling of reverence for ancient institutions, and we can sympathise with those trusty guardians who fight so boldly for every outwork of their professional domain, even though they are driven, in the conduct of their defence, to imitate the example of Scott's rustic heroine, who zealously threw dirty water over the assailants. But we have a right, and indeed a bounden duty, to protest when such language is used as Mr. Justice Quain gave vent to at Bristol,—language which is not only wholly unwarranted, so far as appears by the report in the

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particular case, but which argues a want of that accurate judgment and dispassionate superiority to prejudice which are popularly supposed to be indispensable to the maintenance of the dignity of the judicial bench. We refer to the case of the Queen against James Winge, which was tried at the Bristol Assizes, before Mr. Justice Quain, and of which we give a report in another page.

James Winge was prosecuted by order of the judge of the Bristol County Court, for fraudulent conduct under the Bankruptcy Act. Of his guilt there was no doubt, and his offence was of a kind which frequently prevails, and is very often scarcely possible to detect. It was a petty fraud; but the smallness of the amount can scarcely be held to condone the irregularity of the transaction, though possibly the celebrated plea of "It was only a very little one" may have weighed, however illogically, with both judge and jury. Winge had sold his furniture and stock-in-trade just previous to filing his petition, taking a bill which would not fall due till after the petition was filed in payment; and he endeavoured to conceal this transaction. His guilt was undeniable, but the judge in passing sentence took the opportunity of denouncing accountants, whom, as usual, he confused with debt collectors and other members of the fraternity which all accountants repudiate, and whom he denounced as an "ignorant set of men." So fervid, in fact, was his zeal, that he disallowed the costs of the prosecution, oblivious apparently that he was thereby casting a slight upon the judge of the County Court, as well as endeavouring to punish an unlucky trustee for the sin of belonging to a profession whose duties and responsibilities he did not understand. Possibly, under the new system of judicature, common law judges may learn what their equity brethren have long known.

It is difficult to understand why the costs were disallowed. Either Winge deserved prosecution, or he did not. The verdict of the jury settled this question once for all, and a crime does not depend for its magnitude on pecuniary value. If a man steals a watch, the judge will not take into consideration the fineness of the metal, the complication of the mechanism, or the reputation of the maker, in passing sentence, or in refusing or allowing the costs of the prosecution. We suppose, therefore, that the action of the judge was influenced by the costs of the "examination before the Registrar, the magistrates, and the trial." These might be good grounds for a rigorous taxation by the proper official, but can be none for refusing costs altogether. The trustee, accountant though he was, had a plain duty to perform. He detected a fraud, and he brought it to the notice of the judge. The prosecution was directed by judicial authority, and the trustee had no more to do with it than the jury. From the moment legal proceedings were commenced, the matter was put into "the hands of solicitors—a respectable body, subject to the control of the court." It was *their* extravagance, then, which so shocked the judge; or do his remarks refer to the costs of the bankruptcy proceedings? and did his indignation at the thought of expenses, with which he had no right to interfere, so overpower the calm logic of the judicial mind as to induce him to refuse costs which were justly and fairly claimed, because he considered that other proceedings were expensively conducted? With a public prosecutor, this absurdity would never have happened. He would have taken up the conduct of the matter as soon as the County Court Judge's fiat was pronounced, and the world would have been spared a fresh instance of the power which prejudice exercises over the most perfectly regulated and logical minds.

We are almost ashamed to repeat anew the arguments we have urged so frequently, that our readers must look upon them as mere truisms, which govern this vexed question of the functions of accountants in bankruptcy. Undoubtedly, the Act has called into development a class of men whose study it is to carry into effect its provisions. In the sensation articles of journals striving to attract popular attention, and in the more ponderous paragraphs of legal dulness, dying but not surrendering, it is the habit, engendered by ignorance and malice, to represent accountants as called into being by the Act. That it expands their sphere of work, we quite admit, and the reason why accountants are so frequently chosen trustees is simply because they are usually the fittest persons for the post. There is no restriction in the Act as to the trustee,—he may be chosen from any section of society, whether professional or commercial, whether a creditor or an utter outsider. If, as the *Law Times*, through a dull haze of verbiage, seems to imply, solicitors ought to be alone made eligible, there might be some grounds for complaint. At present, the creditors can do what they like; if it is found that as a rule an accountant fills the post of trustee, the obvious inference is, not that all accountants are rogues who live by the pillage of bankrupt estates, but that the

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majority of business men think an accountant the best man that can be selected, and that reform should be advanced in the direction of extending rather than curtailing their power. And leaving for an instant the law journals to themselves, let us seriously ask our lay contemporaries what they propose to themselves by joining in the silly shouts of interested denunciation. Experience shows that a layman is useless as a trustee, even if one can be found who is willing to fill the office; and though we frankly concede that accountants are not always popular with the debtors whose affairs they administer—we doubt if Mr. Winge entertains much kindly feeling towards his trustee—yet some people have been known to be dissatisfied with their solicitors, and indeed that "respectable body of men" is not wholly in good report among the world at large.

We have spoken generally in defence of accountants, meaning by that term those who are regularly qualified by professional knowledge and experience to exercise their craft. But we must again appeal to the world not to put faith in every individual who puts that title on a brass plate. At present any one who chooses may style himself an accountant, just as any one may be a dentist; but the recognised members of the profession must not be blamed for the vagaries of outsiders. In the case we have been commenting on, we do not know the name of the trustee, and only infer that he is an accountant from the remarks of the judge. But, be he who and what he may, we still protest against the injustice to the individual, and the insult to the profession; and we do most earnestly press upon the attention of all accountants the lesson that they may derive. Let them consolidate themselves more; let the higher and better known members of the profession protest against the innuendoes and aspersions that are constantly being cast upon them. They may think it beneath their dignity to notice such attacks; but the remarks of a judge, expressing, as we fear, the opinion of many of his legal brethren, demand an answer. Let them endeavour to assert their own rights, and while systematically discouraging all attempts at fraternity from the casual tribe of mere debt collectors, let them unite with their younger brethren in guiding and regulating public opinion. Otherwise they may find that a feeling will be aroused, encouraged by their apathy, fed by sinister motives of class jealousy, and aided by the clamour of those who shout with all noisy babblers, which may be hard to allay. They have fairly appropriated an unoccupied area of legitimate usefulness; if they are wise, they will leave no stone unturned to strengthen and consolidate their position.

We published a letter last week which, in a portion of one sentence, contained a brief epitome of the universal series of complaints against the Bankruptcy Act, and which at the same time goes to the root of the outcry. Our correspondent briefly narrates that previous to a certain meeting of creditors due notice had been sent out, but that the meeting was attended only by three solicitors, each of whom appeared armed with a bundle of proxies, and each of whom was "friendly." His comment upon this circumstance is pithy: "It appears," he wrote, "most ridiculous and absurd for the public to raise an outcry about the manner in which liquidations, compositions, or arrangements are carried out, when no one individual will trouble himself to look after his own affairs." Here is briefly the "Iliad in a nutshell." A debtor whose affairs are in process of arrangement, a party of "friendly" solicitors, and a company of careless or indifferent creditors, form a *dramatis personæ* with which any student of human nature, as seen through the medium of the bankruptcy court, can form his *tableau*.

The complaints against the working of the Act may generally be resolved into two. Firstly, it is said, all expenses are very much increased; and secondly, debtors look upon the process under the Act as a means of whitewashing themselves, and not so much as a mode of protecting honest, but unfortunate men, against the stringent harshness of a solitary creditor, as a device by the aid of which they may escape the necessity of payment to any creditor at all. Now, we are not very much concerned to defend the Act in its integrity. We have not only frequently admitted into our columns letters from correspondents calling attention to its numerous defects, but we have also ourselves pointed out many points which, in our judgment, require very considerable modification. And so, we claim that in seeming to commend the Act we may be allowed the benefit of our criticisms in the past, and, if we contend that a bad statute may be greatly improved by attention and care on the part of those who are most concerned with it, we must not be taken to have abandoned all hope of reform. There are many measures badly framed and carelessly draughted, which, if studied by zealous minds and scrutinised by

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keen eyes, may be made to bring about a great deal of injustice; and to this category the Bankruptcy Act belongs. But, at the same time, we must add that, one of the greatest aids to fraud in its working lies in the apathy of creditors.

The principle of the Act is, to give every available opportunity to the creditors to realise an amount equivalent to their loss, while at the same time it affords an equitable amount of protection to the debtor. The creditors may proceed in bankruptcy if they choose, with all the odium cast upon the debtor that the name involves; or they may, if they think fit, suffer matters to go into liquidation, which is practically intended to be realising the assets in their own way; or they may, if compassion and self-interest point in the same direction, accept a composition, and thereby at once relieve the debtor from further anxiety as to his future, and ease their own minds by at once assessing the amount of their loss. But it too often happens that cunning debtors, advised by dexterous solicitors, take advantage of those sections of the Act which provide for the carrying of resolutions by the majority of creditors voting personally or by proxy, and by the aid of the corporeal presence, and the incorporeal, but no less effectual, proxies of their friends succeed in governing the meeting just as they choose. Here we get at the root of the evil. In every failure there are almost always several so-called friendly creditors. These may be *bonâ-fide* creditors, who have really a strong feeling of sympathy for the debtor, and are willing to make a sacrifice for the purpose of assisting him, or they may be creditors manufactured by means well-known, for the purpose of creating a fictitious majority in his favour. But, worked upon by the persuasion of cunning advocates, there they are, ready to vote any thing that may be required of them; and their numbers are too often reinforced by those men who, too busy or too careless to attend in person, are willing to hand over their proxies to the first person who asks for them. The Act was supposed to put an end to the tricks perpetrated under the old system of composition deeds, in which fictitious debts were largely used to eke out the deficient majority; and sought to obviate this by enacting that the creditors should meet together and pass resolutions. But this was frustrated by the general apathy of creditors. Here is the first great remedy to be adopted. It is just as impossible to make men wise and prudent by Act of Parliament, as it is to make them virtuous or temperate. It is possible to crowd every imaginable safeguard into the columns of a statute, and yet to fail to make sure that mankind will take advantage of them. The first rule to be adopted is, for every creditor to look after his interests. If every man who is applied to for his proxy, would remember that "friendliness" in matters of bankruptcy, like "benevolent neutrality" in the case of belligerent powers, means the strongest possible form of partisanship, he would hesitate before lending the weight of his authority to the tactics of an interested solicitor. If he would make up his mind to judge for himself, or at the least to preserve a strict and legitimate neutrality, and to take no part in the proceedings whatever, he would do some good. At present, a great many complaints come from those whose loss and annoyance is owing to their own carelessness, but who are the first to cry out when it recoils upon themselves. The first step to reform must be to prove its necessity, and that can only be done by those whose sufferings are due, not to their own thoughtlessness or negligence, but to the necessary and consequential results of the legislation of which they complain.

BANKRUPTCY STATISTICS.

The Fifth Annual Report by the Comptroller in Bankruptcy has recently been issued, embracing the proceedings under the Bankruptcy Act of 1869 for the year ending the 31st December, 1874. The general features of the Report are similar to those of the previous year. These are:—an increase in the number of failures, especially under the heading of liquidations and compositions; an increase in the amount of liabilities; and an increase in the cost of winding-up. So far as can be ascertained from the statistics on this point, which are confined to Bankruptcy proper (no information being given as to the expenses of winding-up under liquidation by arrangement), the total number of estates administered under the Act during the year 1874 was 7919, the liabilities thereunder amounting to £20,136,670. Compared with 1870, the first year under the Act of 1869, the year 1874 shows an increase of 58 per cent. in the total failures, the numbers being 5,002 as against 7,919. In the year 1870 there were 1,616 compositions registered; last year there were 2,549. Of the former number, the rates of composition in 562, or 34·77 per cent., exceeded 7s. 6d. in the pound; of the latter number, only 409 or 16·05 per cent., exceeded that rate. In fact, one fifth, or 20 per cent. of the whole number of compositions registered last year, were at rates not exceeding *one shilling* in the pound.

The average cost of realising and distributing Bankrupts' estates, as ascertained from 552 estates closed in

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1874, amounted to 36·39 per cent. of the assets realised, of which nearly 20 per cent. consisted of law costs, while receivers and trustees together figure for 9·53 per cent. The number of bankruptcies pending on the 31st December, 1874, was 2924, and during the year the conduct of the trustees in no less than 562 of these cases was reported to the Courts by the Comptroller, and in four instances the trustees were removed from their office. In several cases the trustees had either removed or absconded. The number of bills taxed by the Masters and Registrars during the year was 14,838, about one half of which were solicitors' bills. The gross amount of bills brought in for taxation was £415,882, and the amount taxed off was £65,449. The number of trustees' bills taxed under liquidations was 571, the number of liquidations registered being 4,440.

These statistics do not appear to call for any particular comment. They do not indicate any improvement over the preceding years in the matter of cost of administration, rather the reverse. Nor are the increase of failures, the increase of liabilities, and the decrease of assets, matters upon which we can offer any congratulations to the commercial world. The figures for the current year will doubtless disclose, when published, a still worse state of affairs, at any rate as regards the increase of failures and liabilities.

It will be observed from the report that out of a total increase of 430 in the failures for 1874 over 1873, no less than 415 fall under the headings of liquidation or composition, again showing the marked preference shown by debtors, and we must presume by creditors, for these methods of administration over bankruptcy proper. But we cannot help thinking that if the administration of estates under bankruptcy and liquidation were not to some extent discredited by creditors, they would not so eagerly accept the trifling compositions which are so often offered. The serious decline year after year in the rates of dividend paid in composition cases is one of the most marked features of the last three reports of the Comptroller, and should engage the earnest attention of those who have been intrusted with the duty of inquiring into the working of the Act of 1869. This point has, doubtless, not escaped the deliberations of the Lord Chancellor's Committee; and, as we suppose we may now look forward to an early publication of the Committee's report, seeing that the appointment was made nearly twelve months ago, we purpose to reserve further comment on the subject of bankruptcy amendment generally until the report is before us. We are presuming the report of the Committee will be published; but should the Lord Chancellor not have determined on its publication, we should strongly advise his doing so, as a discussion of the recommendations of the Committee cannot but strengthen the hands of the Government in dealing with this important question.

FACTS AND FALLACIES CONCERNING LIFE ASSURANCE COMPANIES.*

It may be open to discussion how far existing Life Assurance Companies require a champion to assert their solvency and sound condition, but it is at any rate a matter for congratulation when so earnest and competent an advocate, as is the author of this *brochure*, puts pen to paper for the purpose of demonstrating the stability of the various offices. Since the passing of the Life Assurance Companies' Act the returns furnished to the Board of Trade are replete with information concerning the financial conditions of the life offices transacting business in the United Kingdom, and the so-called "valuation accounts" contain ample materials upon which the professional actuary may exercise his statistical powers. It is not, however, to his professional brethren that the author of "Facts and Fallacies" solely addresses himself, as his remarks are stated to be for the benefit of the public at large, whether previously acquainted or not with the subject upon which he treats. "The alarm excited in the public mind with regard to the financial position of the majority of the life assurance offices is without foundation," is an assertion of a straightforward character, to say the least, and having regard to the source whence it emanates, should carry weight. The author goes straight and steadily to his goal, and judiciously dividing his subject under four heads, deals with it in a clear and masterly manner, and in so explicit a way that the merest tyro cannot fail to appreciate and understand the statements and comparisons set before him. We recommend every one interested in life assurance to read the pamphlet, and above all, to examine carefully the four very excellent diagrams, which form one of the best features of the book.

The Hon. Judge Miller has had before him, in the Dublin Bankruptcy Court, the case of a representative of an ancient Irish constituency, who is at present effecting an arrangement with his creditors. The matter had been before the court when some of the creditors offered a determined opposition to the arrangement, and sought to turn the case into bankruptcy. Owing to a difference of opinion in regard to "proofs," the case was adjourned. The debtor was examined, and it appeared from his evidence that the only assets he had were some shares in a public company, and a sum of about £2,000, which he expected soon to receive. Judge Miller having heard the evidence, declined to turn the case into bankruptcy, and passed the first sitting in arrangement.

* Facts and Fallacies concerning Life Assurance Companies, illustrated by Diagrams, by F. Allan Curtis, F.I.A. London: Rixon and Arnold, 29 Poultry. Price One Shilling.

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Correspondence.

To the Editor of the Accountant.

Sir,—Mr. Justice Quain has thought fit, in a recent prosecution, to give his personal views as to the position and status of Public Accountants *as a body*, and the *Daily Telegraph* has taken up the hue and cry.

The remarks arose out of the liquidation proceedings of a cabinet maker named Winge, who appears to have been guilty of a fraudulent sale, and of concealing a material and valuable asset from his creditors. Sufficient information is not given to enable one to judge how far the trustee, in instituting the prosecution, was getting up "an Accountant's case" (an expression hitherto unknown to me). The trustee is a stranger to me, and were I personally acquainted with him, I should leave him to fight his own battle, but I must take exception to the gratuitous vilifying of the whole profession. It is a deliberate misrepresentation to say that accountants, when acting as trustees, are not under the control of the Court; they are *very much* under the control of the Court, and subject to very severe penalties.

I have also yet to learn that, as a body, accountants are "an *ignorant* set of men." I have met a great many of my colleagues, and it has been my pleasure to notice that a high type of intelligence preponderates. Mr. Plimsoll is getting himself into hot water by his negligence of facts, and persistent reiteration of generalities. Mr. Justice Quain, who, as a judge, is supposed to be impartial, should have confined himself to the facts before him; for wholesale and gratuitous abuse of a body of men, the majority of whom must be unknown to him, is hardly in accordance either with the dictates of decency or common sense, or that impartiality on which the English Bench so prides itself.

The *Daily Telegraph* does not appear to understand the duties for which a respectable accountant is, or should be, qualified; they are according to my views as follows:—

1. The keeping and auditing of business, manufacturing, banking, and other books of accounts, and the preparation of balance sheets.
2. Arbitration in cases in which facts, figures or commercial customs are the points at issue.
3. Liquidations in chancery.
4. Receiverships, managerships and trusteeships in bankruptcy, and matters generally relating to accounts and figures.

To assert, however, that an accountant is simply a book-keeper and auditor, is all nonsense. A man may be a very fair book-keeper, and yet prove to be an indifferent accountant; but a good accountant must necessarily be an efficient book-keeper. Undoubtedly the most pleasant part of our profession is that of keeping and auditing books, and showing traders their *profits*, but it is equally our duty to bring to light deficits, defalcations, &c.

The great hostility appears to be directed against *trustees*. Now, sir, as you well know, trusteeships are no sinecures; in the first place, the liabilities of a trustee are *personal*, and even where he obeys the directions of the creditors, if their directions should prove to be wrong, he cannot, unless he holds their special indemnity in writing, ask them to make good any loss he may sustain; in the second place, under the present rotten laws (which, bear in mind, no accountant is consulted in the framing of) many of the estates which go either into liquidation or bankruptcy only do so when the debtor or bankrupt has sucked all the good out of them, and a large number do not realise sufficient to pay the expenses out of pocket. In small estates, again, the trustee may, with great trouble, succeed in realising a few assets, and then find that the *lawyer's* and other costs, which take priority over his *remuneration*, leave nothing for his services. I know some public accountants who persistently refuse trusteeships, their experience teaching them that the *remuneration* for services rendered is not equivalent to the risk and annoyance incurred.

The Daily Telegraph appears to have got hold of some titles which I am sure are unknown in the profession. I never heard of "a certified accountant," "a professed accountant," or "an accountant of the City of London."

Again, the *Daily Telegraph* complains of the discreditable fry "collecting debts, discounting bills on a petty scale, at exorbitant and ruinous rates," and "getting hold of fat pickings out of little bankruptcy cases." Every accountant has occasionally to apply for debts, and I plead guilty to the charge, but I am satisfied with taking a commission from my principal for doing so, and in no instance charge a fee to the debtor, neither do I, in cases of non-payment, go beyond intimating that unless the debt be paid on or before a certain date the matter will be *handed over to a solicitor*. I consider that every man should have a reasonable opportunity of paying before he is put to legal expense, and I do not think that any respectable member of the legal profession would differ from this view. Every man in business has occasionally to collect debts for others; even large merchants, having correspondents abroad, and bankers; and no respectable accountant goes beyond two or three applications, courteously expressed. There are, undoubtedly, black sheep among us, and accountants who desire to conduct their business respectably are the greatest sufferers by their misconduct.

Notwithstanding the somewhat serious mistakes of the *Daily Telegraph*, through evident ignorance of what constitutes an accountant, I am exceedingly grateful to that paper for advocating that which the various societies of accountants have for some years (and hitherto unsuccessfully) striven to obtain, namely the placing of competent and reputable accountants upon a proper footing of protection.

There is, I sincerely believe, a large field still open for our profession, but we ought to be able legally to exclude those fools and rogues who disgrace us. I trust that the agitation of this question may lead to some practical result. If the legislature will grant a charter to the various societies upon their adopting one uniform basis, and impose an annual fee similar to that now paid by solicitors, I feel convinced that both the public and the profession, as well as the revenue, will be gainers thereby; but it is hardly fair to refuse us the means of keeping our profession respectable, and then vilify us as a body because incompetent and disreputable men choose to dub themselves by a name, the duties in connection with which they are not qualified to perform. I do hope the various societies will co-operate for the purpose of placing the profession on a recognised footing: I am sure if they do so, they will obtain the support not only of the commercial community, but also of the law.

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For the guidance of the *Daily Telegraph*, I would add, that Accountants *do not make out Bills of Costs:* as Accountants, they claim for *Accountants' Charges;* as Trustees, for *remuneration.*

Yours truly,
F. S. A. E.

London, 19th August, 1875.

To the Editor of the Accountant.

SIR,—The notice of the public accountants of England should, I think, be specially called to the report of a case tried at Bristol before Mr. Justice Quain, on the 13th instant, and reported in the *Times* of the 16th instant. James Winge, a cabinet maker, who had filed a petition for liquidation by arrangement, was indicted for various offences under the Bankruptcy Act, 1869, for concealing property and not delivering up certain monies to the trustee of his bankruptcy. The prosecution was ordered by the county court judge, after an investigation of the whole facts and circumstances of the debtor's dealings with his property; but this is the extraordinary summing up of Mr. Justice Quain to the jury, as reported in the *Times*:—

"The learned Judge, after commenting on the costs of the examination before the registrar, the magistrates, and the present trial, said the affairs of bankrupts now got into the hands of accountants, debt collectors, and others, instead of into the hands of solicitors, gentlemen who were under the control of the court. They had got into the hands of a class of persons over whom the courts had no control at all, and he trusted before long the mercantile community would give an opinion on the present bankruptcy system, and deliver it in such a manner that it should be heard by the legislature. That the whole affairs in bankruptcy should be taken out of the hands of solicitors—a respectable body, subject to the control of the court—and handed over to *an ignorant set of men* called accountants, was *one of the grossest abuses, in his opinion, ever introduced into the law.*"

The report continues that the jury found the prisoner guilty, with the strongest recommendation to mercy. The foreman added, that the jury concurred in every remark which had fallen from the learned judge with regard to the present system which obtains under the Bankruptcy Act. The prisoner had already been in prison six weeks, and his lordship sentenced him to a fortnight's imprisonment without hard labour, and also *disallowed the costs of the prosecution.* Now, doubtless, it may be a mark of great learning, wisdom, and impartiality, to brand indiscriminately a large class of professional men as an ignorant set; but allegation is no proof, and the questions I would like to ask Justice Quain are the following:—

Is it becoming in a judge to discredit the law which he is called upon to administer, and to express a hope that the mercantile community would deliver an opinion in such a manner that it should be heard by the Legislature?

Was the Bankruptcy Act drawn up by ignorant laymen, or by learned lawyers?

Is it true that accountants acting as trustees are not under the control of the court to which the proceedings relate, namely the Court of Bankruptcy?

Is it true that accountant trustees, charged with instituting prosecutions against fraudulent debtors, act without the advice and assistance of duly qualified solicitors?

Is it just to saddle an accountant trustee with the costs of a prosecution which resulted in a conviction, and which has been ordered by a county court judge after an investigation of the legal evidence in the case?

Such cases as the foregoing more than ever serve to show the necessity of the public accountants of England combining to let their voices be heard in defence of their just rights, whenever and by whomsoever assailed.

I am, sir, your obedient servant,
S. D. N.

To the Editor of the Accountant.

SIR,—The opinions of the Bench are, as a rule, greatly valued and highly appreciated by the community, and the utterances of a judge are generally considered to be not only the result of careful deliberation and practical experience, but also to possess for their basis a long legal training and a supreme knowledge of the law. It will, therefore, be a matter of astonishment to accountants to find themselves suddenly stigmatised as a "set of ignorant men" by Mr. Justice Quain,—a gentleman who has universally been considered to possess a knowledge of commercial transactions in a practical sense, and who has always been thought to have certain pretensions to a thorough acquaintance with the different classes of business men by whom those transactions are carried out. A veil becomes, however, lifted from our eyes when we find ourselves attacked in so unqualified a manner, when we are as a body so vehemently decried, and when we have the authority of a judge to consider ourselves neither scrupulous, intelligent, nor honest. There are certainly grave and serious grounds for explanation of what the learned judge really meant to convey by his remarks, which, however, if correctly reported, seem almost too sweeping to retract. The *Daily Telegraph* of yesterday endeavoured to elucidate what was really meant by his lordship's summing-up; but as it was the merest attempt to place a construction which in no way coincided with the words of the summing-up, but rather, if any thing, tended to complicate their meaning, the endeavours of the essayist are not worth much. It remains for the accountants to disprove Mr. Justice Quain's erroneous convictions respecting themselves and their mode of transacting their business. I should regret, for one, to think that the judge's remarks were made in a vituperative spirit, or that his opinion meant to embrace the whole body of accountants; but, at all events, it does appear strange that a prominent member of the Bench should permit a monstrous assertion to go the round of the papers, without taking steps to have such important and unfortunate remarks contradicted or explained.

Yours, &c.,
August 19th. AN ACCOUNTANT.

To the Editor of the Accountant.

"IS A CRISIS AT HAND?"

SIR,—Your issue of the 10th July contains, under this heading, a letter I had the pleasure of writing you on the 3rd of that month, and *inter alia*, called attention to the fact that England's trading monopolies were being broken down. The following paragraph, extracted from the *Hour* of Thursday, the 12th instant, tends to bear out my assertion; and it must be within the knowledge of your readers that India also has already established cotton mills of its own:—"A Philadelphia paper says, the extraordinary decline in the prices of cotton goods has proceeded so far,

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that it has enabled our manufacturers to court a trade that a few years ago they would never have dreamed of. Prices are now so low, and the American demand for goods so slack, that it is found that some manufactures of cotton can actually be shipped from this country to England for sale there. The enterprise is being attempted in some quarters, and the result will be awaited with interest. Success has attended a similar enterprise with some iron manufacturers, and prices have been brought so nearly together on the opposite sides of the ocean as to almost stop English export to this country. Five years ago such an achievement would have been thought altogether out of the question." Some of the recent failures tend also to show that my forebodings were not ill-founded, and I fear that the troubles in the commercial world are really only beginning. Panics will periodically arise under any laws, but there is no particular necessity to *facilitate* their occurrence by continuing laws which hold out a premium to reckless and irresponsible trading.

Yours truly,
Expert Comptable.

London, *August* 13*th*, 1875.

To the Editor of the Accountant.

Sir,—Every accountant of respectability and repute will not fail to recognise and appreciate the straightforward manner in which you have caused to be reported in your paper of last week the case against Hedley, Harper, and Bennison, at the York Assizes, for fraudulent conspiracy. The last-named person, however, is stated to be "an accountant," and my more immediate object in addressing you is to inquire whether the person so described is a member of any of the societies of accountants existing in the United Kingdom? As, doubtless, you have at hand accurate information and data from which you can supply a reliable answer to my inquiry, I hope you will do so, and doubtless your many readers will feel equally as grateful as

Your obedient servant,
An Accountant.

[We are glad to be able to state that we cannot find the name of the person referred to on the lists of members of any of the societies of accountants in the United Kingdom.—Ed. *Accountant.*]

The receipts on account of revenue from the 1st April, 1875, when there was a balance of £6,265,322, to the 14th instant, were £26,383,872, against £25,428,617, in the corresponding period of the preceding financial year, which began with a balance of £7,442,854. The net expenditure was £30,816,722, against £29,876,336 to the same date in the previous year. The Treasury balances on the 14th instant amounted to £1,466,892, and at the same date in 1874 to £2,182,175.

At the Lambeth Police Court on Friday, Walter Thompson Hunt, 33, described as "an accountant," residing at 11 Woodside-terrace, Gipsey-hill, Norwood, was charged before Mr. Chance with maliciously causing the death of Mary Ann Hudson, by administering to her a draught of strychnine, at 11 Providence-place, Norwood, also with attempting to kill Thomas and Hannah Taylor by administering a portion of the same poison. The prisoner, who strongly protested his innocence, was, on his removal in a cab from the Norwood Police-station, greeted with a very decided outburst of popular indignation.

COURT OF BANKRUPTCY.

August 12.

(*Before Mr. Registrar* Hazlitt.)

In re Paterson.—A first meeting for the proof of debts and the appointment of a trustee was held under this adjudication. The bankrupt, Peter Hay Paterson, was described as of the Albany, Piccadilly, of no occupation. His statement of affairs disclosed liabilities of £16,630, with assets £3,900, irrespective of a reversionary interest in property in Fife and Perthshire of the annual rental of £8,000. Messrs. Linklater, Messrs. Lumley, Messrs. Raven and Co., Mr. Bushby, and others took part in the proceedings. Mr. James Waddell, accountant, was appointed trustee, with a committee of inspection.

August 13.

(*Before Mr. Registrar* Haylitt, *sitting as Chief Judge.*)

In re Heald, Mathwin, and Co.—Upon the application of Mr. Stocken, Mr. T. Y. Strachan, accountant, Newcastle, was appointed receiver under a petition for liquidation filed by the debtors, who carry on business in London and at Newcastle-on-Tyne. The liabilities are estimated at £100,000, with assets of considerable value.

(*Before Mr Registrar* Murray.)

In re John Graham.—This was a first meeting for the proof of debts and the appointment of a trustee. The bankrupt was a warehouseman carrying on business in Wood-street, Cheapside. His statement of affairs showed unsecured debts of £10,973, and liabilities £60,720, the latter arising for the most part in connexion with the failure of Messrs. Collie and other firms. The assets, consisting of stock-in-trade, book debts, bills of exchange, and furniture, are returned at £22,384. Debts to a considerable amount having been proved, Mr. Charles Chatteris, accountant, was appointed trustee, with a committee of inspection.

August 14.

(*Before Mr. Registrar* Murray, *sitting as Chief Judge.*)

In re Whitlock and Dadson.—The debtors, wine merchants in the City, have filed a petition for liquidation, with liabilities estimated at £146,000, and assets £5,000. Mr. R. Griffiths (for the petitioners and with the concurrence of creditors to a large amount) asked that Mr. Lovering, accountant, should be appointed receiver, and also for an interim injunction to restrain actions by creditors. His Honour granted the application.

August 17.

Mr. Registrar Murray, sitting as chief judge, disposed of a list of cases. A point arose under a petition for adjudication presented against a trader. The petitioning creditor was the landlord, and he had a large claim for rent, which the debtor disputed. Proceedings in ejectment had been commenced for the recovery of possession of the premises, and a distress had also been levied. The petitioning creditor asked that a receiver and manager of the business—that of a perfumer—should be appointed, but the debtor resisted the application, stating that he denied *in toto* the allegations contained in the petition. Mr. Registrar Murray pointed out that the hearing of the petition was fixed for Monday next, and said that no necessity had been shown to exist for the appointment of a receiver. Until the adjudication was pronounced the debtor was master of his own property. The application was therefore refused.

(*Before* Mr. Registrar Hazlitt.)

In Re W. J. Harker.—At the first meeting for the proof of debt and choice of a trustee to the estate of this bankrupt,

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Mr. A. A. James, accountant, 110 Cannon-street, was elected to the post. The bankrupt, who is described as a gentleman, residing at Eton-place, Haverstock-hill, was adjudicated on the 29th of June last on the petition of William Bingham, tailor, Conduit-street, creditor for £90. No statement of affairs was produced, but debts to the amount of £4,027 were admitted against the estate.

In Re Jacob Birkett.—This was also a first meeting for the proof of debt and appointment of trustee to the estate. The bankrupt, who is described in the petition as a merchant, carrying on business at Fenchurch-street, under the firm of Jacob Birkett and Co., was adjudicated on the 4th of the present month upon a debt of £114. The rough statement of affairs produced at the meeting discloses liabilities to the extent of £25,784, against assets £724. Debts to a considerable amount were proved, and a resolution was come to, appointing Mr. John Pattinson (H. Brett, Milford and Co.), accountant, Leadenhall-street, trustee, with a committee of inspection.

COURT OF BANKRUPTCY, DUBLIN.

August 13th.

(Before the Hon. Judge Miller.*)*

In Re William Armstrong.—The bankrupt was a money-lender at Hollywood, county Down. He came up for final examination. Mr. Purcell, Q.C. (instructed by Messrs. Dinnen, and S. Benner) appeared for the creditors, and submitted that the final examination could not be passed. Counsel stated that a worse case never came before the court than the present. The bankrupt had carried on business as a money-lender for 30 years, during which period he was supposed to be a solvent man, and the poor of the county all deposited with him their hard-earned money, and the result is that an immense amount of misery and ruin had been caused by his dealings. The bankrupt now came before the court, and asked his lordship to believe that—having carried on his trade for 30 years, lending out £30,000 a year in various small sums, and receiving 20 and 25 per cent. interest—that he had no books that contained a record of his transactions—no cash book, or any thing that would enable the creditors to ascertain the extent of his dealings or the *bona fides* of the return he had made to the court. The creditors believed that the bankrupt had not made a full and fair disclosure. It was impossible that the statement he now made—that he had no means—could be true, when they considered the extent and nature of the business he carried on. The only book the bankrupt produced was one containing an entry of the sums he had lent, but there was no record of the money he received from time to time. The vouching of the accounts lasted two entire days, and the result of the investigation was that in 1865 the bankrupt was deficient £14,000, and if that were true, he was going on swindling the public down to the period of his bankruptcy, and receiving the hard earnings of these unfortunate people until he increased the amount from £14,000 to £20,000. Mr. Carton (instructed by Mr. Bennett Thompson) submitted, on behalf of the bankrupt, that his client had rendered the best account of his position that he possibly could. If the accounting was unsatisfactory, it was owing to the absence of books, and it was an unfortunate circumstance for the bankrupt that he had never kept books. Judge Miller said that in the course of his career he had seldom met with a case more utterly destitute of merits than the present. The greatest punishment that the court could impose was to adjourn the examination *sine die;* but he thought the greatest punishment of all that the bankrupt could get was his own conscience, for the way he kept up fictitious dealings by receiving the moneys of these poor people and using it for his own advantage. The final examination was then adjourned *sine die*, with liberty to the bankrupt to apply at a future day to re-open it. Mr. Perry, instructed by Mr. Eaton (Oldham and Eaton), appeared for the assignees.

HUDDERSFIELD COUNTY COURT.

August 13th.

Re C. H. Rost.—An application was made to the registrar of the court, by Mr. S Learoyd, on behalf of Mr. J. P. Birtwhistle, in the bankruptcy of Messrs. C. H. Rost and Co., merchants, Nelson-street, Bradford, for an order by the registrar for the delivery to the trustee of certain goods which had been ordered by the bankrupts from Messrs R. Andrew and Co., 82 Fountain-street, Manchester. The value of the goods is stated to be £540 16s. 11d. It appeared that in 1874, the bankrupts ordered goods to the amount stated from Messrs. Andrew and Co., and they were to be sent to London, they intending to export them to China. On the 18th September, a note was sent by Mr. Farr from the Great Eastern Railway Company to Rost and Co., stating that the goods had arrived at the London Docks station, and remained there to the order of Rost and Co., being held by the railway company as warehousemen, and subject to warehouse charges. This note was read by a clerk named Bush, at Rost's office, in Bradford, and he telegraphed that instructions should be sent about the goods the next day. He that night wrote to Messrs. Andrew, informing them that Rost had failed and had gone away to the continent, and enclosing him a note received from the railway company, endorsed by Bush, and assigning the goods to Messrs. Andrews. On the receipt of this letter, Messrs. Andrew went to the agent of the Great Eastern Railway Company, in Manchester, and stopped the goods at London; subsequently obtaining possession of the goods and giving the railway company an indemnity. It was contended by Mr. Learoyd that inasmuch as the goods had arrived at the London Docks and were warehoused, they had come into the possession of the bankrupts, and consequently Mr. Andrew had no right to seize them for himself, and Bush had no right to transfer the goods to Mr. Andrew, and therefore Mr. Andrew could not seize under Bush's endorsement. Mr. H. Cadman, barrister, contended that inasmuch as the goods had been sent to the London Docks by mistake when they ought to have been sent to the Victoria Docks, they were in transitu, and that therefore Mr. Andrew had no right to stop them and take possession of them. The Registrar, however, held that Mr. Learoyd's view was the correct one, and an arrangement was come to whereby Messrs. Andrew should pay to the trustee a sum of £450, each party to bear their own costs.

LIVERPOOL COUNTY COURT.

Aug. 13.

(Before Mr. Collier, *Judge.)*

In re J. J. Harratt.—This was a motion for an order declaring that certain household furniture in the possession of Mr. Henry Beckwith, belonged to Mr. Banner, the trustee. It appeared that in 1871 Mr. Beckwith became bankrupt, and to secure his furniture he induced Mr. Harratt to advance £250 to purchase the same from the trustee. The furniture was so bought, and an agreement entered into by Beckwith with Harratt under which he was to have the use of the furniture on payment of 7½ per cent. on the purchase-money. Early in the present year Harratt became bankrupt, and his trustee now claimed the furniture in question as part of the estate. Mr. Walton (instructed by Messrs. Woodburn, Pemberton, and Sampson) appeared for Mr. Banner, the trustee, and Mr. Nordon for Mr. Beckwith. His Honour made an order in accordance with the prayer of the motion.

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SUMMER ASSIZES.—BRISTOL.

August 18.

Crown Court.—(*Before Mr. Justice* Quain.)

David Tate, a miller, 29, was indicted as a fraudulent bankrupt under the Bankruptcy Act, 1869. Mr. Norris prosecuted; Mr. Collins defended the prisoner. The prisoner had a flour mill at Radipole, near Weymouth, and went into liquidation in May last. The charge against him was that he had obtained goods by fraud within four months previously. It appeared that, owing to some operations of the Weymouth Corporation, the mill had stopped altogether in December, 1872. The prisoner had commenced an action against the Corporation to recover damages, and used this fact as a means to induce corn merchants in Bristol to sell corn to him, which he pretended he was in the habit of having ground at some other mill, so as not to lose his connexion; whereas, in fact, he had given up the mill in 1873. One of these transactions was as follows. In February of this year the prisoner bought 100 quarters of wheat in Bristol at 43s. 6d. a quarter, and 25 quarters of barley at 26s. 9d., and three days after sold the same, delivered free, at Dorchester—the wheat at 40s., and the barley at 26s. He gave bills on the purchase, but took cash on the sale, and this cash he used to partially replace some trust money he had misappropriated. The defence was that this was simply a business transaction; but the jury negatived this view of the matter, and convicted the prisoner, who was sentenced to six months' imprisonment, with hard labour.

James Wingo, cabinet maker, 54, was indicted for various offences under the Bankruptcy Act, 1869, for concealing property and not delivering up certain moneys to the trustee of his bankruptcy. Mr. Frere and Mr. T. L. Matthews prosecuted; Mr. Carter defended the prisoner. In August, 1874, the prisoner, finding himself in difficulties, filed a petition for liquidation by arrangement in the Bristol County Court, and he returned debts to the amount of over £400, and assets £70. The principal fact relied upon by the prosecution was that early in August, about a fortnight before the petition was filed, a furniture dealer, named Pincott, of Cardiff, was sent for by the defendant, and Pincott bought of him all the furniture there was in the warehouse and completely gutted the place. Pincott gave a bill for £40 at two months. This bill was not included in the assets, and the first intimation that the trustee of the estate had of the existence of this bill was when the defendant's son offered to purchase his father's business of the trustee, and mentioned Pincott as a friend who would give him an advance of £40 by a bill to assist him in the purchase. The trustee went over to Cardiff, and then he found that instead of Pincott being about to advance the money, there was a bill already in existence. This aroused his suspicions, and he made inquiries in Bristol, and learnt about this sale of furniture. Upon these facts, and other circumstances relating to his affairs, which were not relied upon at the trial, although the investigation showed they were of a very suspicious nature, the County Court Judge ordered the bankrupt to be prosecuted. The shorthand notes of the examination in the bankruptcy proceedings of the bankrupt and other witnesses were very bulky. The learned Judge, after commenting on the costs of the examination before the registrar, the magistrates, and the present trial, said the affairs of bankrupts now got into the hands of accountants, debt collectors, and others, instead of into the hands of solicitors, gentlemen who were under the control of the court. They had got into the hands of a class of persons over whom the courts had no control at all, and he trusted before long the mercantile community would give an opinion on the present bankruptcy system, and deliver it in such a manner that it should be heard by the legislature. That the whole affairs in bankruptcy should be taken out of the hands of solicitors—a respectable body, subject to the control of the court—and handed over to an ignorant set of men called accountants, was one of the grossest abuses, in his opinion, ever introduced into the law. The jury found the prisoner guilty, with the strongest recommendation to mercy. The foreman added that the jury concurred in every remark which had fallen from the learned judge with regard to the present system which obtains under the Bankruptcy Act. The prisoner had already been in prison six weeks, and his Lordship sentenced him to a fortnight's imprisonment, without hard labour, and also disallowed the costs of the prosecution.

Civil Court.—(*Before Mr. Justice* Blackburn *and a Special Jury.*)

Billett v. the Imperial Union Assurance Company, Limited.—This was an action on a policy of insurance. Mr. Pinder was for the plaintiff; Mr. Cole, Q.C., and Mr. Norris for the defendants. The plaintiff is a potato dealer, living with his father, who is an innkeeper at Marshfield, Gloucestershire, and having a house in Bristol, where he sold the potatoes, which he bought of farmers and others. He had insured with the defendants against death by accident, and also, against "non-fatal bodily injury from or by accidental violence, if," in consequence thereof, he should be "wholly and entirely disabled from attending to business." In this case he was to receive £6 a week while so disabled. The plaintiff's case was that on the evening of the 22nd January last he was thrown from his horse and dragged some distance, and very seriously hurt. He was attended by a medical man, and afterwards, in April, went for some time into the Bath Mineral Hospital, none of the surgeons of which were, however, called as witnesses. The whole claim was for 26 weeks, during which, the plaintiff alleged, that he was totally disabled. The rest of his family and the medical man were called to corroborate the plaintiff. The case for the defendants was that there had been a prior claim under the policy, which was fraudulent, and that, therefore, all interest under the policy had been forfeited. This prior claim was in respect of injury to the plaintiff's foot, caused by a large piece of wood falling on it and crushing and breaking a bone. The plaintiff had claimed for seven weeks, during which, he said, he was disabled by this accident, which, the defendants alleged, was of the slightest description. A medical man was called who had seen the plaintiff, and declared that the bone had never been broken at all, and also witnesses who had seen him walking about during the time when, according to his account, he was disabled. The case lasted half the day, and the jury were locked up for two hours, after which, being unable to agree, they were discharged.

THE "DAILY TELEGRAPH" ON ACCOUNTANTS.

The *Daily Telegraph* of August 18th has the following leader:—

"Some very pertinent remarks on the position and status of public accountants were made last week at Bristol by Mr. Justice Quain, and will, we believe, be welcomed not only by the legal profession, but by the great body of the mercantile community. The case itself out of which these valuable *obiter dicta* arose was one of very small importance, and its details were more or less sordid and uninteresting. In the August of 1874 an unhappy cabinetmaker named Winge filed a petition for liquidation by arrangement in the Bristol County Court, returning his debts at over £400, and his assets as £70. Upon inquiry, it came out that only a fortnight before his petition was filed he had called in from Cardiff a furniture dealer of the name of Pincott, and sold to him all the stock-in-trade in his warehouse, taking in return a bill of exchange for £40 drawn at two months after date. This bill he had not included in his assets. The trustee, however, learning the truth, felt it his duty to institute criminal proceedings, on the ground that the sale itself was fraudulent, and that the

bankrupt had knowingly, wilfully, and with intent to defraud, concealed a material and valuable asset from his creditors. The jury returned a verdict of guilty, coupling with it a strong recommendation to mercy, and the learned Judge sentenced the prisoner to a fortnight's imprisonment without hard labour, at the same time expressing his opinion very strongly as to the substantial merits or demerits of the case, by refusing to allow the prosecution its costs. As the prisoner was, beyond all question, guilty, this somewhat lenient sentence, joined as it was with a distinct censure of the prosecution, appears at first a little strange. The difficulty, however, disappears in a moment when we learn that Mr. Justice Quain was dealing with what is technically known as an accountant's case. The affairs of the luckless Mr. Winge had got into an accountant's hands, and the result had been a tangle of litigation, and a needless running up of costs and professional charges, which very justly excited the learned Judge's indignation. His lordship, we are told, after commenting on the expenses of examination before the Registrar, proceedings before the magistrates, and ultimately of the trial itself, said 'the affairs of bankrupts now got into the hands of accountants, debt collectors and others, instead of into the hands of solicitors, gentlemen who were under the control of the Court. They got into the hands of a class of persons over whom the Courts had no control at all, and he trusted before long the mercantile community would give an opinion on the present bankruptcy system, and deliver it in such a manner that it should be heard by the Legislature. That the whole affairs in bankruptcy should be taken out of the hands of solicitors—a respectable body, subject to the control of the Court—and handed over to an ignorant set of men called accountants, was one of the grossest abuses, in his opinion, ever introduced into the law.' These are hard words, but we venture to think that they are fully justified by equally hard facts, and we are glad to notice that the foreman of the jury took it upon himself to state in open court that both he and his brother jurors fully and entirely agreed with Mr. Justice Quain's remarks.

"There are, of course, accountants and accountants; and Mr. Justice Quain, who has had in his day a very considerable experience of mercantile law, would, we are sure, be the last man to underrate the especial services which a skilled accountant can render. Of firms such as those of Quilter and Ball, or of the Messrs. Turquand, we need hardly speak. Their reputation and standing in the City are such that, as writers on evidence say, *res ipsa loquitur*. Nor is it only these large and old-established houses that have a right to our good opinion. There are in the City several professed accountants in a much smaller way of business than that of the eminent houses to which we have referred, and who thoroughly deserve the esteem and confidence of their clients. Every large business firm employs an accountant to audit its books; and as long as the accountant confines himself within the strict limits of his duty, which is, as we understand it, that of a professional expert in bookkeeping, he discharges a very valuable and most important function. Were he, in short, to style himself 'Accountant and Auditor,' he would exactly describe the responsibilities which devolve upon him, and would be recognised at once as a gentleman with whose assistance on certain occasions it is altogether impossible to dispense. Unfortunately, however, there are black sheep in every profession and in every calling; and, as it is open to any man who chooses to dub himself an accountant, or a "certified accountant," or a "professed accountant," or an "accountant of the City of London," it is to be feared that the tale of shady and disreputable practitioners in this peculiar branch of business is very much larger than it might be. An honourable and respectable practitioner takes the very strictest care to confine himself to his legitimate business. For the smaller and discreditable fry, all is fish that comes to their net. They collect debts, they discount bills on a petty scale, and at exorbitant and ruinous rates; they are best pleased of all when fortune sends in their way a little bankruptcy case with some chance of fat pickings. The impudence of these freebooting extortioners is almost beyond belief. When employed to collect a trifling debt, they add to its amount a demand of 'ten shillings and sixpence for my professional charges,' which the luckless and ignorant debtor only too often pays, in the belief that a gentleman who signs himself 'Certified Accountant of the City of London,' has a right at law to recover his fees as 'costs in the case.' But it is out of bankruptcy, as it is at present administered, that these undergrown vultures make their largest gains. They inspect the files of the Bankruptcy Court, and send touting letters to creditors, offering to 'represent their interests.' In little cases they often obtain a sufficient number of proxies to enable them to seize upon the coveted position of trustee; and under such circumstances the old proverb that the shells fall to the litigant is only too fully realised. The 'costs,' as it pleases him to style them, of a so-called 'professional accountant' will be found, on taxation, to be fully as onerous as those of a solicitor, while, on the other hand, his employers, as Mr. Justice Quain pointed out, are not dealing with a respectable and properly qualified professional man, who is responsible for the advice which he gives to his clients, and who can be at once, upon summary process, made to answer for his conduct to one of the Superior Courts of Law, but simply with an uncertified quack, who stands to a solicitor in much the same position as that which a 'licensed herbalist' occupies towards a properly registered member of the College of Surgeons. County Court Judges could tell, if they chose, a long tale of the evil ways of these legal pirates; of the extortionate fees which they extract from simple and ignorant folk under the pretence that their charges are recoverable at law; of the oppressive usury they demand for small loans, and—only too often—of the manner in which they use their position as debt collectors to retain balances in their own hands, for the use of which they render no manner of account. The cause to which all these malpractices are capable of being referred is sufficiently obvious. As long as any disreputable ex-attorney's clerk or small usurer's jackal may style himself 'accountant,' the profession of accountancy, which ought to be, and in honourable hands is, a most trustworthy and valuable calling, will remain, as it is at present, a sort of legal Alsatia. Accountants of ascertained position, for self-protection, should take measures to prevent the title under which they carry on their legitimate business from being thus abused by unscrupulous and only too often fraudulent pettifoggers, and the position of an accountant ought to be made as responsible and as satisfactory as that of a notary public, or a surrogate, or even an attorney. At present the black sheep are bringing the old-established and well-conducted houses into disrepute and ill odour, and the profession, if we may so call it, is in a position in which it will do well to consider carefully its own interests and future prospects. The general public, on the other hand—and more especially that portion of it whose ill fate it is to be vexed with small debts—should recollect that the *status* and calling of an accountant, whether 'certified' or not, or whether 'of the City of London' or elsewhere, is not recognised by the Courts of Law, and that no accountant has a right to demand any charge for his services except in pursuance of a previous and positive agreement that he is to be remunerated for them. Nor is this all. An accountant and debt collector who adds to the debt which he demands his own 'professional charges,' and threatens legal proceedings unless the total amount is at once paid, sails very closely indeed within the range of the criminal law; while, if he specifies the Court in which he intends to proceed, he is clearly guilty of contempt. If, instead of looking up small debtors, our County Court Judges were to keep a strict and keen eye upon the various accountants in their district, they would be discharging a very valuable service to the great body of small suitors by whom their Courts are frequented, and who are precisely the kind of people whom the self-constituted accountant usually selects as the victims of his extortionate malpractices."

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CREDITORS' MEETINGS.

W. Styles (Isleworth).—A meeting was held at the offices of Messrs. Barrett and Patey, public accountants, 90 London-wall, E.C., on Tuesday the 10th inst., in the matter of William Styles, of Isleworth, when liquidation was resolved upon, and Mr. Edward T. Barrett appointed trustee.

R. Nicolson.—A meeting was held at the offices of Messrs. Barrett and Patey, public accountants, 90 London-wall, E.C., on Wednesday the 11th inst., in the matter of Roderick Nicolson, of Fleet-street, London, and East Register-street, Edinburgh, advertising agent, when a composition of 2s. in the pound was accepted. Mr. Henry H. Patey being appointed trustee to distribute the composition.

T. Hayes (Manchester).—A meeting of the creditors of Mr. Thomas Hayes, Fennel-street, Manchester, wholesale provision merchant and commission agent, was held at the offices of Messrs. Addleshaw and Warburton, on the 16th inst., when a statement af affairs was submitted by Messrs. Nicholson and Milne, accountants, showing liabilities £3,846 8s. 2d., and assets £1,107 10s. 2d. A composition of 4s. 3d. in the pound was accepted, payable at 2s. in two months and 2s. 3d. in four months, the last instalment guaranteed.

T. Syms (Manchester).—A meeting of the creditors under the bankruptcy of Mr. Thomas Syms, of 100 Deansgate, licensed victualler, was held on Friday, August 13th, when debts to the amount of £4,659 were proved, the assets being stated to be about £2,000. It was resolved to appoint Mr. E. B. Harding, of Sutton and Harding, accountants, trustee, with a committee of inspection.

J. C. Fowlie.—It was arranged at the adjourned meeting of J. C. Fowlie's creditors, held on Tuesday, to liquidate the estate by arrangement and not in bankruptcy. The probable dividend is expected to be about 1s. in the pound, but this is contingent upon certain bills being withdrawn which it is arranged shall not rank against Fowlie's estate if 10s. in the pound be paid on them by a third party whose name they do not carry.

The Aberdare Co.—At an adjourned meeting of the creditors of the Aberdare and Plymouth Iron Companies, held on Wednesday, at the Cannon-street Hotel, it was decided to adjourn the meeting for another month, to afford time for Messrs. Fothergill and Hankey to make arrangements with their friends to provide the funds necessary to carry on the works, with a view to work the large and valuable properties which upon closer investigation show that if time be allowed the coal and iron fields may yield sufficient to pay the creditors. Such a result will, we are informed, be greatly facilitated by the manner in which the Marquis of Bute has acted in reference to the leases, and which was spoken of as being a very encouraging feature.

T. S. Hare (Liverpool).—At a meeting of the creditors of Mr. T. S. Hare, cotton broker, Liverpool, the liabilities were shown to be £58,456, and the assets £1,292. These figures are exclusive of £33,295 owing for cotton still afloat, and upon which there will be a considerable loss, owing to the fall in the market. Liquidation by arrangement was resolved upon.

FAILURES.

England.—In consequence of the non-arrival of expected remittances from their Lima correspondents, occasioned solely, it is mentioned, by the scarcity of bills procurable for the purpose, Messrs. P. Denegri and Sons, commission merchants, of 8 Old Jewry, have suspended payment. It is believed, however, that the difficulty is only a temporary one, and that the assets of the Lima house will allow all claims to be paid in full. The books have been placed in the hands of Messrs. Harding, Whinney, & Co.—Mr. W. J Craven, commission merchant, of Fenchurch-street, has stopped payment, owing chiefly, it is understood, to speculative operations on the Stock Exchange. The liabilities amount to £17,000, and assets to £2,000. The books have been placed in the hands of Messrs. Johnstone, Cooper, Wintle and Co., accountants, for investigation.—The Stockton Rail Mill Company, Limited, on Friday, issued circulars to its creditors intimating that, in consequence of previous heavy losses, and the suspension of Messrs. Shaw and Thomson, metal brokers, London, the company is unable to keep its engagements, and the indulgence of creditors is asked until a meeting of shareholders can be held. The liabilities are stated to exceed £100,000.

America.—Advices from America report the failure of Mr. William Henderson, lumber merchant, Montreal, with liabilities of £32,000, and assets of £20,000.—The Chicago Plate and Bar Mill Company, a well-known local establishment, with liabilities of £20,000.—Messrs. Martin Y. Bunn and Co., wholesale grocers, New York, have suspended, with liabilities of £18,000; also Messrs. Worth and Watson, wholesale grocers, 183 Duane-street, with liabilities of £12,000.—A meeting of the creditors of Messrs. Taussig, Gemp and Co., bankers, and of Taussig, Fisher and Co., of St. Louis, had been held, and a proposal of settlement agreed to. The indebtedness of the bank was £50,000.—At Northampton, Mass., the Arms and Bardwell Manufacturing Company failed; liabilities £40,000—Messrs. C. C. Hellen and Mr. H. L. Bogart, of the New York Stock Exchange, had failed.—Mr. Mr. Merriman, wholesale clothing house, Hartford, suspended. —Messrs. Foster and Brothers, carpet dealers, Fulton-street, Brooklyn, New York, have made an assignment (August 4th). Their liabilities are stated at £53,000, and assets £40,000.—American advices announce the suspension of the old established shipping and commission firm of Messrs. Thomas R. Matthews and Sons, 18 Bonley's Wharf, Baltimore, with liabilities of £10,000; the Girard Tube and Iron Company of Philadelphia are reported as in difficulties; the Rolling Mill, Alliance, Ohio, failed with liabilities of £80,000.

The *National Zeitung* states that the firm of Liebmann Levy, of Trieste, has suspended payment, with liabilities estimated at £30,000.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Vice-Chancellor Bacon has appointed Mr. James Cooper, of the firm of Johnstone, Cooper, Wintle, and Co., official liquidator of the Anglo-Italian Pulp and Paper Making Company, Limited.

The Vice-Chancellor Sir Richard Malins has appointed Mr. G. A. Cape (Cape and Harris), of No. 8, Old Jewry, official liquidator of the Peat, Coal, and Charcoal Company, Limited.

Mr. Harry Brett (of the firm of Harry Brett, Milford, Pattinson, and Co.), of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., Public Accountant, has been appointed Trustee of the estate of Daniel Orpen, of 10 Denmark-terrace, Denmark-hill, in the County of Surrey, Cheesemonger, a bankrupt. Mr. George Beswick, Solicitor to the Trustee, 10 Bedford-row, W.C.

Mr. John Pattinson (of the firm of Harry Brett, Milford, Pattinson, and Co.), of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., Public Accountant, has been appointed Trustee of the estate of Jacob Birkett, trading as Jacob Birkett and Company, of 116 Fenchurch-street, in the City of London, a bankrupt. Mr. E. W. Owles, Solicitor to the Trustee, 22 Chancery-lane, E.C.

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THE INCOME AND EXPENDITURE OF THE CORPORATION OF LONDON.

An account has just been issued of the produce and expenditure of the City's estates for the year ending 31st December, 1874, and published under the authority of the City Chamberlain, Mr. Benjamin Scott. The document, which is one of a very voluminous nature, occupies no fewer than 131 closely printed pages. The City's receipts are enumerated under various heads, and details are given in every case. Among the receipts are rents and quit rents, £93,510 17s. 7d.; renewing fines, £3,438 13s. 5d.; premiums for granting leases, £1,200; bequests, £135 13s. 4d.; interest on Government securities, £10,864 1s. 3d.; Metropolitan Cattle Market, Islington, £37,351 12s. 11¼d.; Metropolitan Meat and Poultry Market, Smithfield (exclusive of tolls), £40,455 13s. 11d.; Leadenhall, £2,065 0s. 6d.; Farringdon, £1,714 4s. 2¼d.; Smithfield (Haymarket), £155 15s. 6d.; Billingsgate (exclusive of tolls), £6,518 2s. 6d.; and Columbia Market, £1,131 13s. 6d. Voluntary metage on grain, &c., £1,869 15s. 5¾d.; fruit metage, £2,421 3s. 6d.; brokers' rents, £7,029. Justicary fees—Mansion House, £2,025 4s. 8d.; Guildhall, £864 2s. 6d. Account of prisons, viz., Newgate, £476 9s. 4d.; Holloway, £3,236 14s. 4d.; ditto on account of criminal prosecutions, £935 9s.; ditto felons' goods, fines and forfeitures, £10,000; Mayor's Court fees (gross), £7,393 1s. 10d.; officers' surplus fees and profits, £5,399 17s.; reimbursement sanitary expenses Port of London, £127 15s. 4d.; sundry and casual receipts, £1,060 0s. 2d.; reimbursement, entertainment to his Imperial Majesty the Shah of Persia, £112 12s.; ditto, Thanksgiving day, £61 16s. 6d. The total receipts, therefore, are £313,917 7s. 9d. On the same side of the account is given a statement of loans raised, amounting to £263,872 4s. 6d., so that the grand total was £577,789 12s. 3¼d. The charges for expenditure show a profit on the markets of about £10,000. The expenses of the prisons were as follows:—Newgate, £5,969 10s. 7d.; City Prison, Holloway, £10,972 6s.; general prison expenses, £1,318 19s. The expenses of the administration of justice (criminal) were £7,491 0s. 5d.; ditto, office of coroner, £1,351 14s. 8d.; enlargement of Pauper Lunatic Assylum, £7,250. The expenses of the Civil Government of the City, including the payments to the Lord Mayor, sheriffs, judge, and officers of the Mayor's Court, expenses of the Mansion House, Guildhall, Law Courts, &c., amounted to £49,304 7s. 4d.; pensions, including London almshouses, £6,797 14s. 6½d.; charitable donations, £3,497 8s. 8d.; honorary votes, £513 11s. The educational expenses were: City of London School, £1,572 8s. 7½d.; Freemen's Orphan School, £4,783 16s. 1d. Other items are:—Expenses in relation to Epping Forest were £12,260 19s. 6d.; Bills in Parliament, £1,158 2s. 5d.; Guildhall Library and Museum, £2,810 16s. 3d.; entertainment of his Imperial Majesty the Czar of Russia, £13,362 15s. 9d.; déjeûner to the Prince of Wales, £1,821 14s. 7d.; erection of the new library and museum, £6,570 19s. 3d.; making a total of £274,238 0s. 3d.; but, in addition, under the head of loans discharged, will be found charges relating to the enlargement of Billingsgate Market, £60,034 10s. 11d.; western extension of Metropolitan Meat Market, £47,755 17s. 8d.; bringing the total expenditure to £554,044 3s. 5d.

On the petition of Messrs. Travers Smith and Co., solicitors to the London and Westminster Bank, Alexander and William Collie were adjudicated bankrupts on the 19th instant.

LATE ADVERTISEMENT.

TO ACCOUNTANTS' CLERKS.—Wanted in an Accountant's office, a respectable, energetic man; must have a thorough practical knowledge and experience in making up, auditing and balancing books and accounts, the working of Limited Liability Companies, and the management of Bankruptcies and Liquidations.—Address by letter only, stating age, salary required, &c. &c., "Alpha," care of Mr. Alfred W. Gee, Advertising Agent, 62 Gracechurch-street, London, E.C.

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Private Dining Rooms for large and small parties on the Second Floor.

MONEY to LEND to BORROWERS residing in town or Country, from £50 upwards, repayable in one sum, from one to five years, at five per cent. interest on personal security; also on mortgage of freehold or leasehold property from 3 per cent., for a term of years to be agreed upon. No commission.
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"The source of many a writer's woe has been discovered."

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Another blessing to men! The Hindoo Pen.
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VOL. I.—NEW SERIES.—No. 38.] SATURDAY, AUGUST 28, 1875. [PRICE 6D.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the Accountant has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The Accountant thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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The Accountant.

AUGUST 28, 1875.

Those who think the law too favourable to debtors must derive consolation at times from studying the decisions of the Lords Justices, and laying to heart the grim resolution with which those high officials interpret the various sections of the Bankruptcy Act as far as possible in the interests of creditors. It is in the cases of liquidations and compositions, which are popularly supposed to give the principal openings for fraud, that certain little pitfalls occur, into which the unwary fall. A nice little point thus arose in a case we reported in a recent issue. Judgment having been recovered against a trader, the debtor, with much promptitude, filed a petition for liquidation. Execution was duly levied, and then all proceedings were stayed to await the result of the meeting of the creditors. At this a composition was agreed to, and the question to be decided was whether the execution creditors could proceed with their execution and obtain payment of their claim in full, or whether they must relinquish their security and content themselves with their share of the composition. The *consensus* of judicial authority on the point was most gratifying; the judge of the County Court was not overruled by the Chief Judge, and the latter's opinion was confirmed by the Lords Justices, who unhesitatingly declared that the right to realise the security was not taken away by the resolution for composition. It was conceded that if the creditors had decided to proceed in bankruptcy or liquidation, the execution creditors would have been bound by the opinion of the majority, and their security would have been realised for the general benefit; and it was argued that such ought to be the case here, and that the chief body of creditors could compel a dissentient, holding security, to content himself with his dividend, and hand over the goods he relied on for enforcing payment to the debtor. But here, the canons of interpretation now universally acknowledged, came into play. The estate must be administered in the interest of the creditors, so that no mere minority shall interfere so as to prevent the best means of realisation from being adopted, but yet with due regard to the interest of the individual, if not opposed to the interest of the general body. Here it is plain that the majority suffer no detriment by giving an advantage to the secured creditor. They agree to forbear their claims for a certain sum, but they cannot indicate the fund from which they are to be paid. It may be hard on the debtor, who may have relied upon selling these goods and using the proceeds as a means of paying the composition. If that be the case, and he is precluded from carrying out his arrangement, the remedy is

simple. The creditors are restored to their original position, and liquidation or bankruptcy must be the result. The creditors have made their choice. They might have elected to appoint a trustee who would take possession of the assets and distribute them in due proportion in liquidation. Instead of that, they have trusted to the debtor rather than to his estate, they personally lose nothing by the success of their co-creditor, and on the principle of allowing a single creditor to exercise his rights to the full against the debtor where he does not prejudice the action of the majority, the execution is allowed to take its course.

It is impossible not to feel a certain amount of sympathy for the unfortunate trustee whose obedience to the direction of the creditors to make a present of fifteen pounds to his committee of inspection was punished by the fine of a certain amount of costs, though he was mercifully spared from having to pay any to the Comptroller in Bankruptcy. At the same time it is certain that unless the principle of the honorary nature of an inspector's office had been peremptorily asserted, there might have been an "ugly rush" of creditors eager to become inspectors and trustees. Every body is complaining of the little interest which creditors show in the affairs of their debtors. The reason is probably that people know by personal experience how little the interference of any creditor can really effect, and prefer losing their money without wasting their time in futile efforts to get it back. But if committees of inspection were to charge for their services, the difficulty would be not so much to find candidates for the office, as to make a selection between the numerous competitors. In fact, remuneration might take a great many forms, from friendly dinners and testimonials down to jobbery of the most unmitigated form. If the creditors themselves were to vote the remuneration out of their own pockets, there could be no objection to the plan, but it is clear that there can be no right to take the money out of the scanty assets of the debtor. It is to be hoped that the creditors will recoup the trustee for his expense, and the literary members of their body may ponder on the sentiments expressed in an old friend of our childhood, which inculcates in homely language the moral and economical truth that while it is laudable for a little boy to give away his own clothes in charity, he is not justified in supplementing the gift by a loaf of bread from his schoolmaster's pantry. They will also have the consolation of thinking that they have been the instruments of settling an important principle of law, which at the same time inculcates the beautiful moral maxim that justice should come before generosity; and the combined effects of literary study and ethical contemplation will doubtless convince them that the decision they have evoked is equally admirable in point of law and of morality.

Correspondence.

MR. JUSTICE QUAIN'S ATTACK UPON ACCOUNTANTS.

To the Editor of the Accountant.

Sir,—The unjustifiable attack made upon accountants by Mr. Justice Quain, at the trial of James Winne, at Bristol Assizes, for numerous offences under the Debtors Act, 1869, calls, I think, for a few remarks from myself as the trustee and prosecutor in the case in question, and upon whom his lordship thought fit to vent his indignation.

Before dealing with the comments which fell from the learned judge, or the sensational gibberish which appeared in the *Daily Telegraph* of August 18th, I will particularise as concisely as possible the facts of the case.

The liquidating debtor, in August 1874, applied to a respectable attorney of this city, to file his petition for liquidation under the Bankruptcy Act, 1869, and I was, on the 29th August, 1874, appointed receiver and manager of the businesses of cabinet maker, sawyer, lamp and oil dealer and washing board manufacturer, carried on by the debtor, James Winne, at West-street, and Lawrence-hill in this city.

The appointment of receiver and manager was never solicited by me. Prior to my appointment, I had no acquaintanceship whatever with either the debtor or his estate. I duly carried on the business, as receiver, until the first general meeting of creditors, held September 23rd, 1874. *At this meeting I was unanimously elected trustee;* and I may mention, the appointment of trustee was not solicited by me,—in fact, I only held one proxy. A solicitor was duly appointed by an order of the court, dated 3rd of October, 1874. Any one at all conversant with bankruptcy law, must at once see that, so far from this being an accountant's case, the whole proceedings were entirely under the control of a solicitor, who has had the sole management of the prosecution.

At the first meeting of creditors, the debtor was examined as to his affairs, and the statements of account filed by him. He has since stated upon oath that the answers given to questions put to him at the first meeting of creditors were false.

The estate was duly realised, and the creditors assembled at the second general meeting voted me the munificent sum of £10 10s. as remuneration for my services.

Amongst the creditors were two aldermen of this city, three magistrates, and a gentleman who recently filled

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the office of high sheriff; and no steps were taken by me without their concurrence.

Many of the creditors being dissatisfied with the debtor's statement of affairs, inquiries were instituted, and it was proved beyond a question of doubt that a considerable portion of the estate had been made away with, and concealed, by the debtor immediately preceding his bankruptcy.

By way of illustrating one of the many ways in which the debtor's estate was concealed and disposed of, it was proved that the debtor's bedroom had been divided by a partition,—this partition was papered over with wall paper corresponding to the other walls of the room, and behind this partition was secreted stock-in-trade and other articles of the estimated value of £70; this has been proved upon oath by the man who put up the partition and took it down.

A general meeting of creditors was held in accordance with the provisions of the Bankruptcy Act, 1869, when it was resolved—

"That the trustee do apply to the court for an order directing a prosecution against the debtor for offences against the Debtors Act, 1869."

The learned judge of the Bristol County Court, upon reading evidence taken on oath, and the above resolution at the general meeting of creditors, made an order upon me to prosecute:—I had no alternative, therefore, but to institute these proceedings. Had I disregarded the order of the court, doubtless I should have been severely censured by the judge.

Acting on the order of the court and the resolution of the general meeting of creditors, I instructed the solicitor to the estate appointed by the court to apply for a warrant against the debtor. A warrant was granted, and the debtor duly appeared before the magistrates, and, after two remands, was committed to take his trial at the Assizes upon five counts.

Had the debtor handed over to his creditors the property which I am in a position to prove he concealed, and otherwise made away with, I can show that his estate would have paid twenty shillings in the pound.

The article in the *Daily Telegraph* refers to the needless running up of costs and professional charges in this case. Surely, a single penny of the costs cannot be attributed to my incurring, when there was a *solicitor duly appointed by the learned registrar of the court and under its control*, who exercised his own discretion in taking whatever examination he thought necessary.

In spite of the difficulties which surrounded the case, and the many legal technicalities and quibbles, the jury found the prisoner guilty; and why I should be censured by the court I am at a loss to understand.

Bankruptcy trusteeship I have never sought after. During the four years in which I have been in business, I have only been engaged as trustee in three cases, in two of which I was a creditor, and in both cases not a farthing of assets came into my hands, consequently I got no remuneration; and in this case, which the *Daily Telegraph* has thought fit to illustrate, I have received only £10 10s. for managing two businesses, collecting and getting in the estate, inventories, valuations, writing over two hundred and fifty letters, attending several meetings of creditors, and making out statements of account: so your readers will see that bankruptcy business, so far as I am concerned, is most unremunerative.

True, black sheep there are in every flock; but I think the character and reputation of the "ignorant" set of men called accountants, as a body, will bear a favourable comparison with the gentlemen solicitors under control of the court.

These are, as concisely as I can put them, the facts of the case. I will now pass on to the escapade of the learned judge on accountants, and to the scurrillous remarks and mistatements of the *Daily Telegraph*, which they designated hard facts.

The learned judge's remarks on accountants will be readily understood by the commercial community. His lordship's forensic wrath was evoked upon me as prosecutor, and upon accountants generally, simply because his lordship considered that the entire management of bankrupts' estates should be taken out of the hands of accountants, whom he derided as an "ignorant set of men," and Heaven knows what, and handed over to solicitors, whom his lordship was pleased to style "gentlemen." It is greatly to be regretted that one of her Majesty's Lord Justices should use his position to advocate in a most offensive manner the claims of the class to which he himself belongs, and the claims of the very gentlemen who placed him in the position which he now holds.

The learned judge told the jury that it was a prosecution that never ought to have been brought before the court, and the next moment said it was a most grave charge. What does his lordship mean? Does he consider it no crime for a debtor to defraud his creditors? if so, what earthly use is the Debtors Act? The creditors, the principal of whom are men of the highest standing in Bristol, one and all thought it a most proper case for criminal proceedings, as did likewise the learned judge of the County Court; the magistrates who committed the prisoner also thought there was a good cause for trial, or, depend upon it, a judge and jury would not have been troubled with it.

On reference to the Bankruptcy Act, it will be seen that trustees in bankruptcy are far more under control of the court by whom they are appointed than solicitors. Any creditor has power, if he disapproves of the conduct of a trustee, *be he an accountant or not*, to call a meeting of creditors for his removal; and this step is often adopted.

A trustee, before he can get his costs, must submit his bill for approval to a general meeting of creditors called for that purpose; not so with the gentlemen under control of the court; they get their costs taxed before the registrar, who is guided by the rules of the Act of Parliament; and an inspection of the bankruptcy files will convince any one that the pickings of an estate, be it large or small, is swallowed up in law costs and solicitors' bills.

The Billingsgate slang of the *Daily Telegraph* will receive little attention from me—the vocabulary whence the delicate epithets were derived must be a matter of prodigious surprise to the public. Bad and rotten must be the cause that cannot be sustained without such vulgar advocacy. I have little fear that the article in question will mislead any portion of the public for whose edification it is written. The public will read this, the *Daily Telegraph's* latest *coup de main* upon accountants, with the same credulity as attended the celebrated "Khiva Expedition" and the notorious "Man and Dog Fight." After the expression of public opinion on these two cases, one would think that for ever after the *Daily Telegraph* would abstain from venturing upon subjects of which it is utterly ignorant.

I am, Sir, Yours, &c.,
Michael Henry Clark.

11 High Street, Bristol.

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THE "DAILY TELEGRAPH" AND ACCOUNTANTS.

To the Editor of the Accountant.

SIR,—One of the correspondents in your paper of the 21st instant remarks that "Mr. Justice Quain has thought fit, in a recent prosecution, to give his personal views as to the position and status of public accountants *as a body*, and the *Daily Telegraph* has taken up the *hue and cry*."

Doubtless many of your readers will be surprised that the remarks of the *Telegraph* have led to no further correspondence on the subject in the columns of that paper, especially as we are in the midst of what has been jocosely called the *silly season*, when the readers of that paper are usually treated to disquisitions and correspondence on the status and pay of commercial clerks, the wrongs of post-office and telegraph officials, the hardships of agricultural labourers, and such-like matters. This remarkable silence on the part of the *Telegraph* after having raised such a loud *hue and cry* must not be attributed to its not having received remonstrances from members of the body assailed, as I know that letters from various members of our profession have been addressed to the *Telegraph* on the subject. It may possibly arise from a consciousness that many of its assertions are not warranted by facts, and that, however much it may proclaim to the world its hatred of *injustice* and its love of *fair play*, it would appear as if it sometimes is disposed to "*wear its rue with a difference*." From this little incident, however, the public accountants of England are enabled to discriminate between their friends and their foes, and to know that one organ of liberal public opinion is willing to issue innuendoes and aspersions against their character and conduct, accompanied by such flowers of speech as "free-booting extortioners," "shady and disreputable practitioners," "undergrown vultures," but at the same time closely shuts its columns to any defence or explanation which may be called forth by its own unwarranted accusations.

I am, Sir,
Your obedient Servant,
S. D. N.

"THE COMPANIES' ACT, 1862."

To the Editor of the Accountant.

SIR,—Referring to the inquiry of your correspondent, "J. G. B." in No. 32 of the *Accountant*, I think a slightly more elaborate reply than that which you courteously furnished may not be altogether out of place. It has been decided that the wages and salaries of servants do *not* rank preferentially as against other creditors in the event of a winding-up under order of the Court of Chancery; but by clause 133, paragraph I., which deals with companies winding up *voluntarily*, it is enacted that:—"The "property of the Company shall be applied in satisfaction "of its liabilities *pari passu*, and, subject thereto, shall, "*unless it be otherwise provided by the regulations of the* "*Company*, be distributed amongst the members according "to their rights and interests in the Company." As regards claims existing against a company at the date of the order for winding it up under the Act, clause 158 provides that all debts or claims against the company, whether present or future, certain or contingent, &c., shall, on admission of proof, be equitably estimated or valued, and the claim accordingly allowed. There is absolutely nothing in the Act by which preference or priority can possibly be given to one creditor over another, consequently Queen's and other taxes and rates can stand on no better footing than other claims; and I am unaware of the existence of any Act of Parliament by which the above construction of the 1862 Act has been effected.

Yours, &c.
X.

COURT OF BANKRUPTCY.

August 19.

(Before Mr. Registrar MURRAY, *sitting as Chief Judge.)*

IN RE ALEXANDER COLLIE AND CO.—An adjudication of bankruptcy was made against Messrs. Alexander Collie and William Collie, described as merchants, carrying on business in London and Manchester, under the style of Alexander Collie and Co. Messrs. Travers, Smith, and Co. appeared as solicitors to the proceedings. The petitioning creditor is the London and Westminster Bank, claiming the sum of £1,400 upon a bill of exchange, dated the 4th of January last, drawn by the debtors upon and accepted by Charles Carnie, payable six months after date, and dishonoured at maturity. In respect to this debt, which forms a very small portion only of the aggregate amount due from the bankrupts, the petitioning creditor has no security. The act of bankruptcy upon which the petition is founded is the presentation by the debtors of the liquidation petition, the proceedings under which fell to the ground. As to Alexander Collie, who has absconded, an order for "substituted service" of the petition had been obtained, but in the case of the other partner, who remains within the jurisdiction, service was effected in the prescribed mode. No notice to dispute the petition was given on behalf of either debtor, and Mr. Registrar Murray made the adjudication in the usual form. The first meeting is fixed for the 6th of September, at 12 o'clock, when the proceedings will be merely formal, no serious contest being anticipated for the choice of a trustee.

IN RE THOMAS CORNEY.—Mr. Registrar Murray appointed Mr. Pettis, accountant, Guildhall-chambers, receiver to the estate of this debtor, who is described as a plasterer and modeller, of Westminster-chambers, Victoria-street, also of the Fulham-road and Langley, Buckinghamshire, who has petitioned the Court, estimating his liabilities at £5,223. The value of the assets is at present unestimated, but will, it is expected, realise a considerable amount. Upon the application of Mr. John Haynes, his Honour also granted an interim restraining order.

August 20.

(Before Mr. Registrar HAZLITT, *sitting as Chief Judge.)*

IN RE ALEXANDER THORN.—The debtor is described as a builder and contractor for public works, of Cremorne Wharf, Chelsea; Ennismore-gardens, Hyde-park; and Oakley-street, King's-road. He also carries on business at the Water-works, baths, the Assembly-rooms, and skating rink, West Worthing, Sussex. He has filed a petition for liquidation, with debts estimated at £151,000, and assets, consisting of stock-in-trade and other property of various descriptions, £140,000. Upon the application of Mr. Doria, the court appointed Mr. Charles L. Nichols, accountant, receiver and manager, and granted an interim injunction to restrain actions by creditors.

(Before Mr Registrar MURRAY.)

IN RE GILEAD A. SMITH AND CO.—At a first meeting under an adjudication obtained against these bankrupts, who are merchants, of Change-alley, Cornhill, and New York, debts amounting to about £30,000 were proved, and Mr. Whinney (Hardin

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Whinney, and Co.) was appointed trustee. The unsecured liabilities are returned at £105,169, with liabilities partly secured, £220,212; and assets, £20,212. Messrs. Clarkes, Rawlins, and Co., are the solicitors in the matter.

August 21.

(*Before Mr. Registrar* Murray, *sitting as Chief Judge.*)

In re Whitlock and Dadson.—The debtors were wine and spirit merchants, in Cannon-street, City. Their debts were about £14,000, and the assets estimated at £5,500. On a former occasion a receiver had been appointed. Mr. Robertson Griffiths now moved to continue a restraining order on legal proceedings until further orders. The learned registrar granted the application.

In re David Young.—This was another failure in the wine trade. The debtor carried on business in Gracechurch-street. He had recently been made a bankrupt on his liquidation petition. An application was made to dissolve an injunction. Mr. Brough and Mr. Robertson Griffiths appeared in the case. The Court ordered an adjournment until after the first meeting of creditors.

August 24th.

Mr. Registrar Roche held a sitting at Lincoln's-Inn, and disposed of several applications in liquidation matters.

In re Thomas Richardson.—Mr. Lucas applied for leave to register a resolution to liquidate by arrangement come to under the separate estate of Thomas Richardson, late M.P. for Hartlepool, and described as of Gracechurch-street, also of Middleton, near Hartlepool, trading in partnership with John William Richardson, as engineers and ironfounders, under the firm of Thomas Richardson and Sons. Resolutions to liquidate by arrangement had been duly registered with regard to the joint estate and the separate estate of J. W. Richardson; but a further meeting of creditors in the separate estate of Thomas Richardson had been rendered necessary. His Honour, being informed that all objections had been withdrawn, directed registration.

In re James Watson.—The debtor, who has presented a petition for liquidation, was a skirt and costume manufacturer of Gresham street, trading under the style of Tellwright and Watson. His liabilities are estimated at about £14,000, and assets £7,000. Upon the application of Mr. A. H. Miller, supported by Mr. Farrar, his Honour appointed Mr. Lovering, public-accountant, to the office of receiver and manager, and granted an interim injunction.

LIVERPOOL COUNTY COURT.

Aug. 18.

(*Before* Mr. J. F. Collier, *Judge.*)

The case "Tappenbeck *ex parte* Beckman, Bastos, and Co., trustees of August Christiansen and Co., of Para," came up this day for judgment. Mr. W. F. Robinson, Q.C., and Mr. Aspland (instructed by Mr. Rogerson) appeared for the applicants, Messrs. Beckman and Co., trustees of Christiansen; and Mr. Herschell, Q.C., and Mr. Walton (instructed by Messrs. Hull, Stone, and Fletcher), for Mr. Harmood Banner, the trustee of Tappenbeck. His Honour had reserved his judgment, which he gave as follows:—The form in which this matter came before me was a motion on behalf of Messrs. August Christiansen and Co. for an order on the trustee under the liquidation of Messrs. Augustus Tappenbeck and Co. to deliver up to the trustee of the estate of Christiansen and Co. certain goods, or the proceeds thereof, shipped by the latter firm to former, on the ground that such goods had been appropriated to meet certain bills of exchange drawn by Christiansen and Co. upon Tappenbeck and Co. Mr. J. F. A. Tappenbeck and Mr. A. L. Christiansen traded in Liverpool as merchants under the style of Augustus Tappenbeck and Co. The same J. F. A. Tappenbeck, and the same A. L. Christiansen, together with Mr. W. Schramm, traded in partnership in Brazil under the style of Augustus Christiansen and Co. as commission agents. The course of business was as follows:—Christiansen and Co., as agents for Tappenbeck and Co., bought produce in Brazil for account of Tappenbeck and Co., and shipped it to their order, Christiansen and Co. being paid by commission. The property in the goods passed to Tappenbeck and Co. on arrival in Liverpool. Either before the purchase, for the purpose of providing funds for the purchase, or after the purchase and before the shipment, Christiansen and Co. drew bills on Tappenbeck and Co. and sold them in Brazil. These bills passed by endorsement to holders in England. Christiansen and Co. advised the bills in batches without any reference to the shipments. They then advised the shipments, and forwarded bills of lading, enclosing in the same or a subsequent letter an account current, showing on one side the value of the produce and on the other setting out certain bills or parts of bills which, together with charges, exactly balanced the account. The bills not having been always drawn with reference to the shipments advised were not of the exact amount of the invoice, and therefore a portion of a bill was sometimes credited to one shipment and the balance to another. This course of business will be best explained by an example. On the 28th May Christiansen and Co. wrote to Tappenbeck and Co. as follows:—"Enclosed you find our drafts by this mail, Nos. 191 to 206, amounting to £6,092 17s. 1d., which please protect." Amongst the bills set out in the letter are those numbered 201, 203, 204, 205. On the 5th June they advised bill No. 213, and on the 7th June Nos. 214 and 215; and on the 10th June they advised No. 220. On the 23rd June Christiansen and Co. shipped 96 cases of indiarubber, which arrived in Liverpool on 10th August. On the 6th July Christiansen and Co. wrote to Tappenbeck and Co. as follows:—"Enclosed we hand you to-day bill of lading and duplicate invoice of 96 cases of rubber shipped for your account per Maranhense, amounting to 37,399 Rs., due 23rd June, for which please give us credit on general account." On the 17th July Christiansen and Co. wrote thus to Tappenbeck and Co.:—"Enclosed you find statement of these shipments (viz. the 96 cases per Maranhense and another), and apportionment of drafts against same, which please examine, and, if found correct, enter in conformity." The account enclosed is headed "Messrs. Aug. Tappenbeck and Co., Liverpool. Their general account." On the debit side is the amount of the invoice of the 96 cases, and on the credit side the bills Nos. 201, 203, 204, 205, part of 213, the whole of 214, 215, and 220, together with several others. With interest on both sides of the accounts it exactly balances. On the reception of the above accounts the transactions were entered in Tappenbeck and Co's books in the same form. Both houses failed. Some of the bills were accepted by Tappenbeck and Co., and were not paid; others were never accepted. Mr. Christiansen swears, and he was not cross-examined on his affidavit, that it was always understood between the Liverpool and Brazil houses that the proceeds of merchandise were to be appropriated to the payment of the bills drawn against the invoices for such merchandise. One of the difficulties in the case is, that many of the bills at any rate were not drawn, strictly speaking, against the invoices. I do not, however, think that the fact that the bills were not always drawn with reference to the particular shipment they were afterwards placed against in the account, or the fact that they did not exactly correspond in amount with the value of the shipment, is very material if they were by consent of both parties, as in this case, appropriated to the shipment. The course of business between Christiansen and Co., and Tappenbeck and Co., although not precisely identical with, does not, in my opinion, differ in any essential particular from, that with respect to the cotton in the case of ex parte Dewhurst, in 8 L. R. Ch: App: 965, and I consider myself bound by the decision therein. I have there-

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fore come to the conclusion that the various shipments were appropriated to the payment of some of the bills at all events, and that with regard to such bills the doctrine in ex parte Waring 19, Vesey 345, applies to those which were accepted by Tappenbeck and Co. and not paid, and that so much of the merchandise appropriated to such bills as has come into the hands of the trustees in specie, or the produce of it, ought to form a fund in the hands of the trustee for the payment of the billholders, pro rata with reference to the amount of the fund and the amount of the bill; and that with regard to the bills unaccepted by Tappenbeck and Co., so much of the merchandise appropriated to such bills as has come into the hands of the trustee in specie, or the produce of it, should be returned to the trustees of Christiansen and Co., as the billholders will have to prove upon their estate as drawers. I shall, however, have to direct an inquiry as to what goods were appropriated to what bills; what bills were accepted, and what unaccepted; and what bills have been paid or otherwise disposed of by mutual debits and credits between the parties. For the purpose of facilitating an appeal from this decision, and also by way of guide in the inquiry, I shall hold that part of the goods shipped per Maranhense mentioned in the account enclosed in the letter of the 17th July was appropriated to the payment of the bills numbered 203, 204, 205, 214, 215, and 220.

August 20.

(*Before Mr.* Perronet Thomson.)

In re William Hughes.—This was an application by Mr. Harris on behalf of the debtor, a leather dealer in Brownlow-hill, for an order upon the receiver and trustee to submit his bill of charges for taxation and to hand to the debtor any balance remaining, after payment of the taxed costs. It appeared that the debtor presented his petition in March, 1875, and Mr. Arthur Barron, of Old Jewry-chambers, London, accountant, was nominated by the creditors as receiver and manager. At the first meeting of creditors, a composition of 5s. in the pound was accepted, and the receiver was appointed trustee for the distribution of the composition. The liabilities were £1,193, and assets £352. At the second meeting, the creditors confirmed the acceptance of the composition, and the resolutions were duly registered. As manager and trustee, Mr. Barron had received between the 2nd and 26th April £134 2s. 3d., and his account for costs, expenses, and disbursements was £117. The items of the account were as follow:—Professional charges, £50 4s. 10d.; hotel and travelling expenses, £30 5s. 11d.; valuation charges, £10 10s.; postages, £1 15s.; and new goods bought, £25 3s. 1d. Mr. Harris submitted that these charges were excessive, having regard to the limited dimensions of the estate; and after pointing out the too common mistake of creditors bringing down London accountants to manage estates which could be more economically and efficiently administered by local agency, contended that the charges of Mr. Barron ought to be taxed, and his accounts passed before the registrar. Mr. Carey (from Messrs. Evans and Lockett's) in reply, took exception to the jurisdiction of the court. He argued that a case of composition being merely one of arrangement, by which the creditors, instead of having 20s in the pound, accepted a smaller sum, all the court was empowered to do was to assist the creditors in enforcing the terms of the arrangement. If the debtor or the creditors considered it necessary to obtain the assistance of a receiver and trustee to carry out such an arrangement, they must provide for the costs, but there was no provision in the act or rules which gave the court jurisdiction to interfere. In cases of bankruptcy and liquidation, where the debtor was divested of his estate, and it was being administered for the benefit of creditors, express jurisdiction was given to the court to decide all questions which might arise, but the omission of such a provision with respect to a composition clearly implied that in case of dispute or difference, the parties were left to their ordinary remedy at law. His Honour, after hearing Mr. Harris on the point raised, ruled that he had no jurisdiction, and therefore refused the application.

In re Charles Querner.—This was an application for an order for payment of the legal costs of an abortive liquidation petition, which eventuated in the present bankruptcy. His Honour, after hearing Mr. Nicholson for Mr. Bolland, the trustee, made the desired order, and intimated that, by the terms of the 292nd rule, the costs were allowed as a matter of course, unless otherwise ordered.

In re J. P. Mercer.—This was also an application as to costs. The debtor, a painter in St. Thomas's-buildings, presented a petition for liquidation, and immediately afterwards Mr. Edward Williams, solicitor for a creditor, obtained the signatures of a majority in value of the creditors to the appointment of Mr. Nicholls, accountant, as receiver. At the first meeting Mr. Ford was chosen trustee, and the present application was for an order that he pay the legal costs of obtaining the appointment of receiver, amounting to £8 9s., and also the costs of the receiver, £10 3s. On an intimation from the court that the former could not be allowed, the claim was withdrawn, and the costs of the receiver being consented to, were allowed. Mr. J. Carruthers represented Mr. Ford, the trustee.

Defalcations of a Bank Manager.—At the Cannon-street Hotel, on Monday night, a meeting of the shareholders of the Equitable Permanent Building Society and Deposit Bank was held, under the presidency of Mr. Cotton. Mr. Green said that the liabilities were—to depositors, £6,155 6s. 2d.; to shareholders, £2,564 0s. 9d.; making, with other liabilities, a total of £9,561 13s. 5d. On the other side were advances on mortgages estimated to produce £7,323 3s. 7d., the present value of which was £6,000. That, with other smaller assets, left a deficiency of £3,412 3s. 1d. The chairman said that he had placed implicit confidence in Mr. Martindale, and could not have believed that he would have placed them in that position. There was the greatest need for the assistance of the shareholders in order to avoid bankruptcy. Mr. Minton (auditor) stated that when he commenced to audit the accounts he discovered errors in the books—£100 in one place, £20 in another, £40 in another, and so on. It was then necessary, until the whole affairs were known, that every thing should be stopped. It was impossible for him to audit the accounts, for there were no figures in some of the columns of the books. The cash book had not been posted up since February last. An independent auditor was appointed, and considering the discrepancies in the books he (Mr. Minton), although one of the auditors of the company, bowed to the decision of the directors. Mr. Stubbings said that there appeared to be a deficit of £2,500, and as the directors had signed the cheques they were responsible to the shareholders. He begged to be excused for speaking strongly, for on the Thursday before payment was stopped he had put in the bank £50 out of his hard earnings, and £20 on account of a Sunday school excursion. He proposed an adjournment in order that a full statement of accounts might be presented to every shareholder. Mr. Taylor (solicitor) did not think that the directors were liable; besides which, the estate of the late manager could be placed against the defalcations, although what that would realise was not at present known. After a prolonged discussion, Mr. Stubbings' motion was withdrawn, and a resolution, moved by Mr. Luck, was passed, to the effect that a committee be appointed to confer with the directors as to the correctness of the accounts presented, and to wind-up the company voluntarily.

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EDINBURGH BANKRUPTCY COURT.

In the Edinburgh Bankruptcy Court on Tuesday, before Sheriff Hamilton, Messrs. Buchan and Meek, wholesale ironmongers, electro-platers, and manufacturers, Edinburgh, appeared for examination. There were present Mr. James H. Balgarnie, C.A., trustee; Mr. W. Duncan, S.S.C., agent in the sequestration; Mr. D. M'Kechnie, advocate, instructed by Mr. P. H. Cameron, S.S.C., for Mr. Meek; Mr. Aitken, accountant, for Mr. Cruickshank, a creditor; Mr. R. Smyth, of Messrs. Lang, Smith and Co., Wolverhampton, a commissioner; Mr. A. Bowie, of Messrs. R. Anderson & Co., iron merchants, Leith, creditors.

Mr. Buchan, interrogated by the trustee, deponed that he commenced business in 1865, as a wholesale ironmonger and agent at 24 St. James-square. He had no partner at that time. He was then agent for Messrs. J. and J. Taunton, of Birmingham, for iron bedsteads and safes, and also for Messrs. Smith and Chamberlain, Birmingham, for brassfounding and gas fittings. He had no capital when he commenced in 1865; he did not require any, as he acquired the ironmongery business gradually. He assumed Mr. Meek, his son-in-law, as partner in the beginning of 1870, when he had a capital of about £200, and Mr. Meek put in £168. The co-partnership included the agencies, the ironmongery, and all the other businesses carried on. The arrangement was that he was to take special charge of the agencies and the travelling department, and Mr. Meek was to look after the other part of the business. Besides the agencies already mentioned, Mr. Meek acquired one from Messrs. Ready and Son, Wolverhampton, gasfitters, which he held for about one and a half years. He (the bankrupt) also acquired the agency of Messrs. J. Hunt and Co., Birmingham. The arrangement with reference to these agencies was, that they went into the general business, and the profits from them were equally divided. There was no distinction kept up in any form between the agencies and the general business. The last balance-sheet made out was dated 31st December, 1873, and in it the profits of the whole business were divided equally. The bank account was always in the name of the firm. They carried on this practice for about a year and a half, when they found it awkward for their system of book-keeping, and consequently they began to remit all the collections to the firm's bank account, and delayed making remittances to the constituents until the journeys were completed. The agencies were kept in their individual names, and the reason for this was that each of them took special charge of their respective agencies, and they were to belong to each in the event of a dissolution. Both Mr. Meek and the travellers were in the habit of collecting Taunton's accounts. These were all discharged in name of the firm of Buchan and Meek. At first they were remitted punctually, but for the last twelve months they were not. There had been no settlement for a considerable time previous to the sequestration. Mr. Taunton came down to their premises in July last, and looked over the affairs of the firm. He found that, besides being in a bad way financially, the partners were not agreeing and wishing to separate. Under Mr. Taunton's advice and that of their law agent, they executed a trust-deed in name of Mr. Balgarnie. Until 6th July, when Mr. Taunton came, he had no idea of stopping payment, and so far as he knew the firm had no idea either, although they had been considerably hampered for money for some months previous. Mr. Taunton got from him a good number of bills prior to sequestration. Being shown a list of bills handed to Messrs. Taunton in payment of their claim within sixty days, which bills amounted to £698, he deponed that these were paid in the same manner as they had been in the habit of doing for years. When they had no cash they sent bills. Messrs. Taunton got no money, goods, or bills after 6th July, when the trust-deed was executed. He could not tell what were the profits during any year excepting 1872 and 1873. During these two years the profits were £1,954. The balance sheet also brought out a surplus as at 31st December, 1873, of £1,916 15s. 9d. The present state of affairs showed a deficiency of £2,612, making up a total deficiency since December of £4,528 16s. In a statement which he submitted, the deficiency was accounted for. For his household expenditure he drew on an average about £250 a year.

Interrogated by Mr. Fraser—He found himself pinched for money for at least twelve months before signing the trust-deed. He first informed the Messrs. Taunton that they were pinched for money on 1st July. In that letter he did not inform them that a collapse was approaching, but he said that Mr. Taunton should come down to see what should be done. He acquainted Mr. Meek about the letter to Messrs. Taunton, at the time of writing it, but he did not show it to him. He (bankrupt) might have stated to a creditor that Messrs. Taunton's claim might amount to £1,000 or £1,200, but it was a mere guess, arrived at without going upon facts at all. Its actual amount was £2,700. The firm did not consult Messrs. Taunton as to the change of agency. For them he gathered about £250 within a few days previous to the execution of the trust-deed, and remitted the money. Part of this consisted of the bills already spoken to.

Interrogated—In company with Mr. Balgarnie, did you call on any of the Birmingham creditors and canvass them to support him for the trusteeship?

Mr. Balgarnie (to the bankrupt)—Don't answer that; the question is a piece of impertinence. (Laughter.)

Mr. Fraser—Were you ever bankrupt before?—Yes, I was sequestrated about the year 1858. I was discharged then.

Mr. Fraser—Had you been bankrupt previous to that?—Yes, I was once bankrupt in Leith as a wood merchant.

Mr. Fraser—I am told you have been bankrupt even previous to the Leith business, when you lived in Inverkeithing?—Whoever told you so told what is not true.

Mr. James Meek, the other partner, having been called and heard Mr. Buchan's deposition read, concurred generally therein. In answer to questions by the trustee, he stated he had had various dealings with Mr. Cruickshank since the beginning of the co-partnery. He got from him stationery, and Mr. Cruickshank got from them safes through Taunton's agency, and general fittings for his shop, which the firm charged to his account. On the 29th June last there were certain bills drawn by the firm upon him—the first was for £93 10s., dated 4th March at four months; another for £172, dated 23rd March, at four months; another £65, dated 29th April, at four months. On the 29th and 30th June Mr. Cruickshank also got goods to the value of £137 11s. 10d. He promised to Mr. Buchan to grant a bill for these goods provided they were put in at the cost price, as he did not require them. The invoice was written out and sent in to Mr. Buchan at higher than cost prices, and, therefore, he understood Mr. Cruickshank refused to sign the bill. The bills referred to were not due when he paid them. He gave Mr. Cruickshank money to pay them on 29th June. His reason for paying these bills before they were due was that Mr. Cruickshank pressed him to relieve him of the obligations, as he saw Mr. Buchan and he (witness) were disagreeing, and speaking of a dissolution. Another reason which influenced him was that the £93 10s. bill was got from Mr. Cruickshank for Taunton's goods. Mr. Cruickshank got no other goods, bills, or cash beyond what he mentioned within sixty days of the sequestration. Both Mr. Buchan and he agreed that the goods he got should go to the account of his claims against the firm. They got goods from M'Lelland Brothers, Birmingham, about 20th June, which were sent on approbation. They consisted of watches, brooches, and earrings to the value of £400. He selected from this lot watches to the value of about £84, and returned the remainder, except a parcel of brooches to the value of about £60, which he inadvertently omitted to enclose. He got a letter from them, dated 2nd July, asking whether they would invoice these brooches to them as sold, and in reply he wrote them a letter, of which he kept no copy, to the effect that the firm had kept the watches only. At this

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time he did not know that the brooches had not been returned. M'Lelland sent back an invoice for the watches and brooches as sold, and on 12th July they forwarded three bills for the amount of the invoice. He heard no more of the matter till 15th July, after the execution of the trust-deed, when the traveller called at the warehouse and demanded the brooches back. He saw him with the trustee, who told him he could not get them back. After the trustee had gone, however, the traveller persuaded witness to give him the brooches, and also the invoice, which he promised to correct and return. On 25th June the traveller of Messrs. Wolfson, of Manchester, called with an assortment of watches, of which Mr. Buchan and he purchased ten, the value of which was £116 15s., and for which the traveller took a bill. About the middle of June he ordered watches from Mr. G. J. Hill, Coventry, amounting to £139 6s. They wrote offering to keep them on condition that Mr. Hill allowed 5 per cent. off. Mr. Hill never replied, and he (the bankrupt) wrote back stating that he had kept the watches on the usual terms. He sold all the watches except two, for the sum of £300, to Mr. Paton, West Port, on the 30th June, and the sale was entered in the cash-book on the 1st July. The amount was paid partly in cheque and partly in cash.

By Mr. M'Kechnie—Up till 6th July bankrupt did not consider himself insolvent, nor contemplate suspending payment. It was Mr. Taunton coming down that was the cause of their stopping payment. Neither himself personally nor the firm of Buchan and Meek were ever appointed agents to Taunton. They appointed themselves agents. The Tauntons throughout addressed Mr. Buchan individually in writing about matters touching upon the agency. There was a special account in their books, headed "Taunton's collections."

Mr. Buchan, on being recalled, concurred with his partner's examination, so far as it was not inconsistent with his previous deposition, and subject to the explanation that he did not know why Cruickshank did not sign the bill except on the belief that Mr. Meek had told him not to do it. He further explained that he had nothing to do with the transactions with Mr. M'Lelland and Mr. Hill, and the sale to Mr. Payton, or the payment to Mr. Cruickshank.

This closed the examination, which had lasted over five hours, and the oath will formally be administered to the bankrupts to-day.

In the state of affairs the liabilities were given at £10,819 14s 10d, and the assets, exclusive of heritable property, at £8207 14s 7d.

One of the most important parliamentary papers of the session has just been issued containing the accounts for the year ended the 31st March last. The income of the United Kingdom was £74,928,039 13s. 3d., and the expenditure was the same amount. The Customs duties realised net £19,626,342 14s. 9d.; the "conscience money" remitted in the year to the Chancellor of the Exchequer was £2,668 12s. 9d., a much greater sum than sent last year. The Excise duties produced £27,956,020 9s. 9¾d., including £15,321,119, on spirits, tobacco, &c. Excise licences realised £85,729 12s. 2½d., and the "Railway Duty on Passengers," £629,756 5s. 9d.

Fraudulent Bankruptcy.—At the Central Criminal Court, August 19th, William Richardson was charged with various offences under the Bankruptcy Act, the charges against him being, making away with his property, not giving a true account of his estate, and embezzling a portion of it, appropriating it to his own use, and thereby defrauding his creditors. The prisoner carried on the business of a cheesemonger in the Fulham-road, and when he failed the amount of his debts was about £300, and the assets £5. He appeared to have been struggling to support his family, and the defence was that he had not been guilty of any fraud.—The Jury found the defendant guilty, but strongly recommended him to mercy, and he was sentenced to six months' imprisonment.

THE ALBERT LIFE ASSURANCE COMPANY ARBITRATION.

Lord Cairns has made his third and final award in this matter, which has been pending since May, 1871. This bulky document sets forth all the particulars concerning the Bank of London Association, the Family Endowment Society, the Western Society, the Medical Invalid Society, the Metropolitan Counties Society, the Manchester and London Association, the Anchor Company, the Falcon Society, and the National Provincial Society, all of which became amalgamated with the Albert Company. With regard to that company the following claims were established:—

English and Continental policies and endowment contracts	£1,183,917 19 4	
English and Continental annuities	39,506 16 0	
		£1,223,424 15 4
Indian policies and endowment contracts	£283,144 0 11	
Indian annuities	21,962 14 0	
		305,106 14 11
General claims limited ..	£11,082 9 7	
General claims unlimited.	4,372 13 10	
		15,455 3 5
		£1,543,986 13 8
Claims under Indemnities:—		
By Bank of London Association	£26,997 6 9	
By Family Endowment Society	67,819 12 2	
By Western Society ..	28,427 14 8	
		123,244 13 7
Total claims established......		£1,667,231 7 3

Lord Cairns made a call on the contributories of the company settled of the full amount of share capital for which they were liable, the latest time limited for payment whereof by any of the contributories was 31st January, 1873, and the detail and results whereof were as follows:—Number of shares on which call was made, 24,473; aggregate nominal amount of call, £317,411; expected aggregate produce of call as estimated when call was made, £150,000. A compromise of call was approved and ordered by Lord Cairns on 7780 shares held by 116 contributories. The aggregate nominal amount of call on those shares was £120,967; the aggregate amount accepted in compromise on those shares (including dividends on value of policies surrendered in compromise) was £35,823 8s. 3d.; the difference, being loss by compromise, was £85,143 11s. 9d. An abandonment of call was ordered by Lord Cairns on 7261 shares held by 111 contributories. The aggregate nominal amount of call on those shares was £118,217, less received in part £3032 16s. 2d.—£115,184 3s. 10d. The total loss by compromise and abandonment amounted to £200,327 15s. 7d. The actual aggregate produce of call (including interest on arrears and including aggregate amount received in compromise) was £117,343 16s. 6d. The following was the general result of the call:—Number of contributories, 484; number of shares, 24,473; amount of call, £317,411; amount paid, £117,343 16s. 6d. The assets of the company realised other

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than the produce of the call on the contributories were as follows:—

Cash in hand and at bankers and branches at commencement of liquidation	£11,210 16 11
Agents' balances	8,406 14 2
Loans on policies and interest	20,338 7 8
Loans on mortgages and bonds and interest	23,984 1 4
Reversions and annuities	13,522 12 6
Sums due on half-credit policies and for suspended premiums	12,462 5 2
Premiums due before date of winding-up order and paid to support claims in the liquidation	9,862 0 6
Re-assurance policies	8,044 11 2
Leaseholds and furniture	4,608 6 1
Indian assets, consisting of loans and Indian government rupee paper and interest	120,625 15 11
Balance of trust fund of Bank of London Association (as in paragraph 37)........	246 6 6
Unexpended assets of Medical Invalid Society (as in paragraph 80)............	13,618 19 2
Sundry receipts	61 11 7
Total assets (other than call) realised ..	£246,992 8 8

Money forming part of the general fund was from time to time invested in the public funds or placed on deposit, and the dividends and interest received thereon and credited and carried to the general fund amounted to the sum of £9,869 3s. 10d. The aggregate amount of the general fund was as follows:—

Call	£117,343 16 6
Other assets	246,992 6 8
Dividends and interest	9,869 3 10
Total general fund	£374,205 7 0

Out of the general fund there was paid the sum of £35,629 19s. 11d. to creditors of the company, in order to release property of the company held by those creditors as security, leaving a balance of £338,575 7s. 11d. applicable for dividend on the claims established of unsecured creditors. On those claims there were ordered to be paid a first dividend of 2s. in the pound and a second dividend of 1s. 6d. in the pound, and a third dividend of 5½d. in the pound, making in the aggregate a dividend of 3s. 11½d. in the pound. The aggregate amount of those three dividends was £329,972 12s. 9d., leaving a balance of assets unappropriated of £8,602 15s. 2d.

The aggregate amount of the payments out of the general fund was as follows:—

Secured creditors		£35,629 19 1
Dividends on English and Continental policies and annuities	£241,900 17 5	
Dividends on Indian policies and annuities ..	60,258 6 8	
Dividends on general claims, limited and unlimited	3,037 17 10	
Dividends on claims under indemnities	24,392 3 6	
		329,589 5 5
Total payments....		365,219 4 6

There remained a balance of £8986 2s. 6d. of the general fund unexpended, which was transferred to the surplus fund.

The total amount received in England in respect of premiums under an order of the Court of Chancery of 14th August, 1869, on the terms of being returned on application, was £65,319 18s. 4d., and of that sum there was applied for and returned the sum of £63,342 6s. 5d., leaving the sum of £1,977 11s. 11d. unclaimed. The total amount received in India in respect of premiums under that order of the Court of Chancery was Rupees 146,464.0.3, and of that sum there was applied for and returned the sum of Rupees 137,203.3.0, leaving a sum of Rupees 9260.13.3 unclaimed. Of the last mentioned sum the sum of Rupees 5061.12.1, being premiums paid in respect of policies on which claims were established, was paid to the Administrator Generals of Bengal, Madras, and Bombay, in pursuance of the Arbitration Act of 1874, leaving a balance of Rupees 4199.1.2, or £419 18s. 2d., being premiums paid on policies in respect of which claims were not established. The sums of £1,977 11s. 11d. and £419 18s. 2d., amounting together to the sum of £2,397 10s. 1d., constituted a fund in this award referred to as the premium fund, and the same was transferred to the surplus fund.

There was also a costs fund, which realised a total of £95,603 16s. 3d., and the following were the expenses and claims:—

Expenses of liquidation in Court of Chancery and other proceedings authorised by the Court before passing of Arbitration Act (August 11th, 1869, to May 25th, 1871)		£49,198 2 4
Share of promoters' expenses of passing of Arbitration Act of 1871, and promoters' expenses of passing of Arbitration Act of 1874		1,265 17 10
Share of expenses of re-construction committee..................................		675 0 0
Share of expenses of execution of Arbitration Acts		33,573 11 6
Residue of amount of claims for which liability of contributories was unlimited after payment of dividends thereon:—		
Claims	£4,372 13 10	
Less dividends of 3s. 11½d. in the pound included in aggregate dividend paid thereon	865 8 8	
	£3,507 5 2	
Less amount not applied for	50 14 11	
		3,456 10 3
Total payments		£88,169 1 11

The balance of the costs fund remaining after deduction of those payments was £7,434 11s. 4d. Out of that balance a return of £1 a share to such of the contributories of the company as had paid in full the costs call was ordered to be made. That return amounted in the aggregate to £7,038, leaving a balance of £396 14s. 4d. unappropriated. Out of the surplus fund a return of 35s. a share to those contributories of the Albert Company who had paid in full the costs call was ordered to be made, in addition to the return of £1 a share out of the costs fund. That return out of the surplus fund amounted in the aggregate to £12,316 10s. The unappropriated balances were applied in payment of expenses connected with the closing of the arbitration.

Lord Cairnsnow declares that all calls made by the Court of Chancery, or by him, on contributories in the several associations, societies, and companies comprised in the Arbitration Act of 1871, and not enforced, shall be abandoned. The affairs of those several associations, societies, and companies, are declared to be completely wound-up and finally settled. Each of those associations, societies, and companies is dissolved as from the date of the award.

The *Times*, in a leader on this subject, says:—"Lord Cairns has issued his third and final Award in the Arbitration of the Albert Assurance Company, and the settlement of the numerous and most complicated claims of the creditors of this society, whether against it or the companies that had been from time to time absorbed in it, has been completed in little more than four years. The Arbitration has thus been ex-

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ceedingly expeditious, and it has also been remarkably cheap. The costs of the winding-up of the Albert, from May, 1871, to the final award on the 13th of this month, have just exceeded £70,000. There may be persons, unacquainted with the intricacy of the claims and counter claims that have been settled, who will not at once appreciate the praise that is rightly bestowed on the celerity and cheapness of the Award. £70,000 is no inconsiderable sum, and four years contain a very large number of working hours; but some conception may be formed of the credit that is due to Lord Cairns by comparing the time and cost of his Award with the time and money spent by the Court of Chancery over the same business with no result whatever. The winding-up of the Albert was first commenced at Lincoln's Inn, and, if we remember rightly, in the Court of Vice-Chancellor Sir Richard Malins. It remained in Chancery from the 11th of August, 1869, to the 25th of May, 1871, and the costs incurred in a year and nine months were £71,668, or about £1,435 more than the costs of the Arbitration in more than four years. The comparative cheapness of the proceedings before Lord Cairns is thus numerically demonstrated. Its greater expedition cannot be measured so exactly, but we know that before the bold step was taken of applying for a special Act of Parliament to authorise the winding-up of the Albert before an Arbitrator, the condition of the liquidation in Chancery was contemplated by those interested in it with feelings of despair. Whether the fault was entirely due to a want of elasticity in the procedure in Chancery or to special and personal causes is an inquiry on which we cannot enter; but the result was described by Lord Westbury as a scandal on our judicature, which was openly confessed when application was made to Parliament to create a special court to administer the liquidation of the Albert, the proper court for this business having shown its incapacity to discharge it."

FRAUDULENT BANKRUPTCY.

At the Manchester quarter-sessions, on the 20th inst. before Mr. H. W. West, Q.C., Recorder, Nicolaos Demetrius Carandrea, 28, a Greek, formerly carrying on business as a shipper, in Bond-street and Lloyd's House, was charged on a variety of counts with having, as a bankrupt, defrauded his creditors. Mr. Jordan and Mr. Smith prosecuted; Mr. Leresche appeared for the prisoner. Mr. Jordan, in detailing to the jury the nature of the evidence he proposed to call, said that the charges against the prisoner were made under the Debtors Act (1869), which made it a criminal offence for a trader to go away within four months immediately preceding his bankruptcy and take with him money amounting to £20 and upwards, which ought to be divided amongst his creditors. The prisoner was in business on his own account in this city for two or three years prior to October, 1874, and the jury would perhaps not be astonished to hear—though it showed how easily credit was obtained in Manchester—that three months and a half before his bankruptcy Carandrea was able to get on credit from some of the first houses in Manchester goods to the value of £9,244. His method of payment, a usual one among merchants, and especially foreigners, was by bills of exchange, payable principally at three months' date. The goods mentioned he sent to his brother in Constantinople, and then absconded, clearing out every farthing's worth of property, and leaving his creditors to look after themselves. While in business here the prisoner had in his employment a clerk named Musgrove, and after his arrest in Paris a number of letters he had written to that clerk fell into the hands of Inspector Shandley, the officer in charge of the case. These letters threw a good deal of light on the prisoner's conduct, and would go a good way towards proving his guilt. Musgrove, it might be mentioned, had absconded, there being a serious charge against him. When the prisoner disappeared, his creditors became anxious, and held a meeting on January 14. Here the prisoner's attorney, Mr. Storer, presented a statement showing the condition of the estate as described by his client. The liabilities were placed at £6,627, and the assets at £5 1s. 6d. Mr. Storer offered the creditors £300 (afterwards increased to £500) for division amongst themselves in satisfaction of their claims; but they rejected it, and filed a petition against the prisoner in the Manchester County Court. An adjudication was made soon afterwards. The prisoner was arrested on July 20 in Paris, where he had been living for several months in constant correspondence with Musgrove, through one Bistaki, also a Greek. Witnesses were then called to support this statement. Mr. Lawson, merchant and agent, 33 Kennedy-street, creditor, and trustee in the bankruptcy, said that the prisoner's estate had only realised £3 towards the discharge of liabilities amounting to about £7,000. The witness proved a number of letters in the prisoner's handwriting.—Detective inspector Shandley deposed to having apprehended the prisoner, and reading the warrant over to him. The reply, the witness said, was: "I have sent £10 to Manchester. I intended to pay my creditors. I entrusted my money to Bistaki, and he has robbed me." Cross-examined: The prisoner said the £10 had been sent to Manchester to pay the expenses of a meeting of his creditors. The defence as put before the jury by Mr. Leresche was that the prisoner had gone abroad simply with the intention of obtaining money from his foreign correspondents, with which to pay his creditors; and the learned counsel pointed out that with the exception of consigning all his goods to one quarter, there had been nothing irregular, injudicious, or imprudent in his conduct. Mr. Jordan having replied to the effect that the prisoner's conduct from the beginning to the end had been a gross fraud, the Recorder summed up, the jury considered their verdict, and found the prisoner guilty. He was then sentenced to nine months' imprisonment with hard labour, his Honour remarking that he took into consideration the fact that he had already been in gaol for a month.

CREDITORS' MEETINGS.

A SHAW (SUNDERLAND).—The first meeting under bankruptcy in the matter of Alexander Shaw, of Sunderland, draper, was held on Wednesday at the County Court, Sunderland. A statement was filed by the debtor showing liabilities £1,910, and assets £1,289. Messrs. Sale and Co., of Manchester, solicitors, attended on behalf of a number of creditors. Mr. Gillibrand, accountant, was appointed trustee, and the proceedings were transferred to Manchester.

ARCHIBALD MOIR AND CO. (GLASGOW).—At a meeting of the creditors of Messrs. Archibald Moir and Co., warehousemen, Cochran-street, Glasgow, held on Tuesday in the hall of the Institute of Accountants, a statement of affairs prepared by Messrs. Thomson, Johnston, and Jackson, accountants, was submitted, showing liabilities £15,229 5s. 4d., and assets £11,130 12s. There being no offer, it was resolved to liquidate by assignment.

RUDALL AND SONS.—At the meeting of creditors of Messrs. Rudall and Sons, merchants, held on the 20th inst., at the offices of Messrs. J. Waddell and Co., the receiver, Mr. J. Waddell, submitted the debtors' statement of affairs, showing total liabilities £128,605, which it was estimated would be reduced by securities, &c., to the extent to rank £44,090, with general assets £18,015. The creditors unanimously resolved to liquidate by arrangement, and appointed Mr. J. Waddell trustee, Messrs. Crook and Smith being the solicitors to the estate.

J. ANDERSON AND CO.—The creditors of Messrs. John Anderson and Co., a firm which failed in conjunction with Collie, met on the 19th inst., and agreed to liquidate by arrangement. They expect to get about 1s. in the pound. The liabilities were £144,747, against assets £31,596, of which a doubtful £16,000 is said to be in Ceylon.

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J. Rankin and Co.—The creditors of Messrs. John Rankin and Co. met on the 19th inst., and a statement was submitted to them showing liabilities of £106,898, of which £70,800 was on acceptances for Robert Corkling. The assets were £31,491, exclusive of £26,900 assets in Egypt considered doubtful. The creditors agreed to accept £29,000 for the £31,491 of good assets, that sum being offered by the friends of the firm, payable in two instalments within two months of the date of registering the resolution to liquidate by arrangement. On that understanding the bankrupts obtained their discharge.

Lambert Brothers and Scott.—A meeting of the creditors of Messrs. Lambert Brothers and Scott, of 35 Gracechurch-street, the Coal Exchange, Rochester, Deptford, and Port-Said, Egypt, was held on Thursday, at the London Tavern, when a statement of affairs prepared by Messrs. J. J. Saffery and Company, of 14 Old Jewry-chambers, was submitted, showing debts and liabilities amounting to £323,977 18s. 7d., of which it was expected that £170,848 7s. 1d. would rank for dividend, against assets amounting to £95,996 10s. 4d. A resolution was passed to liquidate the estate by arrangement, Mr. Saffery being appointed trustee to act with a committee of five of the principal creditors.

E. Jones and Co.—The statement of affairs of Messrs. Edmund Jones and Co., of King William-street, City, was laid before the creditors by Messrs. Andrews and Marsh, accountants. The liabilities shown amount to £102,898, the assets to £54,235.

Da Costa, Raalte, and Co.—A meeting of the creditors of Da Costa, Raalte, and Co., was held at the Cannon-street Hotel, London, this week. Messrs. Clarkes, Rawlings, and Clarkes represented the debtors; and Mr. Abrahams, of London, and Mr. Addleshaw, of Manchester, the principal creditors. The statement prepared by Messrs. Turquand, Youngs, and Co. showed the debtors' liabilities to be £267,000, and the assets £85,400. No composition was offered, but a a large majority of the creditors present were strongly in favour of liquidation by arrangement. After a protracted discussion it was resolved to adjourn for a week, so that the creditors in Alexandria may be communicated with before any final resolution is come to.

E. Hopkinson (Bradford).—A meeting of the creditors of Edwin Hopkinson, contractor, Bowling Old-lane, Bradford, was held on the 25th instant, at the office of Mossman and Haley, solicitors, at Bradford. There was a large attendance of creditors, and Mr. William Moulson presided. A statement of the debtor's affairs, presented by Mr. C. J. Buckley, the receiver, showed the liabilities £5,718 6s. 4d., against assets £3,238 16s. 8d. It was resolved to liquidate by arrangement, and Mr. Buckley was appointed trustee.

C. W. Machen (Attercliffe).—A meeting of the creditors of Charles William Machen, steel and iron merchant, Foley-street, Attercliffe, was held at the Albert Hall. Mr. F. W. Brewster was called to the chair. From a statement of the debtor's affairs, presented by Mr. E. Bennett, accountant, it appeared that the liabilities amounted to £4,531 19s. 9d., and the assets to £858 12s. 10d. The debtor had not kept any satisfactory books, but it was ascertained that during the last six months he had made no profits but rather losses, the total of which came to £2,411 2s. 10d. Added to that were his personal expenses for two and a half years, amounting to £1,250. The meeting resolved to liquidate by arrangement.

Schultze and Mohr. — At a meeting of the creditors of Messrs. Schultze and Mohr, a firm in the East India trade, whose suspension was announced last month, and it was resolved to liquidate the estate by arrangement. The immediate discharge of the debtors was unanimously granted. The statement of affairs shows liabilities expected to be proved £142,524 6s. 5d., against assets £7,971 11s. 3d.

J. Baxter (Blairgowrie).—At the first statutory meeting of the creditors under the sequestration of John Baxter, spinner, Ashbank and Ashgrove Works, Blairgowrie, held at Perth, Mr. David Myles, accountant, Dundee, was unanimously elected trustee, and Messrs. W. T. Murison and Alexander Emslie, Dundee, and Mr. John Smith, Alyth, were appointed commissioners.

R. Hardwick and Son (Mansfield).—A meeting of the creditors was held at the Bankruptcy Court, Nottingham, on the 24th August, before Mr. Registrar Patchitt, for the purpose of appointing a trustee. Proofs of claims were tendered against the estate for upwards of £33,000. Mr. Hind, of the firm of Wells and Hind, solicitors and Mr. Martin, solicitor, represented creditors for over £19,000. Mr. Thomas Leman, of Pelham-street, accountant, was appointed the trustee. The bankrupt having absconded, did not appear. Mr. Maples, solicitor, appeared for the petitioning creditor.

FAILURES.

England.—Messrs. Edward Hewitt and Son, of Montague-close, Southwark, an old-established firm in the American provision trade, have stopped payment, but the liabilities do not exceed about £25,000. The books have been placed in the hands of Messrs. Cook and Smith, accountants.

Scotland.—Mr. John P. M'Laren, shipowner, of Greenock, has suspended payment, with liabilities amounting to £15,000.

America.—American advices state that Messrs. Nilson and Lefort, wholsale jewellers, Montreal, have made an assignment; as also the State Street Savings Bank of Chicago.—Messrs. Cuttle and Bordley, known as the New York Tea Co., of Baltimore, have failed: liabilities £12,000.—Mr. J. H. Dawes, of the Butternutt Tannery, Port Jervis, New York, has made an assignment; liabilities, £8,000. The Northampton Anchor Tape and Webbing Co., Springfield, Mass., has failed; liabilities £6,000. Messrs. De Wolf and Doune, dry goods dealers, Halifax, N.S. have made an assignment.—The suspension of Messrs. Archd. Baxter and Co., shipping merchants, New York, is also reported.—Mr. Albert L. Dodge, wholesale wine and cigar merchant, New York, had made an assignment, with liabilities of £14,000.

The *Allgemeine Zeitung* states that a meeting has been held of the creditors of Messrs. G. Lichtenstern and Son, of Vienna, whose liabilities, chiefly due to Austrian and English firms, amount to £50,000. The house has been established 30 years.

Winding-up.—Petitions have been presented for the winding-up of the Globe Galvanised and Corrugated Iron Company, the Stockton Rail Mills Company, and Pavey's Felted Fabric Company.

Bankers' Clearing House.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, August 25:—

Thursday, August 19	£12,700,000
Friday, August 20	15,061,000
Saturday, August 21	12,442,000
Monday, August 23	13,952,000
Tuesday, August 24	14,076,000
Wednesday, August 25	12,371,000
	£80,602,000

The total at the corresponding period of last year, was £80,245,000.

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Mr. William Brooks, accountant, of 11 Old Jewry-chambers, has been appointed liquidator of the United Service Commercial Agency, Limited.

Fraudulent Bankrupts.—At the Yorkshire Assizes, William Hall, 26, warp-dresser, on bail; and Thomas Hall, 43, overlooker, also on bail, were indicted for unlawfully making or being privy to the falsification of certain books or documents relating to their property and affairs; also with making or being privy to the making of certain false entries in those books within four months next before the presentation of a petition in the liquidation of their affairs; and also attempting to account for part of their property by fictitious losses and expenses after the commencement of such liquidation at Eccleshill. Mr. Campbell Foster, Q.C., and Mr. Phillips were for the prosecution; Mr. Tennant and Mr. Lockwood defending the prisoners. From the opening statement it appeared that the defendants are brothers, and carried on the business of woollen manufacturers, at Eccleshill, near Bradford, and it was alleged that entries in their cash book of £1 and £2, purporting to be received by the prisoners as wages for the support of themselves and their families, had been altered to £4 and £2 18s. respectively. It was further alleged that a number of entries in the weavers' wages book had also been altered, the original sums being much smaller than those now in the books. There was also a question as to a loss of £250 in betting. Evidence having been called to prove these facts, the learned Commissioner intimated that the counsel for the defence need not take notice of the altering of the defendants own wages, but confine themselves to the alterations in the weavers' wages and the betting transaction. Mr. Tennant denied that any alterations had been made in the books as alleged, and disputed the guilt of the prisoners. The jury retired to consider their verdict, and after a short absence they found both the prisoners guilty. His Lordship sentenced each of them to six months imprisonment.

At Bow-street Police-court, on the 19th instant, Captain Ernest Scott Jervis, of 34 Queen's-gate, Hyde-park, appeared to an adjourned summons, charging him, under the order of the Court of Bankruptcy, with obtaining by false pretences a loan of £480 from Mr. Hollingsworth. Mr. Douglas Straight, instructed by Mr. Roberts, prosecuted; and Mr. George Lewis, jun., defended. The facts of the case were as follow:—Captain Jervis applied, in May 1874, for a loan of £500, and £480 was advanced to him by Mr. Hollingsworth on the defendant signing a declaration to the effect that 34 Queen's-gate, upon which the money was to be advanced, was his property without the encumbrance of a previous bill of sale, that he had never been declared bankrupt or effected a composition with his creditors, that he derived his income from a colliery in South Wales, and that his actual debts were not more than £250. Mr. Saffery, a gentleman connected with the Court of Bankruptcy, gave formal evidence, and another person attached to the Court stated that at the time of the loan the defendant's debts were very heavy, and he himself admitted that he owed about £10,000. Mr. Hollingsworth, who was a subpœnaed witness, gave evidence as to the interview between himself and Captain Jervis, and stated that the money was advanced upon the faith of the defendant's debts not being more than £250. Mr. Lewis cross-examined the witness, who admitted that there might have been some conversation about the colliery, but he could not remember what. Mr. Hollingsworth, sen., was examined, and stated that he heard of the embarrassment, and that his son would not have advanced the money at all if the defendant had not been introduced to him by Mr. Lamplough, whom he knew well. Mr. Lewis, after some further evidence had been gone into, opened the case for the defendant. He said that Captain Jervis was a gentleman moving in good society, and until recently was a very wealthy man. He owned a colliery and ironworks in South Wales, but during the last two years there had been great depreciation in the value of collieries and ironworks, and Captain Jervis became suddenly embarrassed. It would seem that this was not through any fault of his, but because his works were unsaleable. Mr. Lewis proposed to call Mr. Kendal, a solicitor, and one of the Committee of the Court of Bankruptcy, to prove that in 1873 he offered Captain Jervis £100,000 for the works, and Mr. Heron, another solicitor, would show that on behalf of a Mr. Leafchild he offered even £130,000. It had been stated that the colliery was mortgaged, and so it was to the extent of £40,000, but it would be seen that if Captain Jervis had sold the property after paying off the mortgages, he would still have been in possession of a fortune of about £100,000. Mr. Lewis further contended that in signing the contract with Mr. Hollingsworth the defendant mentioned that there were debts attached to the colliery, but that they could be covered by sale. He said that his personal debts were only £250. Mr. Hollingsworth did not deny that this conversation might have occurred. The matter was very important to Captain Jervis, and he hoped that the magistrate would dismiss the case, as there was not the slightest intention of a fraud on the defendant's part. Mr. Straight objected to matters anterior to the date of the contract being gone into. As to the value of the colliery, it was even now being worked at a heavy loss. Mr. Straight, after some discussion, called a witness who stated that there was a debt of £300 for house repairs at the time when the defendant said his liabilities were only £250. Mr. Lewis called witnesses as to the offers made for the purchase of the colliery. Mr. Flowers said he should commit the case for trial, for he could not help thinking that the money was advanced upon the belief that the defendant owed only £250. Mr. Flowers knew what money-lenders were, and could not think that Mr. Hollingsworth advanced the money on the speculation of a successful issue in the sale of the colliery. Mr. Lewis said he still hoped to be able to alter his worship's decision. On account of the lateness of the hour, the case was adjourned for three weeks, that time being chosen to suit Mr. Straight, who is compelled to leave town. Mr. Straight added that he could call as witnesses several unsecured creditors to the amount of £10,000.

County Courts.—Mr. Albert H. Elworthy, Secretary Criminal Law Amendment Association, writes:—"In the interest of the public and under the auspices of this Society, I have to inform you that it has come to their knowledge that a system, pernicious in its inception, is being carried on throughout the country, which is a gigantic swindle, and has been carried on to a great extent. It appears that some evil disposed persons (probably strangers) are visiting the County Court districts, creating fictitious debts of not more than 40s., and selecting for their victims persons of responsible positions in London or elsewhere. They then make false affidavits that the debt is due, that the defendant resides in a foreign district, and that the cause of action arose in that particular district in which the affidavit is made; the affidavits are made before the Registrar, and the summonses consequently issue into the foreign district. If the defendant appears at the court on the return day by attorney, no appearance is made by the plaintiff or by any one on his behalf. Very often the defendant is deterred (from the expense which would be incurred in taking the journey to and from a distant place) from going to the court, and lets the matter take its chance, when execution will follow in default of payment. The whole matter is founded on perjury on the affidavits which have been made on which the summonses were obtained. As there is not at present a public prosecutor, the society invite the assistance of the aggrieved persons in the respect above described to put themselves in communication with them at once, with the object that through their exertions the system may be uprooted and the malefactors may be brought to punishment."

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Rival Receivers.—The Judge of the Sheffield County Court recently gave judgment in an application that had been made in the liquidation proceedings of a Scotch draper named Duncan. The creditors at their first meeting appointed as receiver Mr. Chesney, and his appointment was confirmed by the Court. Mr. Kirkwood, whose debt was greater than all the creditors put together, appointed himself receiver, and the Court was asked to sanction his appointment as against Chesney. The Judge said it would appear a strange thing if he granted the application, when 16 creditors had nominated Chesney, although their debts altogether were £200 less than that of Kirkwood. He refused to grant the application, and expressed a hope that the opinion of the Chief Judge would be taken upon the point.

Funded and Unfunded Debt.—Mr. Hubbard, M.P., obtained a return to the order of the House of Commons, which was printed on Saturday, giving a good deal of information on the Funded and Unfunded Debt. At the 31st of March last the Funded Debt was £714,797,715, and the Unfunded Debt £5,239,000. The capital value of Terminable Annuities at £3 per cent. stock was £55,311,671. The deposits due to the Savings-banks and Friendly Societies at the 20th of November, 1874, being the last day at which the account was made up, were £4,552,421. A statement is given of the Funded and Unfunded Debt held by the National Debt Commissioners, with a valuation of the annuities granted. In Consols the Commissioners hold £3,729,982 17s. 6d.; Reduced, £4,228,978 11s. 8d.; New £3 per Cents., £9,372,513 19s. 1d., and Two-and-a-Half per cents., £1,122,392 1s. 8d., besides Exchequer Bills and Exchequer Bonds.

Payers of Income-tax.—A Parliamentary return shows that, in the year 1873, the latest for which such an account is at present given, the Income-tax in England was charged as follows:—30·99 per cent. of it under Schedule A, on the owners of land, houses, tithes, &c.; 4 per cent. under Schedule B, known as the tenant-farmers' schedule; 10·30 per cent. under Schedule C, on dividends and annuities payable out of public revenue; 48·90 per cent. under Schedule D, on trades and professions; and the remaining 5·81 per cent. under Schedule E, on public salaries and pensions. The incidence of the old Income-tax was different; in 1814, 35·04 per cent. of the total amount was charged under Schedule A, as much as 14·11 per cent. under Schedule B, 22·07 per cent. under Schedule C, only 20·67 per cent. under Schedule D, and 8·11 per cent. under Schedule E. On the re-introduction of the Income-tax in 1842, as much as 43·22 per cent. of the total was charged under Schedule A, 6·00 per cent. under Schedule B, 15·74 per cent. under Schedule C, 29·82 per cent. under Schedule D, and 5·22 per cent. under Schedule E. The amount charged on trades and professions increased until in 1865 it had grown to be 35·25 per cent. of the whole amount charged. In 1866 the assessments on railways, mines, quarries, ironworks, fisheries, canals, gasworks, &c. were transferred from Schedule A to Schedule D, these being, in fact, trades; and the result was to raise the share or proportion charged under Schedule D from 35 to nearly 45 per cent. of the total product, Schedule A falling from upwards of 42 to little more than 33 per cent. Since that time trades and professions have paid more and more of the tax, until, as already stated, their share in 1873 was nearly one-half. In Scotland the share of trades and professions is still greater, there being no fundholders' schedule to bear a proportion; and the ratios in 1873 were 35·38 per cent. under Schedule A, 4·26 under Schedule B, 56·31 under Schedule D, and 4·05 under Schedule E. In Ireland houses and land pay more than half the tax; the returns for 1873 show that 50.97 per cent. of the total was charged under Schedule A, 4·73 under Schedule B, 4·30 under Schedule C, only 34·19 under Schedule D, and 5·81 under Schedule E.

Duncan, Sherman and Co.—A statement of the financial affairs of Duncan, Sherman and Co. shows that the liabilities amount to 4,872,128 dols. (including 2,512,139 dols. due to depositors, 1,213,691 dols. on bills payable but unsecured, and 932,119 dols. due to foreign correspondents subject to adjustment). The assets are estimated to total 2,112,740 dols., and these include stocks and bonds estimated at present market value to realise 556,470 dols.; open accounts, of which it is estimated 502,664 dols. will be collected; real estate valued at 371,367 dols.; and the personal estates of W. Butler Duncan, Francis H. Grain, and W. Watts Sherman, estimated to realise 274,800 dols.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 89.] SATURDAY, SEPTEMBER 4, 1875. [PRICE 6D.

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Begs to announce that in compliance with a wish expressed by some of the subscribers to the *Accountant*, he has made arrangements for the translation of legal and commercial documents, correspondence, &c., into the Principal European Languages. Members of the Profession are therefore respectfully informed that arrangements can be made for efficient and speedy translations into, or from, the French, German, Italian, Spanish, and Dutch Languages on Moderate Terms.

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The Accountant.

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The ACCOUNTANT is printed and published in time for Friday evening's mail; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being: annual subscription 24s. (post free); half-yearly ditto, 13s. (post free). Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62 Gracechurch-street, E.C., to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

SEPTEMBER 4, 1875.

We confess that it was with but faint surprise that we learnt, as our readers will have noticed from an advertisement which recently appeared in our columns, that the committee appointed at the meeting of public accountants held at the Guildhall Tavern, on the 12th of May, have, after due consideration, found it impossible at the present time to draw up a fixed scale of charges which shall be applicable to all cases of liquidation, composition, and bankruptcy. The circumstances which led to the appointment of the committee will probably be familiar to most of our readers, and we shall but very briefly recapitulate them. Some time towards the end of last April, the warehousemen of the metropolis were moved to indignation at the expenses of working the Bankruptcy Act. They assembled in conclave under the presidency of that universal philanthropist Mr. Samuel Morley, and solemnly resolved that it was all the fault of the accountants, whose charges were so exorbitant; and they suggested a modest scale of remuneration, which might, doubtless, have served to diminish expenses, just as a solicitor engaged in contentious business might materially lessen the amount of his bill of costs by resolutely refusing to employ any leader, and intrusting the conduct of his case to the most "struggling junior" he could manage to discover. The challenge was promptly taken up by the Society of Accountants in England. A public meeting was called, and a committee appointed; and now, after taking the opinion of representatives of the profession throughout the kingdom, the committee practically leave the matter where it stood. The report of the committee refers entirely to proceedings under the Bankruptcy Act, and we have therefore but little to say with reference to the ordinary system of accountants' charges, except that, where the assistance of an accountant is sought simply to make up a balance sheet, there will be found no very great difficulty in arriving at a just scale of remuneration, on the same principle as guides the charges of a solicitor in ordinary non-contentious business. A charge for perusing, according to the number of pages, and a further charge for attendances and drawing the final deed, is often commuted in the case of petty transactions for a small lump sum. So an accountant would naturally regulate his charge. The investigation of the books of a company whose transactions amounted to many thousands of pounds a week, would be more troublesome and paid for on a much higher scale than the examination of the books of a small tradesman, even though the former, being well and regularly kept, were in reality the less complicated of the two. There are two ways

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of charging for this: one by the number of pages in the books submitted, the accountant taking his chance of the clearness or unintelligibility of the entries, just as a solicitor, charging so much per folio, runs the risk of having to spend many hours in solving some apparently trifling phrase which may involve great difficulties; the other, by charging for hours employed. It is obvious that the first system is most advantageous. A man who is thoroughly master of his profession, gains an advantage over his less skilful and less experienced competitor, and gets through a larger amount of work in the same time. By charging for time, the slower worker gains, on the other hand, a proportionate advantage, as his very slowness is a source of great profit. In such cases as these there can be but little ground for real dispute; though, of course, dissatisfaction may be felt. A bargain may be made, or the ordinary professional charges demanded, and, we apprehend, if any difference were to arise, there could be no difficulty in the way of a jury or an arbitrator deciding what was the proper and customary amount. It is in the case of trusteeships that the most general complaints are made, and it was against the charges of trustees that the circular of the warehousemen was directed; and it is these charges as to which the committee declare it impracticable to lay down any fixed and universal scale. As to these we shall make a few comments, pointing out the considerations which induce us to hold that the determination at which the committee has arrived is thoroughly sound, and that at present any attempt to move is premature.

In the first place, we must ask, what we have had frequently to urge before, that accountants whose names are on the register of the various societies, and who thus hold a recognised professional position, may not be confounded with the general dealers in every kind of advice and assistance, to whose capabilities for endeavouring to catch every kind of fish in every sort of water there is no close season. And next, we have to ask that the authorised charges alone, in any case, may be the grounds of complaint; and that those whose folly or carelessness leads them to pay unfair demands shall not at once proclaim a crusade against accountants, simply because they have paid a debt collector's "professional charges." If a man, styling himself an accountant, writes a letter demanding payment of a debt due to a tradesman, he is perfectly justified in doing so. If he adds to his demand a claim for his charges, he is acting wrongfully, and the claim must be resisted, and he will then be told that the tradesman who employed him is the person to whom he must look for payment. Whether even a solicitor can recover such charge, unless he has issued a writ, is very doubtful; and therefore we say at once, that any one receiving any such letter should pay the demand, and refuse to pay the costs. But, with delightful inconsistency, one of the very accusations made against "accountants," is that they charge for writing a letter demanding payment of a debt due to an estate. Well may the much-denounced brotherhood ask that their accusers will blow either hot or cold, and not both simultaneously.

The fact is often forgotten, that the remuneration of the trustee is plainly settled by the words of the Bankruptcy Act itself; and that if the charges are exorbitant, there is an easy means of remedying them. Section 14. subsection 1, gives powers to the creditors "to appoint a fit person, whether a creditor or not, to fill the office of trustee, at such remuneration as they may from time to time determine;" and by rule 108, "if no remuneration has been voted to the trustee, the taxing master or registrar will settle the amount of proper costs and expenses to be allowed him." In liquidation and composition, by rule 278, the "general meeting shall decide what remuneration, if any, the trustee shall receive; or they may resolve to leave his remuneration to the committee of inspection, or to a subsequent general meeting." In popular estimation, the usual course of proceeding is, that an accountant being voted trustee in obedience to some mysterious influence which he exercises over the minds of the creditors, forthwith proceeds to settle the amount of his own remuneration, and to make up a list of heavy and unconscionable charges from which there is no appeal. But the creditors have the matter entirely in their own hands. They may vote large or small remuneration to the trustee, just as they choose; they may make a bargain with him at the outset, if they think fit, and in the case of a liquidation it is not till the taxing master is satisfied that the sum claimed is "in accordance with the determination of the creditors thereon," that any payment will be allowed (rule 5). Moreover, if an accountant, not being a trustee, is employed for any purpose, his bill will be taxed by the proper officer just the same as that of a solicitor, the judges, sad to relate, with wanton inconsideration for the tender scruples of the legal profession, having cruelly classed "attorneys, receivers, managers,

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accountants, auctioneers, and brokers," as being persons whose "dues and charges" must perforce be submitted to taxation. It is tolerably plain from consideration of these sections that the extravagant charges are not the result of the preternatural rapacity of accountants, but must be attributed to the failure of creditors to look after their own interests. It is, in fact, the old, old story, to which we alluded a fortnight ago. People act carelessly, and negligently; they will not attend to their business, but must hire others to do so for them, and then stand aghast with indignation and astonishment when they find that they have to pay heavily for their indolence. Here is every imaginable safeguard provided. The creditors meet, they may choose any body they please as trustee—one of their own body, or an outsider—and may either make such a bargain with him for his services as they like, or they may leave him and his remuneration to be dealt with by the taxing master of the courts. It is their interest to obtain the services of the most competent man they can find for the smallest pay they can offer him; and the more closely they can hold the balance between economy and efficiency, the less will be the ultimate loss to their pockets. If the trustee they select employ a solicitor or an accountant, he may, it is true, pay their charges without examination, but he does it at his own risk—a liability no prudent man would venture to incur. An accountant, employed as trustee, would naturally expect a rate of payment framed upon the scale on which he is accustomed to be paid; but the creditors may vote any remuneration, or make any arrangement with him they can. If, therefore, at any time, any member of the committee of warehousemen should fall under the jurisdiction of any of the courts of bankruptcy—which Heaven forefend that they ever should—their course, or rather that of their creditors, is plain and simple. All they have to do is, to attend to their business. If they blindly give proxies to any one who canvasses for them, the exercise of a little common sense must show them that they are sacrificing their legal safeguards to their faith in their petitioner. They may vote the trustee the amount of remuneration they propose to do in their circular, if he is willing to accept it; but they must not be surprised if they find that skill and experience command a high price in every market. In fact, many accountants hold, that unless there are large assets, a bankruptcy trusteeship is not worth having; just as well-known legal firms object to be concerned in suits where but small sums are at stake. That the difficulty may be solved, we fully believe; but it must be in a way which will make it to the interest of the accountants to take such cases, and will definitely assert their professional position. Till the action we have so often advocated is taken, we quite hold that any attempt to fix a common scale of charges is wholly futile.

The close of the Albert Society Arbitration marks the successful termination of a new experiment, and will probably lead to the extension of the system in many cases. The plan by which the European arrangement is being carried on, and which is a modification of the old scheme, has yet to be fully tried; but there can be but little doubt that the result will be equally successful. We shall take an opportunity of further considering the statistics of Lord Cairns's report; to-day we shall view the question simply in its bearings with regard to ordinary practice. The great saving in expense has probably been as much as any thing owing to the rapidity with which proceedings have been carried on. As winding-up is ordinarily carried on, there is great delay in the legal part of the business. Questions brought into chambers, or before the judge, have to wait their turn for hearing; and any one who has been practically concerned in these matters, knows how the case is set down in the paper only to be blocked out by a press of matter in front of it. In chambers the chief clerks, who are about the hardest working body of men in the public service, have their time so fully occupied, that to get an appointment fixed for an early day is seldom practicable; while a summons adjourned into court is, in most instances, in the paper for one day in the week, and often stands over almost indefinitely. Such a course as this is fatal to steady progress. Delay is inevitable, and time is wasted in waiting about for the hearing of the case. Under the new system all is changed. The sittings are regular and frequent, if not continuous; the various points are dealt with as they arise in practice; and the proceedings go on without that extreme friction of mind and body to all concerned, which so greatly diminishes rapid progress.

Sir John Hawkshaw, in his remarkable address to the British Association at Bristol, pointed out very forcibly the truth of the saying that "time is money," and showed how materially the development of the railway system had contributed to the prosperity of the

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country, by shortening the time occupied in the delivery of goods. The reduction of rates of course added to the wealth of the nation, but the reduction of time he considered of scarcely less importance. The pecuniary saving in liquidations by the quickened procedure is incalculable. The moral effect produced on creditors and contributories alike is very great. Bankruptcy experience shows that creditors prefer quick returns to large dividends, and are willing to pay a heavy discount on the amount of their claims in order to obtain a speedy settlement. The creditors of a company, especially of an insurance company, are naturally anxious to know the worst at once; and the shareholders in the unfortunate "absorbed" companies are relieved from a load of anxiety. If the accelerated procedure had done no more than relieve such as these from a state of uncertainty which must hopelessly paralyse all exertion, and by enabling them to go about their business, restore them to their proper function as producers, adding to the national fund of labour-earned accumulations, it would have been a moral and economical benefit to every single member of the community.

There is one point in which we think the system of appointing an arbitrator, not of the highest judicial rank, and giving a right of appeal from his decisions, is a great improvement on the original plan. Apart from the unlucky differences of opinion between Lord Cairns, Lord Westbury, and Lord Romilly, the judgment of any arbitrator, however eminent, would carry no judicial weight, and would not in any degree contribute to settle the law. In his own court the judgment of the arbitrator would be conclusive, but beyond its walls, it might deserve respect, but could never command obedience. No judge would be bound to follow it, except so far as he coincided with the views expressed, and it would be open to him to disregard it, as the mere casual opinion of a great lawyer. But an appeal from an arbitrator, decided by the highest tribunal in the country, would settle the law definitely, and the ruling of the Judges of Appeal would be binding upon every court in the land. Thus, while, under the old system, the particular company alone was the gainer, under the new, the whole country gains by eliciting an authoritative exposition of the law.

There are many cases in which the system of appointing assessors may prove highly beneficial, and in any company where its condition is at all complicated it may be advantageously resorted to. The great saving in time and expense would amply compensate for the remuneration to the arbitrator, and thus be highly beneficial to both shareholders and creditors of the company. The chief clerks would be relieved of a very harassing and tedious portion of their duties, and be able to greatly expedite ordinary business; and thus the whole country would be a gainer. No fresh expense would be cast upon the public purse; and such a course, if consistently adopted and thoroughly carried out, would be the truest economy, and would go far to remove the discredit of procrastination and delay which is so widely associated with the late Court of Chancery.

A GOLDEN YEAR.—The finance accounts for the year ending the 31st of March, 1875, show, as a part of the National Debt, annuities amounting to no less than £4,170,430, all terminating in 1885, the year which will thus bring a very large reduction in the public expenditure. The above amount of terminable annuities is upwards of £600,000 a year more than the total in the preceding year. This increase is chiefly owing to a large investment in these securities under the Post Office Savings Banks Acts, and partly to the creation by this method of funds for fortifications and military barracks.

THE CENSUS.—A Parliamentary return shows that the heads of information comprised in the inquiries made in the Census of 1871 were almost precisely the same as in the preceding Census. In England the chief addition was that in 1871 a return was required of the number of lunatics, idiots, and imbeciles, whether they were or were not in asylums; and proprietors of land were desired, in addition to giving their rank or occupation, to describe themselves as landowners. The English Census volumes for 1871 tell less than those for 1861 in some of the details. The inquiry relating to religious professions is still confined to Ireland. The cost of the Census advanced in England to £5 5s. 8d. per 1,000 of population; in Scotland to £8 1s. 4d.; in Ireland to £7 2s. 7d. But the Irish Census work is not yet completed; the public have not got the General Report, and, perhaps, not the whole bill of costs.

THE FAILURE OF MESSRS. DUNCAN, SHERMAN AND CO., NEW YORK.—Mr. W. Butler Duncan has issued a circular to the creditors of the firm, of which the following is a digest:—The liabilities, as shown by the assignee, amount to 4,910,013 dols. 89 cents., and the assets to 2,119,368 dols. 4 cents., or a proportion of assets to liabilities of say 43 per cent. Both these items may be varied by the actual realisation of the estate, and it is the desire of the firm to give the creditors the fullest benefit, and they make the following proposition to the creditors without distinction: That in consideration of their being discharged from their present obligations, W. Butler Duncan proposes to pay, therefore, 33⅓ per cent., as follows: 8⅓ per cent. in his note dated July 27th, payable on or before November 27th, 1875; 5 per cent. payable on or before May 27th, 1876; 5 per cent payable on or before November 27th, 1876; 5 per cent payable on or before May 27th, 1877; and 10 per cent payable on or before November 27th, 1877, with interest at 7 per cent per annum till paid, or as much sooner as the assets shall be realised and divided. On the acceptance of this proposition by all the creditors, the estate shall be realised for the benefit of all concerned by W. Butler Duncan, under the control and supervision of R. E. Kennedy, Esq., president of the National Bank of Commerce, and George W. Duer, Esq., president of the National Bank of the State of New York, who have consented to act in the premises.

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Correspondence.

MR. JUSTICE QUAIN'S ATTACK UPON ACCOUNTANTS.

To the Editor of the Accountant.

SIR,—The particulars furnished in your issue of the 28th ult., by the trustee of the estate of James Winne (Mr. M. H. Clark of Bristol), as to the mode in which this prosecution was brought about, appear to render the attack upon our body still more unjustifiable than I at first imagined, for I certainly supposed that Mr. Justice Quain had got hold of a remarkably bad specimen of a "man calling himself an accountant."

From Mr. Clark's statement, the real facts appear to be:

1. That he was appointed receiver and manager without solicitation.
2. That he carried on the business from the 29th of August, until the 23rd of September, 1874.
3. That he was unanimously elected trustee, he himself holding only one proxy.
4. That the appointment of solicitor was made by the court.
5. That as trustee, he, at the second general meeting of creditors, received £10 10s. only as his remuneration.
6. That among the creditors figured some of the leading men of the City of Bristol, who took an active part in the matter.
7. That the debtor filed a statement of affairs which was admittedly false and fraudulent.
8. That the debtor secreted stock-in-trade and other articles of the estimated value of £70.
9. That Mr. Clark, as trustee, was directed by a resolution of the creditors to apply to the court for an order directing a prosecution.
10. That the judge of the Bristol County Court made an order to prosecute.
11. That as trustee, Mr. Clark was bound to obey the direction of the creditors, supplemented as it was by the order of the court.
12. That Mr. Clark asserts he would have been able to pay twenty shillings in the pound but for the misconduct of the debtor.
13. That Mr. Clark has only taken three trusteeships, none of which have been profitable to him.
14. That the debtor was found guilty of the charges brought against him, and
15. That the prosecution was conducted by the *solicitor* in his discretion.

Now, sir, none of the above facts redound to the discredit of the trustee. Mr. Clark is an entire stranger to me; but unless his statements are contradicted in a very authoritative manner, I shall, with most reasoning beings, hold that Mr. Clark is a very ill-used man, and that the impartiality of the bench does not come out in that brilliant way Englishmen are always so ready to boast of and admire.

That all accountants are not *ignorant* men, is well shown by Mr. Clark's letter. His statements are terse, and his arguments to the point.

Allow me to cap Mr Clark's statements by requesting reference to the comptroller's returns, by which it will be seen that *although trustees take personal responsibilities which solicitors do not*, the remuneration to them and accountants averages about 10 per cent. of the amount paid to solicitors, and so far as trustees are concerned, their remuneration is entirely dependent on the goodwill and good faith of creditors.

In one case in which I was interested as trustee, after 18 months' litigation by direction of the committee of inspection, our case was established, but *no order obtained*. The solicitor advised an appeal to the Lords Justices (for the purpose of obtaining the desired order), and we both offered to risk our shares (inasmuch as there was sufficient to pay costs and remuneration unless beaten on appeal), and to hold the creditors harmless from the consequences. This offer was the more simple, as in the event of a defeat the trustee alone was responsible; but the committee were tired of the case, and directed the trustee to abandon the appeal and close the estate. On getting all the figures together, it transpired that after payment of costs and remuneration to the trustee, there would only remain a dividend of about 2¼d. in the pound (whereas, in the event of success attending the appeal, there would have been something like 5s. in the pound to divide). The remuneration of the trustee was left to the committee. I submitted my account; the committee, after examining it, admitted it to be fair and reasonable, but expressed a wish to declare 4d. in the pound. I was in their hands; and eventually, with the most perfect courtesy, they calculated the amount required to make up the desired dividend, and deducted it from my account, voting me the balance, thus giving the creditors the dividend in question at my expense. I was entirely at their mercy, and had no alternative but to submit, which I did with the best possible grace; but I thought of surgical operations nevertheless, and considered myself a sufferer.

Any statements put forward by the *Daily Telegraph* are admittedly "so painfully veracious," that I have not thought fit to refer to them. By the way, I see in a recent report from America, that a journalist bearing the same name as the alleged "inventor" of "Khivan Expeditions," and the "Man and Dog Fight," has come to an untimely end through a balloon accident. I trust that this is not our friend of the vivid imagination; for it would be a great pity to be deprived of his descriptive, although *somewhat* unreliable, articles.

In conclusion, let me add, that I think if Mr. Clark's connection with the case of James Winne is a test of his acts as an accountant, the other members of our profession need not be ashamed of him.

The wisest of men sometimes say in hot blood things which they afterwards would prefer to have left unsaid. Doubtless by this time Mr. Justice Quain "is sorry he spoke."

I enclose my card; but as I have no desire to create an animus in judicial minds against me, beg to retain my *nom de plume*, and remain, Yours truly,

F. S. A. E.

[Our correspondent is, we believe, slightly in error as to the *Daily Telegraph* and its contributors. The gentleman who went "up in a balloon" was an energetic New York reporter named Grimwood; the author of the "Man and Dog Fight," was James Greenwood, the "Amateur Casual;" we do not recall the name of the smart writer who "did" the "Khivan Expedition" and the *Daily Telegraph*, but it was neither the one nor the other.—ED. ACCOUNTANT.]

MR. JUSTICE QUAIN AND THE "DAILY TELEGRAPH."

To the Editor of the Accountant.

SIR,—Mr. M. H. Clark's letter, which appeared in *The Accountant* of last week, completely clears up any doubt

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as to the propriety of that gentleman's conduct in instituting the prosecution which had been ordered by a county court, but which Mr. Justice Quain (supplemented by the zealous support of a rather opinionated jury) decided should never have been brought before the court over which he presided. It may, perhaps, afford Mr. Clark some slight consolation to learn that the majority of the accountants in London are fully aware of the injustice of his case, and that his misfortune in being so hardly dealt with is thoroughly understood. The remarks which fell from the bench as to the ignorance or incapacity of the class of business men "styling themselves accountants," have tended simply to awaken among them that contempt which such thoughtless aspersions merit; and it may be augured, have not to any great degree strengthened the faith in the bench of those who have been in the habit of relying on the wisdom of judges' utterances. Little, very little, notice need be taken of the semi-pusillanimous effusion of the *Daily Telegraph*, whose columns are renowned for sensational and over-drawn articles; and one can afford to pass over its pages with more than usual celerity when it stoops to publish its ignorance respecting the duties and obligations connected with the business of accountants. It may, perhaps, be going a little too far to accuse your Fleet-street contemporary of using the slang of Billingsgate, or of indulging in any extraordinary amount of vulgarity; but no one will deny that its comments upon the recent trial at Bristol, if not to some extent garbled, were, at all events, very faulty, and entirely unnecessary and uncalled for. It would be greatly satisfactory to many accountants, I am sure, to learn that Mr. M. H. Clark is a Member of one of the Societies of Accountants; as although we are at present a presumably unrecognised profession, there is some satisfaction in being in a position to impart the information to certain individuals, when occasion arises, that although self-elected, we know one another; and self-election, bad as it may at times be, has ever been the groundwork of position, authority, influence, and power.—Yours, &c.

X.

COMMITTEE OF INSPECTION.

To the Editor of the Accountant.

SIR,—Your issue of the 28th ult. contains an article referring to a recent decision, disallowing a present of £15 made by the trustee to his committee of inspection in obedience to the direction of the creditors. The *principle* upon which that decision is based is undoubtedly sound; but, as a matter of common and every-day experience, it is very difficult, especially in cases where the prospect of dividend is not encouraging, to get the committee to act. In the majority of instances, where a trustee in bankruptcy is reported for not sending in his audited accounts, the committee of inspection are the culprits. It is but natural for them, when they see little or no advantage to be gained from a loss of time, to prefer their first loss, that of their money. Legally they are to blame, and the trustee must elect between reporting them or being reported himself for neglect. But human nature is very much the same with creditors and trustees, —when no advantage is to be derived from fruitless labour, what is more natural than to abandon one's exertions? That, however, the present Act will not allow, and the "dead horse" must still be worked.

Were the French system—of *suspending* bankruptcies where no assets are forthcoming—adopted, schemes of settlement, when they subsequently arise, would be effected at a great saving of costs and remuneration; for trustees cannot be expected personally to incur the loss of time and money involved in closing such bankruptcies.

Yours truly,
A TRUSTEE.

London, *September 2nd*, 1875.

At the Mansion-house on Friday, Robert Gordon Coleman, 37 years of age, described as an accountant, was charged before Alderman Sir Robert Carden, sitting for the Lord Mayor, with forging and uttering a banker's check for £13 12s. 9d. with intent to defraud. The circumstances were somewhat peculiar. Mr. Mullens, solicitor to the Bankers' Protection Association, conducted the prosecution; Mr. Montagu Williams, barrister, appeared for the defence. Mr. B. W. Newport, the landlord of the Duke of Edinburgh Tavern at Bromley-by-Bow, said that on the 12th of May last a crossed check for £13 12s. 9d., drawn upon Messrs. Smith, Payne, and Smiths, and bearing the signature "George Graham and Company," was brought to him by Mr. Charles Wolf, whom he knew as a customer. At his request he advanced him £8 upon it. He afterwards paid it into the Limehouse branch of the London and County Bank, where he kept an account, and it was returned to him with the endorsement—"No account." Charles Wolf, a clerk, living in Knapp road, Bromley, said he had known the prisoner for 15 years. He received the check in question from him on the 11th of May, for the purpose of obtaining cash for it. He obtained an advance of £8 from the last witness, which he handed to the prisoner. The latter had told him that he was an accountant, and that he had received the check for work he had done for a firm. He noticed and remarked to him that the body of the check was in his own handwriting. The prisoner had called upon him two days previously, and asked him if he could get a crossed check cashed for him. Witness then held an appointment under the Local Government Board, and he told the prisoner that as their accounts were audited he could not pass it through their bankers. The prisoner suggested to him that the check should be made out in witness's name, and that he should have a small amount out of it to pay a debt. He received £2 10s. out of the £8. When he called at the public-house for the balance witness was arrested and committed for trial, but ultimately acquitted. In replying to Mr. Montagu Williams, he said that he had no idea that the check was a forgery. He owed the prisoner the balance of a bill for £25, upon which he had paid 25s. He understood, however, that the prisoner had waived his claim. Before going to the public-house he tried, but without success, to get the lodge porter of the Asylum where he was employed to cash it. He represented to Mr. Newport, the publican, that the check was given for work done, and that it was as good as gold. Further evidence was adduced to the effect that on Wolf's arrest the prisoner, who then denied that he had given him the check, was requested to attend the court as a witness, but failed to do so, and that nothing was heard of him from the 22nd of May until the 11th of August, when he was apprehended. The check had been abstracted from the check-book of Mr. Albert Henry Nicholson, a commission agent, at 11 Mansion-house-buildings, Queen Victoria-street, whom the prisoner had assisted in business. His father-in-law proved that the whole of the check was in the prisoner's handwriting, and that there was no attempt at concealment or disguise. Mr. Montagu Williams, admitting that the check was in the prisoner's handwriting, said the only question was whether in uttering it he had had any intention to defraud. That, of course, would be a matter for a jury. He thought no great reliance would be placed on Wolf's statement. The prisoner reserved his defence. Sir Robert Carden committed him for trial at the next sessions of the Central Criminal Court. Bail was refused.

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VICE-CHANCELLORS' COURTS, LINCOLN'S INN.

August 31.

(*Before Vice-Chancellor Sir* JAMES BACON.)

IN THE MATTER OF E. LOWTHER, A SOLICITOR.—This was an application for the release of a solicitor, imprisoned under an order of attachment from the Court of Chancery. Mr. Robert Williams, who with Mr. Robertson Griffiths, appeared for Mr. Lowther, argued that the arrest had been illegal, Mr. Lowther having been captured by the Sergeant-at-Mace while actually within the precincts of the Mansion-house Court. The Vice-Chancellor held that a solicitor is privileged from arrest *eundo et redeundo*, and accordingly ordered Mr. Lowther to be discharged upon his undertaking to take no further proceedings in the matter.

COURT OF BANKRUPTCY.

August 26.

(*Before* MR. REGISTRAR PEPYS, *sitting as Chief Judge.*)

IN RE C. A. LEA.—The debtor, described as of the Coal Exchange, also of Camden-town, and Bramley, near Guildford, coal merchant, has presented a petition for liquidation, his liabilities being estimated at about £9,000, and assets £2,300. It appeared that he was being sued by several creditors, and application was accordingly made for an interim injunction restraining further proceedings in the actions. No receiver, however, had been appointed, and his Honour accordingly declined to make any order.

IN RE JOSEPH NIXON.—In this case an adjudication was made upon the petition of the Fore-street Warehouse Company, Limited. The bankrupt, who carried on business as a wholesale hosier at 66 Wood-street, Cheapside, had filed a petition for liquidation, but those proceedings have become abortive. His debts are roughly estimated at about £15,000, and assets £6,000.

August 27.

(*Before Mr. Registrar* ROCHE, *sitting as Chief Judge.*)

IN RE ALEXANDER THORN.—In this case, upon the application of Mr. Doria, an interim injunction, granted by the court last week, restraining further proceedings in an action commenced by the Union Bank of London, was continued until further order. The debtor, who has presented a petition for liquidation, is described as of Cremorne-wharf, Chelsea; also of Ennismore-gardens, Hyde-park, and of West Worthing, builder and contractor for works, and carrying on the business of the Waterworks, Baths, Assembly-rooms, and Skating-rink at West Worthing. His debts are said to represent an aggregate of about £150,000, and assets £40,000, subject to various encumbrances thereon.

IN RE C. A. LEA.—In this case an order was made for the appointment of Mr. Meggy, accountant, Old Jewry-chambers, as receiver and manager. The debtor is a coal merchant of the Coal Exchange, also of Camden-town, Bramley, near Guildford, and elsewhere. His liabilities are estimated at about £9,000, and assets £2,300.

August 28.

(*Before Mr. Registrar* PEPYS *sitting as Chief Judge.*)

IN RE EDMOND V. PHILLIPS.—The debtor, carrying on business as a provision merchant in London-street, City, has presented a petition for liquidation; and, upon the application of Mr. Robertson Griffiths, his Honour appointed Mr. Turquand, public accountant, receiver and manager of the estate, his nomination to the office being supported by some of the principal creditors. The debts, secured and unsecured, may be roughly estimated at about £40,000, and it appeared from the affidavits that large quantities of goods were lying at wharves and in the hands of bankers, which it was desirable should be realised without delay.

August 30.

(*Before Mr. Registrar* PEPYS.)

IN RE SHAND AND CO.—This was a first sitting under the bankruptcy of Charles Shand, Alexander Shand, and Ralph Abram Robinson, who had traded in co-partnership as merchants in Rood-lane, and also at Liverpool, Madras and Colombo, under the name of Shand and Co. The bankrupts had in the first instance presented a petition for liquidation, but those proceedings fell to the ground, and an adjudication followed on the petition of the London and County Bank. Proofs to the extent of £270,000 were now admitted without opposition, and Mr. H. Bishop, accountant (Turquand and Co.), was appointed trustee, the following being nominated as a committee of inspection:—Mr. Donald Bremner, of the London and Westminster Bank; Mr. Edward Clodd, Secretary of the London Joint-Stock Bank; and Mr. James Gray, of the London and County Bank. A statement of the joint affairs disclosed a total unsecured liability of £341,980, and assets £38,368. It appeared that the bankrupts had incurred large liabilities in connection with Messrs. Collie and Co. Messrs. Wilkinson, Stevens and Harries are the solicitors under the proceedings.

August 31.

Mr. Registrar Pepys held a sitting at Lincoln's Inn, and heard several applications in liquidation matters.

IN RE H. AND A. RANKING.—Under liquidation proceedings instituted by Henry and Augustus Ranking, trading as merchants at 11 St. Helen's-place, under the firm of John Ranking and Co., the creditors have determined to liquidate by arrangement with a trustee and committee of inspection, the debtors' discharge being also granted; and his Honour now allowed registration of the resolutions. The liabilities were returned in the debtor's statement of affairs at £106,897, and assets £58,391.

IN RE ROBERT BENSON AND CO.—Registration was also ordered of the resolutions come to by creditors under this heavy failure. The debtors traded as merchants in the City of London, also at Liverpool and Boston (U.S.). The liabilities, irrespective of secured claims amounting to about £300,000, are returned at £82,920, the assets being estimated at £54,843. The creditors have determined to liquidate by arrangement, with Mr. R. Waterhouse, public accountant, as trustee, and a committee of inspection. Registration allowed accordingly.

SOCIETY OF ACCOUNTANTS IN ENGLAND.—The Monthly Meeting of the Society of Accountants in England was held on the 20th August, at the Society's Offices, 2 Cowper's Court, Cornhill. Present—Messrs. J. Davies (President), in the chair, J. Bath (Vice-President), F. Nicholls, J. C. Bolton, E. C. Foreman, H. Brett and J. Andrews. The following were admitted as Associates of the Society, viz.:—William Henry Chamberlain, 4 New-street, Leicester; William Henry Nairne, 40 Brown-street, Manchester. A notice of resignation was received from Thomas Wood, of Chester, an Associate of the Society.

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LIVERPOOL COUNTY COURT.

Aug. 27.

(*Before Mr.* PERRONET THOMPSON.)

IN RE FREDERICK GRANVILLE AND CO.—This was an application on the part of the bankrupt to appoint a day for his public examination, and to suspend the execution of a warrant which had been issued to enforce his appearance before the court. It seemed that the bankruptcy took place in October, 1872, and Mr. Grahame, the partner of Mr. Granville, then surrendered and obtained his discharge, but Mr. Granville did not appear, and after several warrants had been issued to bring him before the court he obtained a sitting for his public examination. That sitting was appointed for yesterday, but it was found that through inadvertence the order of the court had not been drawn up, nor had the bankrupt complied with its terms by paying the costs of two abortive warrants. Mr. Norton (from the office of Messrs. Norris and Sons) now asked for a new day to be appointed, and for the suspension of the execution of the warrant; and Mr. Kennedy, instructed by Messrs. Bateson and Co., for Mr. Banner opposed. His Honour, after hearing the learned gentlemen at length, made order that the warrant be suspended until the 1st October, and that in the mean time, if the costs be paid, a new sitting be appointed for public examination.

IN RE WILLIAM G. TAYLOR.—This was an application involving a point of practice. The debtor, an ale and porter bottler, presented a petition for liquidation in June last, and at the first meeting Mr. Bolland was chosen trustee. Before the registration of the resolutions the debtor made a proposal for the purchase of the estate for a sum equivalent to 8s. in the pound, provided he was allowed his discharge. A meeting to consider this offer was called by the trustee, at which the creditors accepted the same and granted the discharge; but on the latter being presented for the registrar's signature, it was refused, on the ground that at the time when the trustee called the meeting he had not obtained the certificate of his appointment. His Honour, on being appealed to, after hearing Mr. Labron Johnson for the debtor, affirmed the decision of the registrar.

IN RE JOHN C. WILSON.—This debtor was a draper in Great Homer-street. He filed his petition on the 2nd February last, but five days previously thereto divested himself, in favour of his sister, of his interest under a will, for £35, the same being at the time of the value of £321. Mr. Nordon, for Mr. Bolland, the trustee, contended that the transaction was a fraud upon creditors; and after at great length referring to the circumstances of the case, the court intimated its opinion that, although there was ground for suspicion, upon the facts it did not see its way to declare the transaction fraudulent. Mr. Nordon thereupon asked that the case might be tried before a jury, and, after hearing Mr. Kennedy for the sister in opposition, the court granted the application. Mr. William Lowe appeared in the case.

August 28.

BANKRUPTCY EXAMINATIONS.—A question was raised by a witness as to the right of the court to compel him to be sworn until he had been paid the expenses he claimed consequent upon his attendance as a witness. The witness was Mr. W. Richards, of London, the brother of Mr. Albert J. Richards, of Victoria-street, Liverpool, provision merchant, whose affairs are now in liquidation. He was summoned by Mr. Bolland, the trustee, as a person suspected to have in his possession property belonging to the liquidating debtor, and was paid on the service of the summons £3 10s. That sum, he contended, did not cover his legal expenses, they being, as he submitted, £3 3s. each for two days' time and his first-class railway fare; and until they were paid he refused to be sworn. Mr. Lupton instructed by Messrs. Lace and Co. for the trustee, insisted upon the witness being sworn. He said that in civil proceedings no witness was bound to attend unless tendered, on service of the subpœna, reasonable compensation for his subsistence during his attendance on the trial, and his travelling expenses to and from the place of trial; but the rule in bankruptcy was that, where a witness was summoned as an accounting party to an estate, all that need be tendered was a sufficient sum to carry him to the court. If he should turn out not to be an accounting party, the court had power to order that his full expenses be paid. There was no plaintiff or defendant in these proceedings, but the examination sought, although at the instance of the trustee, was the examination of the court; and where, in the administration of justice, the attendance of a witness was required, he was compellable to attend as in criminal matters, without any expense being tendered. The only object of tendering expenses was to meet the objection which might be raised that the witness was too poor to pay his travelling expenses. Further, he submitted that the witness being in the precincts of the court, it had full jurisdiction in the interests of justice to compel him to give evidence. His honour ruled that the witness must be sworn, and, on his still refusing, committed him at once into the custody of the high bailiff until the admiralty case then being heard before him was concluded, when he would further consider the course to be pursued. Subsequently, the witness, on reflection, and on the assurance of the trustee that all proper costs would be allowed if it turned out he was not an accounting party, consented to be sworn. His examination was taken in private, but we were informed he admitted that, subsequent to a preliminary meeting of the creditors of his brother at which he was present, he received, to cover liabilities he was under for his brother, £93 and several bills of exchange amounting to about £300.

WARRINGTON COUNTY COURT.

CREDITORS' PROXIES.—Mr. Marshall, barrister, made an application to his Honour to order the taxation of a trustee's bill under the following circumstances:—John Knowles, of Runcorn, draper, filed his petition for liquidation in the Warrington County Court on the 7th day of October, 1874; and on the same day, Mr. G. Jepson Knight, of Runcorn, accountant, was duly appointed receiver and manager of the business, until the first meeting of creditors; but on the 16th of October, Mr. Joshua Crowther of Manchester, accountant, presented himself at the county court with a written document signed by a large majority of the heaviest creditors, nominating him as receiver (residing in and about Manchester) under rule 262, which provides that where a receiver has been already appointed by the court, a majority of the creditors may nominate some other person as receiver, and such receiver shall be forthwith substituted in his place. Consequently, Mr. Crowther, by virtue of the creditors' proxies which he had obtained, became the receiver in the place of Mr. Knight, against whose fitness not one word could be said. On the 4th of November the first meeting of creditors was held, and Mr. Joshua Crowther, of Bath Chambers, York-street, Manchester, accountant, attended, holding no less than 33 proxies from the heaviest creditors, by virtue of which he elected himself as trustee, without a committee of inspection; thus taking the sole and absolute control over the estate. A resolution was passed in accordance with the petitioner's own proposal that he should pay his creditors 20s. in the pound by instalments of 5s. in three months from the 1st December, 1874, 5s. at the expiration of six months from the said 1st day of December, 5s. at the expiration of nine months from the said 1st day of December, and 5s. at the expiration of 12 months from the said 1st day of December; and the resolution went on to say that the costs and charges of Messrs. Joshua Crowther and Co., accountants, be paid within one month from the date of confirmation of the resolution. The two first instalments of 5s. each had been already paid, when the petitioner applied

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to Mr. Joshua Crowther for a statement of accounts with his charges, when he made out a bill of upwards of £190, which had been deducted from monies arising from the estate. This bill the petitioner considered as exorbitant, and objected, through his attorney, Mr. Garratt of Runcorn, to the trustee deducting it until the bill had been taxed by the officer of the court. To this course, Mr. Joshua Crowther, of course, objected, on the ground that the resolution provided for the payment of the costs and charges of Messrs. Joshua Crowther and Co., who it was contended were simply the accountants, and were separate and distinct from Mr. Joshua Crowther, trustee. Mr. Atkinson, of the firm of Atkinson and Saunders, of Manchester, represented Crowther, and at great length contended that the court had no jurisdiction to tax the bill of Messrs. Joshua Crowther; that it was ordered to be paid by the resolution, although the amount had not been filed, but he contended it was a fair and reasonable bill, and was entitled to be paid. Mr. Marshall, in reply, characterised the circumstances upon which Mr. Atkinson mainly relied as a mere juggle to evade the operation of the law. If there could have been any doubt that the bill was that of Joshua Crowther, it was removed by his own affidavit, in which he admitted sending the bill, and spoke of having included in it his payments and disbursements as receiver. Attending the first meeting with 33 proxies in his pocket, he assumed to have command of the whole position; and according to his mode of arguing, could vote himself what remuneration he chose, in utter defiance of the bankruptcy law. The section of the Act referred to gave the court absolute power as to the remuneration of a receiver, and he (Mr. Marshall) trusted the learned judge would not permit it to be evaded by a scheme such as that disclosed in the present case.—His Honour said that if ever there was a case in which the court should interfere, it was this; but he was afraid that the resolution which provided that the costs and charges of Messrs. Joshua Crowther and Co. should be paid deprived him of the power; but he felt sure it was never the intention of the legislature that such cases as this should be tolerated, and he was of opinion that a very great change in the law was urgently required; the whole system of proxy giving should be swept away; the greatest jobbery and injustice was daily practised by irresponsible people calling themselves accountants, going round to the creditors obtaining their proxies under the false pretence of representing their interest at the meeting, the fact being, as experience showed only too plainly every day, that these people could go with the proxies to the meeting of so-called creditors, get themselves appointed trustees, possess themselves of the estate, and deal with it pretty much as they pleased without let or hindrance, and only too frequently ignoring altogether the interests of the creditors in their anxiety to study their own. The present state of the law in this respect was a perfect anomaly, and he hoped a change would speedily take place that would do away with it He regretted that he could not help the petitioner in the face of the resolution ordering "the costs and charges of Messrs. Joshua Crowther and Co. to be paid;" but he would not grant their costs of opposing this application.

We are requested to insert the following letter, which appeared in the *Manchester Guardian*, in regard to the above application:—

RE JOHN KNOWLES, RUNCORN.

ACCOUNTANTS' CHARGES IN DISPUTE.

To the Editor of the Manchester Guardian.

Sir,—Many of our friends are under the impression that the £198 mentioned in your paper of Saturday last are our charges in the matter. It is not so; it is simply a cash account and not charges, and any one conversant with figures will at once see the difference. Out of the sum named we paid all preferential claims, including all creditors whose amounts were too small to accept for, goods supplied for carrying on the business, solicitors' charges representing the creditors, debtor's house expenses and wages, and many other matters of a similar kind; the trustee's remuneration as receiver, manager, and trustee being less than one sixth of the whole amount, being £29 8s. The observations of the judge were directed against the principle in general, and had no reference to the charges then before him; as he expressly said, he was not passing any reflection on those charges, as he had not looked at them. Our estate book is open to the Committee of the Home-trade Association or the Council of the Manchester Institute of Accountants—of which Society I am a member—or any one appointed on their behalf.

Yours, &c.

JOSHUA CROWTHER.

Manchester, August 30, 1875.

THREE MONTHS' FAILURES.

The *Times* says, "The following table exhibits the results of the failures of the past three months so far as the balance-sheets hitherto published reveal them. It is not a complete list, but the majority of the more important firms are here included. Of those about which there are as yet no particulars the most conspicuous are Fothergill and Hankey, Sanderson and Co., and Young, Borthwick, and Co. Regarding the first of these, we are told that the assets depend upon whether a public company can be formed for working the valuable mines and works owned by the firm. If capital can be found to do this, the estate may, it is said, pay in full—that is, if the shareholders will take up the firm's liabilities—but a forced sale might yield almost nothing. The liabilities are about £1,250,000. The other two firms are the discount houses brought down by Fothergill and Hankey and Alexander Collie respectively, and their actual position cannot yet be shown because a good many of their bills have not yet come to maturity, and because the bankrupt estates on which they rank have not yet been realised. Sanderson's estate is not expected to turn out well; the creditors may get 2s. or 2s. 6d. in the pound. Young, Borthwick, and Co.'s assets, are, we hear, even less substantial. It appears that the capital of this firm was nearly if not quite all held by the Bank of England as margin on advances at the time of its stoppage, and, that money being forfeited, there is little left for the ordinary creditor out of the estate itself. Sanderson's estate, on the other hand, shows a better state of affairs than would otherwise have been the case, through their having in hand a considerable deposit from Fothergill, Hankey and Co., which that firm forfeited when it failed. The liabilities of the 29 firms whose balance-sheets are summarised below, amount to £6,306,656, against assets of £1,493,000, exclusive of £594,000 which is marked "doubtful." At the best, therefore, these statements show an absolute loss of something like £5,000,000, and it may well be much more. The Collie group is, as might be expected, the worst, firms connected with his ventures having failed for £3,831,000, against which only £839,000 good assets can be set, the £551,000 "doubtful" being worth probably next to nothing, consisting as it does in great part of claims against the American Government, which, so far as we know, were never admitted by it. It will be well, indeed, if the "good" assets prove good to the amount set down. If we include the probable deficit of a couple of millions on the minor firms' estates, and on those named above,—which is probably much within the mark, the nominal liabilities of the two discount houses and Fothergill and Hankey alone reaching over ten millions,—we shall arrive at £7,000,000 as the net sum of floating capital lost through the recent collapse. It may be found to be actually £10,000,000 to £12,000,000 when all the losses of country houses and of firms that have not failed are taken into account; but estimated at its smallest, this is a very heavy sum, for even a wealthy commercial community like ours to lose. That the loss has been hitherto sustained without any

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suspension of credit is very strong testimony to the essential stability of the institutions upon which it has chiefly fallen. Taken in conjunction with the exceeding cheapness of money now, we should say that two things seem to be proved by the fact that so heavy a loss has been borne without any serious strain on credit,—that there is an enormous accumulation of wealth to be employed, and that before the crash came an amount much beyond that represented by the subsequent losses was employed in very dangerous business. If the legitimate business of the country can now be done on so much less capital that, in spite of losses like these, money can hardly find a borrower, this would seem to be conclusively proved. Some, however, question whether enough accommodation is now being given to trade, and we have received a strong complaint from Manchester to the effect that the London bankers will no longer discount Manchester bills, however good they be, because Collie professed to be a Manchester merchant. If that be the case, no doubt the bankers are making a mistake; but on the whole we should say it is only the big adventures that are at present tabooed. Small genuine trade bills find no difficulty in getting discounted, although, as a rule, such discounting is done at rates much above the present Bank of England *minimum*. If the banks were to forbid altogether dangerous commitments on ventures unbacked by capital, such as they have suffered by, the community would have purchased future stability at a very cheap figure, heavy though these losses be.

	Liabilities.	Assets.
Gilead A. Smith and Co.	£411,381	£20,212
E. Corry	172,770	74,323
A. and M. Zimmerman	49,773	21,004
A. Collie and Co.	1,889,786	*802,392
Shand and Co.	341,980	38,368
Rainbow, Holberton, and Co.	61,515	6,336
John Anderson and Co.	144,747	31,596
John Strachan and Co.	96,938	5,711
J. C. Fowlie	121,638	10,704
Alexander, Sons and Co.	210,535	34,254
Adamson and Sons	94,298	12,917
J. P. Westhead and Co.	318,000	302,000
R. Benson and Co.	124,331	70,000
L. Stewart	32,821	11,368
Wilson and Armstrong	258,531	57,090
C. Carnie	56,000	1,050
S. and J. Graham	71,606	22,943
Laing and Irvine	173,000	70,000
Rudall and Sons	128,605	18,015
E. Jones and Co.	102,898	54,235
Da Costa, Raalte, and Co.	265,580	85,290
Kilburn, Kershaw, and Co.	201,476	6,577
John Ranking and Co.	106,898	†58,392
Lambert Brothers and Scott	170,848	95,996
R. Corkling and Co.	149,000	41,000
Schultze and Mohr	142,524	7,972
W. Walker and Co.	130,000	70,000
Whitlock and Dadson	146,000	5,000
Shaw and Thompson	103,177	‡52,363
	£6,306,656	£2,087,018

*Of which £551,850 is doubtful.
† " 26,900 "
‡ " 15,510 "

The following circular has been issued by the committee of the Glasgow Stock Exchange, with reference to gambling there:—"The attention of the committee having been drawn to reported large dealings in prospective dividends of certain railway companies, they think it right to express their disapproval of those transactions, and to declare that such cannot be recognised by them, or allowed to take place during the business meeting of the association."

COURT OF BANKRUPTCY, DUBLIN.

September 1st.

(Before the Hon. Judge MILLER.*)*

IN RE THOMAS BRACKEN.—The bankrupt was a clothier in Mary-street. A charge for £150 had been filed by a Mr. Ryan, on the ground that he had advanced that sum to the bankrupt upon equitable mortgage secured by the possession of the lease of bankrupt's house. Subsequently Bracken obtained a loan of £50 from a person named Boylan, Ryan agreeing to hand him over the lease on the distinct understanding that when paid back the £50, the lease should be given back to him (Ryan). It appeared that Bracken paid Boylan a sum of £20 on account, and Ryan advanced the remaining £30 to the representatives of Boylan. It had been contended on the part of the assignees, that when Ryan voluntarily parted with possession of the lease which he held equitable mortgage, his lien ceased, and the bankrupt was entitled to get the document back. His Lordship held that the lease had been handed over to Boylan for a specific purpose, and after his claim had been satisfied either by Ryan or Bracken, it was the right of Ryan to get back the custody of it. He therefore allowed the charge for the full amount, but directed the lease to be brought into court.

IN RE GEORGE MEARES.—The bankrupt in this case was a stay manufacturer on the quays. On the 7th May last, he had with his assistant O'Healy been committed to Kilmainham prison for unsatisfactory answering, and both remained in jail since. By the desire of his lordship they were now again brought before the court. Mr. Perry, on the part of the assignees, proposed that his lordship should permit the prisoners if they desired it to explain their former evidence with reference to the alleged execution of a deed by the bankrupt's mother. If they did not wish to give any information they could be sent back to the jail. The bankrupt and his assistant were then sworn, and said they had no further information to give. Mr. Perry then asked that the prisoners be sent back to Kilmainham. The assignees believed that the bankrupt well knew who personated his mother on the occasion of the execution of the deed, and that O'Healy also knew. He submitted that as nothing had transpired to alter his lordship's opinion as a reasonable man in committing the prisoners for unsatisfactory answering, that they should be sent to jail. His Lordship asked what would the creditors gain by having the men kept in? Supposing he kept them in for 20 years, would that be of any advantage to the creditors? Mr. Perry said they would gain the truth. His Lordship said that even if the prisoners produced to him the person whom they dressed up for the occasion, would that assist the creditors? Mr. Perry said the assignees believed that the mother signed the deed. Judge Miller said if that were the case the prisoners should not be in custody. Mr. Perry said he believed a conspiracy had been entered into to deny the execution of the deed. He submitted the prisoners should be kept in until they told the truth—even if it were for 20 years. Mr. Clay said that with respect to O'Healy the creditors believed he might have been mistaken, but they had no doubt that the bankrupt was aware of the whole affair. Mr. Davoren, for the bankrupt, pointed out that no property had been suppressed. His Lordship said that in this matter, when George Meares came before the court, it was proposed that his mother, who resided in the suburbs of the city, should secure a composition to be paid by the bankrupt—then an arranging trader—by a mortgage upon a certain property in which she had a life interest. That deed was subsequently executed by a person purporting to be bankrupt's mother, but the bankrupt's mother on examination denied having ever executed the mortgage. The prisoners having refused to disclose the name of the individual who personated Meares' mother, had been kept in jail for nearly four months. Although as a punishment the confinement was inadequate, having

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regard to the wicked deceit practised on the creditors, he had been informed by the officers that the bankrupt's estate had been realised and would pay nearly 5s. in the pound, with the prospect of a little more. He believed that even the discovery of the person who represented Mrs. Meares on the occasion of the execution of the deed would only lead to additional expense of a prosecution, which would come out of the pockets of the creditors, and he did not believe he could further the interests of the creditors by keeping the prisoners longer in custody. He did not like to be indirectly the means of punishing men who had not had any trial beyond that of the judge himself. If he were bound to pronounce upon their guilt or innocence, it would be quite another thing. Therefore, believing it would do no good to keep the men longer in jail, he would order their discharge upon an undertaking been given to assist the assignees in realising the property. The necessary undertaking was then given.

CREDITORS' MEETINGS.

Shaw and Thomson.—The statement of Messrs. Shaw and Thomson's affairs was presented at a private meeeting of their creditors last week. It shows liabilities amounting to £103,177, against assets of £36,853, but these assets do not include a balance of £15,510 due in Alexandria to the North of England Iron Company, under which style Messrs. Shaw and Thomson traded in Egypt, although Mr. Shaw expects to recover it. The estate does not show so much, but Mr. Shaw has offered 10s. in the pound, payable 2s. 6d. now, 2s. 6d. in six months, 1s. 6d. in twelve months, and the remaining 3s. 6d. in three annual equal instalments, with the power to obtain extension of time. This proposal was subject to the report of a committee of investigation, whose circular, recommending its adoption, is subjoined:—" 150 Leadenhall-street, London, August 25th. We, the undersigned, being the committee appointed at the meeting of creditors held on the 20th of August, 1875, have to report:—We have examined the statement of affairs which was submitted to the meeting by Messrs. Cooper, Brothers and Co., and we find that it is fairly drawn up and substantially represents the position of Mr. Shaw's estate. We, however, differ in opinion with Mr. Shaw as to the value of some of the securities deposited with the creditors, but not to an extent to lead us to recommend the creditors to alter the resolution come to at the meeting of creditors held on the 20th of August, when it was decided to accept Mr. Shaw's offer of 10s. in the pound, the committee being of opinion that the liquidation of the estate would not result in a division nearly equal to Mr. Shaw's offer. That we are of opinion that the arrangement made by Mr. Shaw for dissolving his partnership with the Moor Ironworks was judicious and to the interest of his creditors. Every information and assistance has been afforded to the committee by Mr. Shaw, and they venture to express a hope that prosperous times will lead to his being able to fulfil his promise of eventually paying every creditor in full."

J. Mellor (Macclesfield).—At a meeting of the creditors of James Mellor, of Macclesfield and Manchester, silk tie manufacturer, held at the Macclesfield Arms Hotel, in Macclesfield, on Wednesday, a statement of affairs, prepared by Mr. Thomas Mottershead, accountant, Manchester, was presented, showing liabilities to unsecured creditors, £4,706; creditors fully secured, £2,157; estimated value of securities, £2,270; surplus to contra, £113; liabilities on bills discounted, £474, which are not expected to rank against the estate. Assets, including surplus from securities, £1,936. A resolution was passed to liquidate the estate by arrangement.

Cohen, Bonas and Brother.—At the meeting of the creditors of Messrs. Cohen, Bonas and Brother, merchants, of London and Lima, held on Tuesday, Mr. J. Waddell presented the statement of affairs, showing liabilities to rank £48,028 16s, 10d., and general assets £11,397 14s. 6d., exclusive of the amount at the debit of the Lima house, £52,557 7s. 6d. The offer of 5s. in the pound made by Messrs. Lewis and Lewis, on behalf of the debtors, was accepted.

Heald, Mathwin and Co.—On Monday a meeting of the creditors of the above firm, of Billiter-street, ship and insurance brokers and commission agents, was held at the London Tavern, Bishopsgate-street; Mr. Ingledew presiding. The statement of affairs, which was presented, showed that the total liabilities of the firm were £7,336, against which there were assets, consisting of book debts, cash in hand, &c. of £2,147. It was agreed to wind-up by arrangement; the trustee was appointed, as were, also, two of the creditors as a committee of inspection. The proceedings then terminated.

Da Costa, Raalte, and Co.—On Monday, the adjourned meeting of the creditors of the above firm was held at the City Terminus Hotel, Cannon-street; Mr Turquand (of the firm of Turquand, Youngs, and Co.) in the chair. Mr. Rawlins, who represented the debtors, said he thought he might say that as the result of the telegram which Mr. Abrahams—who represented the Alexandria committee of Behrend, Brothers—had despatched to Alexandria, he was now prepared to vote in favour of liquidation by arrangement, as to which so strong a feeling was expressed at the meeting a week ago. He wished now to say a few words he had intended to say at the last meeting. He thought it only right to state that Mr. Da Costa, in the early part of 1872, retired from the firm as from the 30th of June previously. He agreed to allow the firm the use of his name—that was, his retirement was not announced—for a certain period, which expired on the 30th of June last—a very singular coincidence, as on that day the firm suspended payment. Three years previously to this failure, therefore, Mr. Da Costa had nothing to do with the firm, which was thoroughly solvent when he left. He left capital in the firm estimated at £25,000. By the failure of Mr. Lizardi, at the beginning of 1873, the firm sustained a heavy loss, and Mr. Da Costa, who had not drawn out a penny from the business, was obliged to submit to a reduction to £10,000. Under the belief that a sum of £2,800—representing the value of shares in Pavy's Patent Felted Fabric Company—had been set aside that he might have so much more to draw on, he did draw to some extent on what would have been his interest on capital, and, so far as he could understand, he had overdrawn to the extent of £2,000. Through leaving his name in the firm he now found himself liable, and, instead of questioning this liability, he at once said he would share the responsibility with the others. He then stated that he had now to ask them to assent to the resolutions to liquidate the estate by arrangement, Mr. Turquand being the trustee, with a committee of inspection; and he would put it to the sense of the meeting whether it would not be in accordance with the wishes of the creditors that as regarded Mr. Da Costa he should be released at once. He should withdraw this proposition unless it received their unanimous approval. The names he proposed as a committee were Mr. Pickford, of Sales, near Manchester; Mr. Blockey, of the Standard Discount Company; Mr. D. Wylie, of 13 Leadenhall-street; and Mr. A. Bidelow, manager of the Credit Lyonnais. He then moved resolutions for having the estate liquidated by arrangement, &c. Mr. Abrahams said that directly after the last meeting he forwarded a telegram to Behrend, Brothers' house at Alexandria, but the telegram was not understood. He had therefore sent again, and he had expressed a strong feeling that liquidation was much more advantageous than bankruptcy. He had received a telegram in reply, but this was ambiguous. However, he would venture to stretch his powers and would agree to liquidation, which he knew would be so much preferable. He then mentioned that he had asked Mr. Raalte what he had done with £10,000 Treasury Bonds, and he was told that he had dealt with them. He afterwards acknowledged, however, that he had given his brother-in-law £6,000; to his brother's firm, Raalte and Behrend, £2,000; and he had about £2,000-worth in his possession. In answer also to his question when he suspended, he said the 30th; but he had a copy of a telegram which he

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had forwarded at 11 o'clock on the 29th to Behrends at Alexandria, in which he said, "Can't overcome difficulties; must stop to-morrow; deplore position we placed you in; send us your creditors list, but try to make the best arrangement you can for both estates, so that you may start afresh soon." This was sent the same day on which the securities were given away—the day before the stoppage, and it required no comment on his part. As to Mr. Da Costa, he did not know him, although he had heard him very well spoken of; but he had no instructions to grant his present discharge. Mr. Rawlins said, as to the telegram which Mr. Raalte had sent to Behrend, Brothers, he thought under the circumstances it was only fair to them to do so. After a brief discussion, the resolutions for liquidating the estate by arrangement, appointing the trustee and the committee of inspection, were unanimously agreed to, Mr. James Barlow, of Manchester, being added to the committee. The proceedings then terminated with a vote of thanks to the chairman.

R. H. Armit.—The first meeting of creditors under the bankruptcy of Mr. R. H. Armit, of 33 Abchurch-lane, E.C., and 93 Regent-street, W., commission agent and financial agent, took place at Basinghall-street, on the 2nd instant. Proofs for about £15,000 were put in, and Mr. Harry Brett (Harry Brett, Milford, Pattison, and Co.), of 150 Leadenhall-street, E.C., was appointed trustee with a committee of inspection. No statement of affairs was filed, but we gather that the liabilities are estimated at from £15,000 to £18,000, against assets of the nominal value of £103,000, which latter are of course "subject to realisation." Mr. W. J. Foster, of 21 Birchin-lane, E.C., is the solicitor under the proceedings.

G. F. Bates (Redcar).—At the meeting of creditors of G. F. Bates, stationer, of Redcar, a report was submitted by Messrs. W. C. Harvey and F. Lucas. The statement of affairs presented showed total liabilities £5,312 14s., with estimated assets £1,174. The debtor offered a composition of 4s. in the pound, but it was resolved that in the absence of security the consideration of the offer be postponed.

FAILURES.

England.—Messrs. Albert Cohn and Co., woollen merchants, of Old Change and Leeds, have suspended payment "in consequence of heavy losses and depression in their trade." The liabilities, amounting to £120,000, are covered to the extent of £50,000; while the assets, consisting of stock-book debts, &c., are estimated to be worth about £40,000. The books have been placed in the hands of Messrs. J. F. Lovering and Co., the accountants, and Messrs. Rooks, Kenrick and Co., are the solicitors in the matter.—Consequent on the absence of remittances, Messrs. Henry Druitt and Co., South American and West India merchants, of Fenchurch-street, have stopped payment. Their liabilities amount to £70,000 or £80,000, but a favourable liquidation is expected.

America.—American advices announce the suspension of Mr. Washington Root, president of the Agricultural National Bank at Pittsfield, Massachusetts, with liabilities estimated at £20,000. Mr. Wm. Dilworth, jun., a well known lumber merchant, of Pittsburgh, Pa., had suspended; he claims his assets will exceed his liabilities by £30,000. Messrs. S. D. Richardson and Co., dry goods merchants, Syracuse, N.Y., had failed; liabilities, £6000. Messrs. J. G. Shaw and Co., manufacturers of blank books, New York, have failed. Messrs. Hayes and Brittain, wool pullers, Portland, Me., have stopped. Messrs. Hubbard Bros., lumber dealers, Middletown, Conn., had called their creditors together. Messrs. E. Brierly and Son, shawl manufacturers, Milton Mills, N.H., had failed. Messrs. Parker, Burgess and Co., commission house, of Boston, suspended; as also, Messrs. Abbott, Lorng, and Co., in the iron trade. The failure is announced of Mr. R. Stinde, boot and shoe merchant, St. Louis, with liabilities of £36,000.—Messrs. Day, Kealhofer and Co., a grocery firm, Memphis, had suspended; liabilities, £5,000.—Several small dealers on the Board of Trade, Chicago, had failed.—The State Street Savings Bank, Chicago, had stopped, while a large firm was in difficulties.

At Lambeth Police Court, on Friday, Walter Thomas Hunt, described as "an accountant," was again brought before Mr. Chance, on remand, charged with maliciously causing the death of Mary Ann Hudson by administering to her a draught of strychnine, and also attempting the death of Thomas and Hannah Taylor, at Lower Norwood. The prisoner was committed to take his trial at the Central Criminal Court for manslaughter.

The Supreme Court of Judicature.—The statute to amend and extend the Supreme Court of Judicature Act, 1873, has just been printed. It is a very long one of 49 sheets, and is to be construed with the other one, and with the rules and orders to be observed, will be food for consideration during the present long vacation. The new law, consisting of the two Acts, will come into operation on the 1st of November. Notwithstanding the provisions in the principal statute abolishing the appellate jurisdiction of the House of Lords, the right is to be reserved until the 1st of November, 1876. The present number of Judges is not to be reduced. The constitution of Her Majesty's Court of Appeal is declared, and there will be divisions of the Courts—Queen's Bench, Common Pleas, and Exchequer. All the officers of those courts are continued, and on appeals are to attend the High Court of Justice. The Probate Court and the Court of Admiralty will act in divisions, and the present Judge of the latter is to give up his ecclesiastical appointments if he accepts the appointment of one of the Judges of the High Court before the commencement of the Act. The London Court of Bankruptcy is not transferred to the High Court. A plaintiff has option as to which division he will sue in. Three Judges are to constitute the Court of Appeal. Before and after the commencement of the Act rules may be made for the sittings of the Courts, &c. and her Majesty is empowered by Order in Council to make regulations as to the circuits of the Judges. There are other provisions to carry out the new law, and the last section, number 35, provides that the present Chamber Clerks may be re-appointed on a vacancy at the same salary. The statute only extends to seven sheets, and the remaining 42 comprise the orders and forms. There are 63 rules and numerous forms set out to be used. There is to be no local venue, and causes may be tried before a Judge or before a Judge and assessors, or jury, or official referee. Although terms are abolished, the "long vacation" is preserved, and is to commence as usual on the 10th of August and terminate on the 24th of October. There is to be a vacation of a week at Easter, Whitsuntide, and Christmas. Two of the judges, however, are to sit in the vacation for the hearing in London and Middlesex of such applications as may require to be immediately or promptly heard, and they may sit either together or separately as a Divisional Court. The vacation Judges of the High Court may dispose of all actions, matters, and other business of an urgent nature during any interval between the sittings of any division of the High Court to which such business may be assigned, although such interval may not be called or known as a vacation. The two statutes, with the various rules, and others to be added, will require much attention. The Courts now known as Queen's Bench, Common Pleas, and Exchequer, with the Probate and Admiralty Courts, will still exist in their several divisions, and "Her Majesty's Court of Appeal" is now substituted for the Court of Chancery. The ordinary Judges of the Courts of Appeal are to be styled "Justices of Appeal." The two statutes on the Supreme Court of Judicature will take effect, as stated, on the 1st of November.

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Messrs. Haydon and Vivian, of 29 New City Chambers, 121 Bishopsgate-street Within, Accountants, have been appointed Auditors of the Inhabited House Duty Association.

Messrs. Nairne and Sons, of 40 Brown-street, Manchester, have been appointed auditors to the St. Helens and Ashton-under-Lyne Corporations.

WINDING-UP.—A petition to wind-up the Vale of Neath Colliery Company, Limited, has been presented to the Court of Chancery.—A petition has been presented in the Court of Chancery for the winding-up of the Whitefield Colliery Company, Limited.—A petition to wind up the Dorset Fire Brick and Blue Clay Company, Limited, has been presented to the Court of Chancery.

ACCOUNTANTS.—Messrs. Dawes and Ashton, referring to the discussion on accountants and their work, suggest that in order to sustain in a healthy condition a profession which is most honourable if rightly exercised, and to prevent unscrupulous aspirants to questionable fame causing a slur to be cast upon a reputable calling, it is desirable an effort should be made to place the profession of an accountant on as responsible a basis as either the legal or medical profession, and to render it illegal for any one openly to announce himself and practice as an accountant in the City, or elsewhere, unless he possesses a certificate, to be issued under conditions to be determined upon by a legally constituted society.—*City Press.*

At the Birkenhead County Court, on the 27th ult., an application in bankruptcy was made on behalf of John Lloyd, provision dealer, of Union-street, Tranmere, to confirm a resolution of the creditors accepting a composition of 5s. in the pound. As the second meeting of creditors was made up of three persons only, and did not represent the larger moiety of the liabilities, the registrar felt some difficulty about registering it, although a statutory majority had previously consented to such an arrangement. His Honour said he would order a registration, for the sake of making the practice uniform with what he understood to prevail in Liverpool. He could not but feel that this was a case of *omissus* in the act or rules, and he felt grave doubts whether he was not bound strictly by the words of the Act. Despite his doubts as to the legal view, however, he thought no injustice could be done by the confirmation of the resolution.

ACCOMMODATION BILLS.—On Tuesday morning, the Council of the Bradford Chamber of Commerce had under consideration a suggestion made by the president, Mr. Jacob Behrens, to the effect that the law should provide that the issue of a bill of exchange should be a misdemeanour, if such bill contained a false or deceptive reference to corresponding value having passed between the parties; that the signing of a promissory note should be a misdemeanour, if it contained false or deceptive reference to corresponding value having been received by the signer of such note from, or on account of, the person in whose favour it was drawn; and that the negotiation of any such bill of exchange, if the value corresponding to the reference on the face of the document has not been received by the signer, should be a misdemeanour. Mr. Garnett, vice-president, thought the only way to deal with the matter would be for the law to require every man who signed a promissory note or a bill of exchange for accommodation to be able to prove that at the time he signed it he had sufficient assets with which to meet it. He did not think that in all cases the law could hold that accommodation bills ought not to be given. No decision was arrived at.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 40.] SATURDAY, SEPTEMBER 11, 1875. [PRICE 6D.

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Begs to announce that in compliance with a wish expressed by some of the subscribers to the *Accountant*, he has made arrangements for the translation of legal and commercial documents, correspondence, &c., into the Principal European Languages. Members of the Profession are therefore respectfully informed that arrangements can be made for efficient and speedy translations into, or from, the French, German, Italian, Spanish, and Dutch Languages on Moderate Terms.

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The Accountant.

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The ACCOUNTANT is printed and published in time for Friday evening's mail; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being: annual subscription 24s. (post free); half-yearly ditto, 13s. (post free). Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62 Gracechurch-street, E.C., to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

SEPTEMBER 11, 1875.

The Bristol case, and the unjustifiable vituperation of the judge, have been sufficiently disposed of by the temperate reply of the abused trustee, and by the various comments which have been provoked; but we observe that there is a marked disposition on the part of many to make a strong effort to oust accountants altogether from a very large portion of their legitimate professional sphere. Among others, Mr. P. M. Leonard, the County Court Judge for Hampshire, has seen fit to follow the precedent of his superior, and to declare that he will never appoint an accountant to be a receiver. Doubtless, Mr. Leonard's comparatively brief experience of administering law, equity, bankruptcy, admiralty, and the other multifarious occupations of a county court judge, has forced upon his mind a conviction of the necessity of such a resolution, but it is strongly to be wished that he had stated, more fully than he appears to have done, the reasons by which he was actuated. He may have thought that the assets to be collected were so small as not to repay the expense of collection; and that would have been ample justification for not appointing a receiver at all. Or he may have thought that an accountant would naturally require higher remuneration than the estate could afford. That would have been a very good reason for refusing to confirm the choice of the receiver unless he chose to do the work at a nominal percentage, or to decline to nominate an accountant in this particular instance; but scarcely justifies the sweeping condemnation which the judge pronounced. Nor can we consider that this showed any very great courtesy to the creditors, whose money was to pay the receiver's charges, and on whom any deficiency would ultimately have to fall. In connection with Mr. Leonard's outburst at Winchester, we may refer to the case at Warrington, which we reported last week, in which an application was made to disallow a sum of £200, the amount voted to Mr. Crowther, trustee of the estate. Here the judge, in deciding against the application, took occasion to denounce the "irresponsible people calling themselves accountants," and, as usual, expressed a hope for a change in the law, which was somehow to do away with all abuses. It appears, however, by a short letter from the trustee in question, that this amount of £200 included nearly £170 for money actually paid out of pocket, leaving the remuneration of the trustee at a little under £30. The arguments were somewhat complicated by a confusion between the firm to which the trustee belonged and the trustee himself, but the wording of the Act, as we pointed out last week, is clear. If an

accountant is appointed trustee, he is at the mercy of the creditors as regards his remuneration. If he himself does professional work, it will be, of course, or, rather, ought to be taken into account when the creditors discuss the amount to be allowed him. If he employs another accountant, he is personally liable for the bill, and must submit it to the proper taxing officer. It would probably be more satisfactory to all parties if an accountant, whether a trustee or not, had always to make out a bill, and have it taxed in the regular way. The tender mercies of the taxing-master would certainly be less cruel than the caprice of creditors, not made more generous by the loss of their money.

With reference to the employment of accountants in bankruptcy cases, it must be obvious that in all important cases their assistance is absolutely essential. A few weeks ago, a paragraph went the round of the papers to the effect that the leading joint-stock banks had determined to take upon themselves the management of any bankruptcy proceedings in which they were involved, under the guidance of their own accountant and their own solicitors. In the case of the bankruptcy of Messrs. Collie, an accountant is at once nominated as trustee; and the same course is adopted in all proceedings where the amount to be received is considerable. It is, no doubt, perfectly true that in many small cases, and in the majority of cases where the assets bear a very small proportion to the liabilities, the expenses of investigation swallow up the scanty amount available for dividend. We can well understand that in such cases creditors may prefer to put up with a total loss, rather than incur the responsibility of engaging competent advisers. But this is no reason for indulging in sweeping condemnations of professional trustees in general. Doubtless, if liquidations could be conducted entirely without professional advice, the expenses would be much diminished, but the amount of dividend would be diminished in equal or even greater proportion. What really does the charge against the accountants amount to? That they undertake business for which they receive either their strictly fixed charges, or an arbitrary rate of remuneration. We venture to say that if a fair estimate were made, the accountant's charges would be less than the solicitor's; and that it would be found that those estates were, upon the whole, most thoroughly and economically managed in which an accountant was trustee. In the mean time, we venture to remind those whose business it is to administer the law, that it is their duty to do so without prejudice, and not to draw hasty and sweeping generalisations from insufficient premises.

As will be seen by various paragraphs, which we quote for the amusement and edification of our readers, the example set by Justice Quain has been vigorously followed up by authorities of more or less weight The various legal papers and other journals have repeated the cry in various intonations, from the "heedless rhetoric" of the *Daily Telegraph* to the small paragraphs of less-known country newspapers, who all speak as if an accountant were an entirely new animal, of exactly six years' standing, so far as regards the duration of his existence. Perhaps the most amusing part about the matter, is the way in which the herd of detractors fasten upon the name, and insist that an accountant should simply attend to the keeping of accounts, and act, in fact, as a mere book-keeper. The *Daily Telegraph*, indeed, together with much astonishing information about the names by which accountants chose to be styled, which was more admirable on the ground of startling novelty than of rigid accuracy, informed the world that the term "accountant and auditor" exactly conveyed the right description, and liberally added that there could be no objection to any member of the profession drawing up balance-sheets and examining accounts, but that he must not go beyond the duties implied in his name. And the result is this, that, with doubtless the very strictest logic, accountants are to be almost the only body of men who are to be considered as eligible to practise only the very limited range of business, which acute philologers may discover to be indicated in their title.

It is always an amusing and not wholly unprofitable study to trace the various steps by which terms, originally perfectly correct, have gradually become "terms of art," or, as we used to be taught by the logicians to style them, "words of the second intention." The word "bankrupt," for instance, is universally used by persons who are ignorant of the peculiar meaning of the breaking of the bench, and have strange confusion in their minds as to the meaning of the first syllable. Then, consider how many words there are, which, if literally translated, give a meaning totally distinct from what they bear in common parlance. An accident happens, and the bystanders run for the doctor, a word which, without any quali-

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fication, is invariably applied to members of the medical profession, and is often borne by men who have never taught any body in their life, and is strictly synonymous with professor. The doctor, on arriving, is probably a surgeon,—a word literally denoting one who works with his hands, but who would never be identified if termed a "manual labourer;" whilst the worthy workman who has summoned him would be surprised to learn that he is more strictly speaking a "surgeon" than the other. But when we come to consider the old rules, by which a doctor was a person who had proved himself competent to give instruction to others in his art, and had won his degree not simply by an honorary exercise and a certain expenditure of hard cash, we at once recognise the propriety of the title. So with the surgeon. As distinguished from the physician, whose duty it was solely to prescribe, the man who used his hands to alleviate suffering by direct operation, rightly bore that title; though now the distinctions are broken down, and the surgeon will prescribe medicines in everyday practice, just the same as his neighbour, the physician, may have frequent occasion to set a limb or reduce a fracture.

And so we ask that too much may not be written on the literal meaning of the word "accountant," and that persons bearing that title may not be summarily disposed of by being told that their very name is a bar, on all principles of logic, to their being any thing more than mere book-keepers. But, even if we admit that nothing can be done by an accountant which is not connected with accounts, we must point out that this definition is sufficiently wide to cover almost every thing, including trusteeships and receiverships. The very first duty of every trustee is to prepare the accounts, or to see that the bankrupt does so; and if the letter is to be pressed against us, then, on the principle advocated by the *Daily Telegraph*, the field of accounts must not be trespassed upon by unauthorised persons, and an accountant must be employed in every case and paid his professional charges, instead of being employed in certain cases only, and remunerated with such sum as the creditors may see fit to vote for his services. We should have no hesitation in pointing out which alternative accountants as a body would prefer.

Messrs. Haswell (Chester), and William Hawkins Tilston (Wrexham), public accountants, have been engaged in obtaining information from the collieries in North Wales, in connection with the North Wales Coal Trade Arbitration.

Correspondence.

To the Editor of the Accountant.

SIR,—The following statistics will doubtless prove of interest to your readers and the profession generally.

Yours,

X.

Pending the report of the committee appointed by the Lord Chancellor in August, 1874, to consider the working of the Act, it may be interesting to scrutinise the number of bankruptcies, compositions, and liquidations which have been conducted under its provisions. From 1870, the first year of its operation, to 1874, inclusive, there have been no less than 33,525 estates which have passed into liquidation, with total liabilities amounting to £85,224,188. The following table will show how these amounts are distributed over the five years:—

Years.	Failures.	Liabilities.
1870	5002	£17,456,429
1871	6280	14,158,859
1872	6835	14,287,418
1873	7489	19,184,812
1874	7919	20,136,670

The cause in 1870 of the liabilities appearing so large as against the failures, is attributable to the suspension of some large houses during that year; but by deducting three and a-half millions, which was about the amount of these exceptional failures, from the sum of £17,456,429, it will be observed that insolvency has been increasing with a very distinct amount of regularity.

From 1870 to 1874, we find that "bankruptcies" decreased in number from 1350 to 930; while, on the other hand, "compositions" and "liquidations by arrangement" increased respectively from 1,607 and 2,305, to 2,549 and 4,440. The 930 bankruptcies of 1874 had liabilities, £3,788,639; assets, £485,445. The 2,549 compositions had liabilities £5,216,116, the gross amount of composition being £1,484,510; while the liquidations by arrangement had liabilities £11,131,915, against gross assets amounting to £3,461,893. Of 670 bankruptcies closed in 1874, 241 paid no dividends at all, in consequence of the estates either possessing no assets, or of the absorption of what assets there were in costs and expenses. It is a remarkable fact, that there were only ten bankruptcy cases in which the assets were found to exceed £2,000. Although the number of liquidations in 1874 was 4,440, the gross value of the assets was about £600,000 less than in 1873; but the compositions, paid and arranged, show an increase of about £250,000.

The great falling-off in the number of estates wound-up in bankruptcy is, undoubtedly, owing to the facilities offered by the Act for compounding with creditors, or liquidating under arrangement. Creditors, however, appear to be in no better position than they were before 1870, as in but few cases have estates yielded satisfactory dividends, and the instances where the distributions have amounted to 10s. in the pound have been exceptionally and lamentably rare. In compositions, it is a notable circumstance that the rates paid have been 30 per cent. less in 1874 than they were in 1870, and, in 20 cases out of 100, 1s. in the pound only has been accepted by the creditors. It may naturally be asked what is the reason that, under an Act of Parliament framed on the experience

of former legislation, the legal benefits to trade and commerce have become curtailed and confined, instead of having been augmented and perfected; and it appears very doubtful whether the deliberations of the 1874 Committee will ever result in the formation of a measure of a sound and practical nature, unless a clean sweep be made of the anomalous mistake perpetrated in 1869.

THREE MONTHS' FAILURES.

A correspondent writes to us on this subject as follows:

To the Editor of the Accountant.

The estimate made by the *Times* in the article quoted in your last issue, of the losses occasioned by "three months' failures," is manifestly too high. The question as to what the actual loss must be can be readily grasped, when it is considered that if the leading firms who failed within that period had been able to meet their acceptances, the subsidiary firms would have been saved.

According to the estimate made by the *Times*, £1,250,000 would suffice to pay the creditors of the Aberdare Company, and about £1,600,000 more would be required to make up the deficiency on Messrs. Collie's estate. These sums, about three millions, being supposed to be found, probably the discount houses which have failed would be restored to solvency, and most, if not all, of the subsidiary failures would have been averted. The *identical bills* on which Messrs. Fothergill and Hankey, and Messrs. Collie and Co. are liable, are many of them *repeated* in the lists of liabilities of the subsidiary firms whose names are upon them, and are *again repeated* in the lists of the liabilities of the discount houses.

The subsidiary houses and the discount houses being compelled to sacrifice what capital they would otherwise have possessed in paying dividends on these liabilities, the bill-holders benefit to a certain extent through having their names, and the national loss is not altered, the three millions being in fact paid partly by these houses, and the residue falling on institutions and firms who are solvent.

What the *Times* means by the "losses of country houses and of firms that have not failed," is not clear; but it is pretty evident that, were the total loss to the solvent part of the community set down at four millions instead of twelve, we should be tolerably near the truth. If the *Times* writer contemplated losses other than those occasioned by bad debts, no doubt there is room to suppose that in the iron trade and in the Manchester export trade these losses were large; but if bad debts alone were under consideration, we do not see how the total of such can exceed the sum which, together with the assets of the failed houses, would suffice to pay every body in full.

THE HISTORY OF ENGLAND.—A new edition is announced of "Cassell's History of England," in monthly parts. This is the history of which Lord Brougham said, "The soundest principles are laid down in almost every instance. The interests of virtue, of liberty, and of peace—the best interests of mankind—are faithfully and ably maintained throughout." It will be illustrated with upwards of two thousand engravings, and a new portrait of her Majesty the Queen, produced in the best form of art, and printed on imperial plate paper, 2 ft. 6 in. by 1 ft. 10 in., will be issued as a presentation plate with the first monthly part, which will be published on September 27th.

COURT OF BANKRUPTCY.

September 6.

(*Before Mr. Registrar* PEPYS.)

IN RE A. AND W. COLLIE.—A first meeting was held to-day, under the bankruptcy of Alexander and William Collie, lately trading in co-partnership as merchants in the City of London and at Manchester, under the firm of Alexander Collie and Co. The bankrupts in the first instance filed a petition for the liquidation of their affairs by arrangement or composition, but the proceedings fell to the ground, and on the 19th of August an adjudication was made on the petition of the London and Westminster Bank, creditors to the extent of about £460,000. The criminal proceedings instituted by that bank against the bankrupts have, it is well known, resulted in the absconding of Alexander Collie, and only William Collie now attended. There were a large number of creditors present, many of whom had come from Manchester and Scotland, where the liabilities are very heavy. The balance-sheet produced was as follows:—

	£	s.	d.	£	s.	d.
Liabilities incurred				£90,025	0	0
Liabilities subject to the payment of acceptances				1,274,292	5	5
Creditors fully secured	£164,829	1	5			
Value of security	195,876	5	0			
Surplus	£31,046	16	5			
Creditors partly secured	£42,605	11	9			
Value of securities	20,843	2	2			
Deficiency				21,762	9	7
Other liabilities				39,418	14	7
Rent, &c.				844	2	7
Liabilities on bills discounted against consignments	£606,286	11	2			
Other bills	2,059,916	8	0			
	£2,666,202	19	2			
Of which is estimated to rank against estate				480,849	19	5
Total debts				£1,890,922	16	4
ASSETS.						
Stock-in-trade at Manchester				£38,789	16	1
Book debts about				231,277	7	7
Estimated to produce				22,767	8	4
Cash in hand				9,914	14	6
Bills of exchange and surplus securities estimated to produce				7,363	2	6
Freehold premises, furniture and fittings, at Manchester; estimated balance after payment of balance of purchase-money				75,000	0	0
Property				32,160	0	0
Bills of lading in hand				2,427	11	7
Surplus from securities in the hands of creditors				31,040	16	5
Sundry accounts requiring time for realisation	£109,875	17	7			
Venture account, subject to adjustment	140,540	0	0			
Other amounts to be recovered	400,000	0	0			
				509,875	17	7
Total assets				£729,345	7	3

The total unsecured debts (apart from those for which security is held) are thus returned at £1,890,922, with assets £729,345, but comprising doubtful items in the nature of ventures, &c., in South Carolina and elsewhere to the extent of about £500,000. The separate accounts of Alexander

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Collie showed unsecured debts £1,641, with assets £45,054; the separate debts of William Collie being returned at £68, and assets £14,936. A number of proofs having been admitted, Mr. John Young, public accountant (of the firm of Turquand and Co.), was appointed trustee, the following being nominated a committee of inspection:—Mr. Henry Smith, of the London and Westminster Bank; Mr. R. Price, of the National Discount Company; and Mr. Edward Clodd, of the London Joint Stock Bank. Messrs. Travers Smith and Co. are the solicitors under the proceedings.

September 7.

(*Before Mr. Registrar* ROCHE.)

IN RE A. AND W. COLLIE.—This case was again before the Court. It seemed that Mr. John Adamson, of Blairgowrie, and the Union Bank of Scotland, large creditors against the estate, had taken proceedings by way of attachment in the Supreme Court of New York, and attached considerable sums due to the bankrupts from the American Government. An interim injunction was recently granted staying the prosecution of the attachment, and the question now arose whether, having regard to the fact that the creditors had taken the proceedings in question at New York in their capacity of domiciled Scotchmen, this Court had jurisdiction to stay such proceedings. Mr. J. Linklater was counsel for the trustee; Mr. Lucas and Mr. G. W. Lawrance appeared, under protest, on behalf of the Union Bank of Scotland and Mr. Adamson respectively; Mr. Martin, on behalf of Messrs. Harwood and Co., who had also taken proceedings, submitted to the jurisdiction of the Court. His Honour, in giving judgment, stated that the question argued by the learned counsel had to some extent been decided by the chief judge in that of "Ex parte Morton re Roberston," (*Accountant*, June 12, p. 8,) in which it was held that a Scotch creditor had waived his right to contest the jurisdiction of the Court by arguing the case; and had the learned counsel present submitted to the jurisdiction, he should have heard the present case on its merits, but he had no doubt as to what his decision should be. It was admitted that the jurisdiction of the Court of Chancery to restrain proceedings by British subjects abroad should only be exercised in very strong and extreme cases, and this was one of the weakest imaginable. The whole question was disposed of by a most luminous judgment of Lord Westbury in the case of "Cookney re Anderson," in which that noble and learned lord went fully into the civil law, and the modern European law, and came to the conclusion that he ought to dismiss a similar application. In his opinion, there was no justification whatever for the injunction, more especially as by the comity of nations the American Court would take notice of the appointment of a trustee. They were bound to assume that the Supreme Court of New York would do justice to the trustee in every respect, and if he granted the injunction there would be no power to enforce it. The injunction would, therefore, be dissolved, except so far as the same affected Messrs. Harwood and Co. No order was made as to costs.

BRADFORD COUNTY COURT.

September 3.

(*Before* MR. W. T. S. DANIEL, Q.C., *Judge.*)

IN RE TOWNEND, EX PARTE BATEMAN.—This was an application on behalf of Alexander Atkinson, the trustee under the liquidation of the affairs of John Townend, of Cleckheaton, manufacturing chemist, for an order declaring that an alleged distraint made by Thomas Bateman and John Firth, on May 20th last, upon certain goods and chattels of the debtor for the sum of £39 7s. 6d. (being two and a-half years' rent of a messuage demised by the said Thomas Bateman to the said John Townend) was illegal and void against the trustee; and that the said Bateman and Firth might withdraw from the possession of the goods distrained upon, and deliver the same to the trustee. The facts are as follows: The debtor rented a house from Bateman as tenant from year to year, at a yearly rent of £15 15s. per annum, and on May 12th, 1875, there was due from the debtor to Bateman the sum of £39 7s. 6d. for rent and arrears of rent. On May 20th, 1875, Firth, as the bailiff and acting under the authority of Bateman, distrained a portion of the goods of the debtor in the house rented by him, sufficient to raise the rent, and having made a proper seizure and inventory of the goods so distrained, left with the wife of the tenant upon the premises the usual notice of such distress, and that the goods as particularised in the schedule to the notice were impounded and secured in the debtor's dwelling-house, and that if the rent together with the charges of the distress were not paid, or the goods replevied within five days from the date thereof, the same would be appraised and sold according to law. By this proceeding the distress was duly made and completed, and the goods distrained were placed in the custody of the law and taken out of that of the debtor. On May 21st, at 6 p.m., the debtor filed his petition for liquidation, under which the present trustee was on May 24th duly appointed receiver, and afterwards at the first meeting of creditors on June 14th was appointed trustee. On May 21st, after the petition had been filed, the solicitors for the debtor sent to respondents a notice that the petition had been filed that day, and that by filing the petition an act of bankruptcy available for adjudication had been committed by the debtor. On the morning of Monday, May 24th, the respondents sent a man to the debtor's house and placed him in actual possession of the goods distrained. On the same May 24th, Atkinson was appointed receiver by order of this court, and later in the same day sent a man to take possession of all the goods in the debtor's house, who found the respondents' man in possession of the goods distrained. On the same May 24th the solicitors of the debtor and the receiver, made an unconditional tender to the respondents of the sum of £15 15s. for one year's rent due prior to filing the petition for liquidation, and such tender was accompanied by a notice which stated as follows: "It appears that prior to the filing by Mr. Townend of his petition, you made a distress upon Mr. Townend's premises for a sum exceeding a year's rent. You, however, afterwards withdrew such distress, and Mr. Townend thereupon filed his petition. It appears you have now re-entered the premises, under the pretence of continuing the distress; but this we contend you have no power to do, and the amount now offered to you is for one year's rent which has accrued due previous to the filing of the liquidation petition. "The respondent Firth in reply to such notice wrote to the solicitors as follows: "*Re* John Townend.—In reply to yours of this date, I beg to inform you that you have been misinstructed in the matter of my distraint for rent on behalf of Mr. Thomas Bateman. I made the distraint on Thursday, and on every day since except yesterday (Sunday) has my man visited the premises in order to retain possession, and when the receiver went to the place to-day he found a man in possession on my behalf. These are the real facts of the case, and I think you will see that possession has not been relinquished—Yours, John Firth." And on the same May 24th, the respondent Firth wrote to the receiver Atkinson, as follows: "*Re* John Townend.—As I understand that you have been appointed receiver in this matter, I beg to inform you that I have a distraint in the house of the petitioner for £39 7s. 6d., being two and a-half years' rent owing to Mr. Bateman of this town. The distraint was made on Thursday forenoon last, and as the five days will expire on Wednesday next, I hereby give you notice that I shall on Wednesday, if not paid out in the mean time, advertise the goods for sale at once, and shall sell on Friday.—Yours, &c., John Firth." On May 25th the debtor and Atkinson as receiver, applied to this court for and obtained an order *ex parte*, whereby it was ordered that the respondents and their bailiff be and they were thereby restrained from proceeding further with the distress for rent alleged to have been

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made by them upon certain goods of the said John Townend to recover the sum of £39 7s. 6d. for two and a-half years' rent until June 5th, should show cause to the court why the said order should not be continued until the registration of a special or extraordinary resolution in this matter, with a provision that in default of passing such resolution the order should stand discharged. The first meeting of creditors was held on June 14th. No cause appears to have been shown against the order of May 25th, and at the meeting resolutions were passed for liquidation by arrangement. Atkinson was appointed trustee, and Messrs. Lancaster and Wright were appointed solicitors. These resolutions were afterwards duly registered, and on June 17th the present notice of motion was given. After stating the facts, his Honour said,—Upon the evidence it appears that the distress was duly levied and the levy completed, and the goods effectually taken out of the custody of the debtor and placed in the custody of the law, on May 20, the day before the petition for liquidation was presented. And as there is no dispute about the sum of £39 7s. 6d. being then due for rent and arrears of rent, the respondent Bateman as landlord was entitled under section 34 of the Bankruptcy Act, 1869, to distrain for the whole amount, and the distress having been completed before the petition was filed, he is not subject to the limitation of one year's rent; that limitation applying expressly only to a distress levied after the bankruptcy. Here the distress was before the bankruptcy, and is therefore good for the whole arrears distrained for; and the only ground stated in the notice of motion, namely, the illegality of the distress by reason of its having been made for two and a half years, fails, and that might suffice to dispose of the present motion. It was argued on behalf of the trustee, that at the time the petition was filed, that is at 6 p.m. on May 21st, the goods were in the order and disposition of the debtor, with the consent of the true owner, and that this consent was not determined until Monday morning, May 24th, when Pinder took actual possession, and that previous to that time the trustee's title had by relation back accrued. In strictness, this form of objection is not open upon the notice of motion. The objection now taken rests upon grounds which are directly opposed to the objection raised by the notice. These grounds involve the admission that the distress was legal and had not been relinquished, and insist that the landlord, having become and continued the true owner of the goods, they being his property, were, with his consent, left in the order and disposition of the debtor, and were so at the time the trustee's title accrued, namely, the filing the petition for liquidation. The case was argued by analogy to that of the holder of an unregistered bill of sale, who had not taken possession, and against whom the doctrine of order and disposition prevails. But this analogy is not in my judgment applicable. The holder of a bill of sale derives title from the voluntary act of the debtor, and though as between those two parties the property in the goods passes by the assignment without actual possession taken, yet when the title of a third party accrues by an act *in invitum*, as regards the debtor, that title being completed by possession prevails over a title without possession. In the case *Swann v. Lord Falmouth*, Mr. Justice Littledale, after stating that as between the parties there was in that case an original seizure, and no abandonment, as since the 2 Geo. II. the landlord might keep the goods on the premises, proceeds thus: "The case might have been different had the question arisen between the landlord and an execution creditor or a purchaser for valuable consideration, without notice, for the landlord might be considered to have lost his right as against third persons if he neglected to give reasonable notice of it." This dictum was not required for the decision of the particular case, and was, therefore, extra-judicial; but, attributing to it all the weight that is properly due to the deliberately expressed opinion of that learned judge, I think it does not apply to the present case. The trustee is neither an execution creditor nor a purchaser for valuable consideration. So far as he derives title from the debtor he is a volunteer, and in that character can have no better or greater title than the debtor had, and as against the debtor the distress was complete. The only question is whether the trustee has acquired a title paramount under the order and disposition doctrine. The limits of the doctrine have been varied, and the variations have been influenced by the fluctuation of judicial opinion. In *Ex parte Kemp, In re Fastnedge*, Law Rep. 9 Chanc. App. 383, Lord Justice Mellish says: "In former times this clause was construed most favourably to creditors, of which there could not be a greater instance than that the words 'goods and chattels' were construed to include choses in action. In later times, the judges have given a stricter construction to the clause, and have endeavoured to confine it to cases properly within the principle," stated by Lord Redesdale in *Joy v. Campbell*, as follows: "That clause refers to chattels in the possession of the bankrupt in his order and disposition with the consent of the true owner; that means where possession, order, and disposition is in a person who is not the owner to whom they properly belong, and who ought not to have them, but whom the owner permits unconscientiously, as the Act supposes, to have such order and disposition. The object was to prevent deceit by a trader from the visible possession of property to which he was not entitled." Now applying the doctrine according to this principle, it is clear that the goods in question were never in the order and disposition of the debtor with the consent of the landlord as the true owner. From the time when the distress was levied (on May 20), the goods, although they remained in the debtor's house, were lawfully impounded there and remained there in the custody of the law, and if the debtor had attempted to remove them, or in any way deal with them so as to defeat his landlord's right under the distress, he would have been guilty of a pound breach and might have been proceeded against accordingly.

BLACKBURN COUNTY COURT.

August 23.

(*Before* W. A. HULTON, ESQ., *Judge*.)

RE WHITAKER; EX PARTE TOMLINSON.—This was an application to the court on behalf of the debtor for an order to restrain Tomlinson from further proceeding with a judgment he had obtained against him. It appeared that in June, 1874, Whitaker filed a petition under the arrangement clauses of the Bankruptcy Act for liquidation by arrangement or composition with his creditors. Tomlinson was a creditor for £29 9s. 9d., and he so appeared in all the lists of creditors (including the statement of affairs) filed by the debtor. The meetings of creditors under the petition were duly held, and a composition of 5s. in the pound was agreed upon, payable by two instalments of 2s. 6d. each, at three and six months after the registration of the resolutions, to be secured by the promissory note of the debtor, and of one Christopher Whitaker, such instalments to be paid to the trustee appointed by the creditors. At neither of the meetings was Tomlinson present or represented. On the 2nd November, 1874, the debtor paid to the trustee the sum of £100 in satisfaction of the first note, and a few days aftewards the trustee remitted the amount of the first instalment of the composition then due to all the creditors who had proved their debts. The debtor did not pay the note given to meet the second instalment at the time it became due, and in April of this year Tomlinson brought an action against him to recover the full amount of his debt. The case was tried before his Honour at Preston on the 6th July following. On the hearing it was contended that inasmuch as Tomlinson had not proved upon the estate, he was not entitled to the composition, and that a trustee having been appointed it was the duty of the creditors to apply to him for the amount of their composition. And on the other hand it was urged that it had been decided by the Lords Justices that it was not necessary for a creditor to prove

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his debt under a composition arrangement to entitle him to receive his composition, and that the trustee, having notice through the debtor's statement of affairs of the existence of the plaintiff's claim, should have paid it without proof. A verdict was returned for the plaintiff (Tomlinson) for the amount of his claim, and execution stayed for a month. A restraining order was subsequently applied for on the grounds previously stated, and that in *Ex parte Waterer; Re Taylor*, the Lords Justices had held that where a trustee had been appointed by the creditors, the debtor was not liable for any default of such trustee in not paying the composition, that a creditor who had commenced an action for his original debt against the debtor ought to be restrained, and that the trustee under a composition arrangement is not bound to tender to the creditors the amount of their composition. Tomlinson was inserted in the debtor's statement of affairs, but did not attend the meetings, nor did he prove his debt. He made no demand for payment of the composition upon the trustee, who had always money in hand belonging to the estate to pay the amount had payment been demanded, and it was contended that this case was on all fours with the one quoted. On behalf of Tomlinson it was contended that, according to the resolutions passed at the meeting of the creditors, the trustee was not appointed to receive and distribute the amount of the composition, but that he was simply appointed as a person to whom the promissory notes might be made payable, for there was nothing upon the resolutions to show that the composition had not to be paid by the debtor himself, and further that the debtor did not meet the notes in due time, and that at the time the action was commenced by Tomlinson, the trustee had not sufficient funds in hand to pay all the creditors. His Honour held that the trustee was appointed in accordance with rule 279, and that inasmuch as he (the trustee) had always funds in hand sufficient to pay the composition to Tomlinson had he demanded it, and not having so demanded it, he must restrain him from taking any further proceedings in the action he had commenced. His Honour, however, said that the amount of the composition ought to have been paid into court before the hearing of the case at Preston, and he should therefore grant the plaintiff the costs of that action.

WIGAN COUNTY COURT.

September 3.

(Before MR. WYNNE FFOULKES, *Judge.)*

Mr. France, solicitor, made an application *re* Samuel Webb, for the decision of the registrar to be set aside. At a meeting of creditors held on the 23rd of August a resolution to liquidate the affairs of the debtor by arrangement and appointing a trustee was passed unanimously, but as no statement was presented at that meeting of the affairs of the debtor, the registrar refused to register the resolution. Mr. France contended that it was the duty of the registrar to register, although no statement was presented, and called the attention of the Judge to sub-sections 3 and 4 of section 125 of the Bankruptcy Act, 1869. The Judge, however, was of opinion that the registrar had acted rightly, as the intention of the section clearly was that a statement of affairs should be produced, the object of the provision being to prevent the creditors passing a resolution in the dark. Mr. France asked for the case to be adjourned in order that he might endeavour to find a case bearing upon the point, but this his Honour refused to do.

The following are the comments of the *Law Times* on the case *Re Knowles* which we reported last week :—" In another column we report a case of some importance which recently came before Mr. W. W. Ffoulkes, Judge of the Warrington County Court. It was an application for an order directing the taxation of an accountant's charges, who had been appointed a trustee of the estate of an insolvent debtor, who had presented a petition for liquidation. It seems that during the proceedings and in the ordinary course, a resolution was passed agreeing to accept a composition, but unfortunately one resolution agreed to the payment of a sum of about £200 to the trustee. The learned judge considered that he could not interfere, although he 'should have been very glad to tax a bill so preposterous and exorbitant.' His Honour, moreover, expressed his opinion that a great change in the law was most desirable. We must say that it is certainly a monstrous state of things that a person styling himself an accountant—be he a competent man or not—should make his own terms with debtors and creditors, and be able to defy the authority and power of the court in which proceedings, which are the foundation of his charges, were commenced. It would seem that the judges of both superior and inferior tribunals are beginning to discover the evil consequences of recognising the continued existence of a new class of persons styling themselves bankruptcy accountants. The profession and the public look for radical reforms in our present bankruptcy system, which it is to be hoped will be accomplished early in the next session of Parliament. In ninety-nine matters out of one hundred there is no occasion for the office of accountant trustee in cases of bankruptcy or insolvency."

CREDITORS' MEETINGS.

B. TATTERSALL (WESTGATE).—A meeting of the creditors of Benjamin Tattersall, of Westgate, Haberham Eaves, near Burnley, draper, was held on Friday, the 3rd instant, at the Bull Hotel, Burnley. After some discussion, it was resolved to liquidate by arrangement, Mr. Alexander Atkinson, of Bradford, accountant, being appointed trustee, and the proceedings were transferred to the Bradford County Court. Messrs. Terry and Robinson, of Bradford, were appointed solicitors in the proceedings.

H. C. MOUNSEY (HALIFAX).—A meeting of the creditors of H. C. Mounsey, oil and grease manufacturer, was held at the offices of Mr. Walter Storey, solicitor, Halifax, on Monday. The statement of affairs was produced by Mr. Roberts, of the firm of Foster, Roberts and Co., public accountants, and showed liabilities as follows, viz. unsecured creditors, £1,401 5s. 1d.; fully secured, £682. For rent, rates, &c., £20 14s.; liabilities on bills discounted, £70. Total £2,173 19s. 2d.: against assets consisting of stock and plant £300; book debts estimated to produce £70; property £400; and also property partly in the hands of secured creditors, £800. Total, £1,570. It was resolved to liquidate the estate by arrangement, and Mr. Roberts was appointed trustee, with a committee of inspection; Mr. Storey to register the resolutions.

J. D. HILTON (GREAT YARMOUTH).—A first meeting of creditors under the bankruptcy of Joseph Deare Hilton, of Great Yarmouth, grocer, was held at the office of the Registrar of the County Court, Great Yarmouth, on 7th September, when Mr. Lovewell Blake, of Hall Quay-chambers, Great Yarmouth, public accountant, was elected trustee, with a committee of inspection. Messrs. Worship and Rising are solicitors in the proceedings.

M. WILLIAMS (LIVERPOOL).—The first meeting of creditors of Maurice Williams, of 10 Berey's-buildings, cotton broker, was held on Tuesday at the Court-house, 80 Lime-street, before Mr. Registrar Watson, and proofs of debt were presented amounting to £5,706 3s. 10d. The total liabilities, it was stated, were about £11,200, and assets estimated at £1,250. Mr. Henry Bolland, accountant, was appointed trustee, with a committee of inspection. Messrs. Miller, Peel, and Hughes were nominated solicitors to the trustee. The public examination before the court is fixed for the 8th October next.

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FAILURES.

ENGLAND.—Messrs. Samuel Freeth and Co., of the Phœnix Iron Works, Millwall, and the West Drayton Iron Works, have suspended payment, and the books are in the hands of Messrs. Robert A. McLean and Co. The liabilities are estimated at £30,000, and the assets at £11,000. A petition for liquidation has been presented, and Mr. McLean has been appointed receiver and manager of the works which, are being continued by him.—Mr. John Hammond, of 6 and 7 Avenham street, and 1 Friargate, Preston, wholesale and retail draper, filed a petition for the liquidation of his affairs by arrangement or composition with his creditors at the office of the Registrar of the Preston County Court on the 28th ult. The liabilities are estimated at £5,529 11s. 5d. The first meeting of creditors has been summoned to be held at the office of Messrs. Joshua Crowther and Co., accountants, Bath Chambers, York-street, Manchester, on Wednesday, the 15th inst., at three o'clock in the afternoon.—The failure is reported of the old-established firm of Tysoe and Sons, fine spinners, of Salford. The liabilities are estimated at £50,000, and the assets at from £25,000 to £30,000.

SCOTLAND.—Messrs. George Burgess and Co., merchants, New York, with a branch house in Dundee, have suspended payment. Their liabilities are variously estimated at £30,000 to £50,000, and a favourable realisation is expected. The debts fall chiefly upon jute spinners and manufacturers in this district, and in some cases the amounts are considerable. The firm is an old-established one—having formerly been Burgess and Meade—and had long been in good credit. The failure is understood to have arisen from losses on the other side, and was quite unexpected here.

IRELAND.—Charles Johnson, wine and spirit merchant, Tunstall, and of the Royal Hotel, Malahide, near Dublin, has filed a petition in liquidation in the County Court of Hanley. The liabilities are £15,000, and the assets unascertained.

CANADA.—Advices received from Canada report the failure of Messrs. Moffat Bros., Toronto, with liabilities of £6,000.—Mr. J. M. Leavitt, of Courtney Bay Glass Works, and Allan Bros., founders, St. John, N.B., have both made assignments. Several small failures have occurred in Montreal.

AMERICA.—American advices announce the failure of Mr. William H. Locke, calico printer, of Possaic, New Jersey, with liabilities of £160,000.—Mr. William Braden, a prominent merchant, and real estate dealer, Indianopolis, Ind., has made an assignment; liabilities £30,000.—Mr. C. S. Whistler, Devonport, Ind., has also made an assignment, with liabilities of £20,000.—Messrs. John Mayall and Co., dry goods dealers, Colorado, have failed; liabilities £14,000.—Messrs. Simon G. Gove and Co., tanners, N.H., with liabilities of £10,000.—Messrs. Ferdinand, Hertz, and Co., produce exporters, 50 Broadway, New York, have suspended.—Mr. George Reeves, coal merchant, N.J., with liabilities of £10,000.—Messrs. Graham Bros., Baltimore, with liabilities of £12,000.—The suspension is announced of William A. Perry, at No. 817 Broad-street, Newark, N.J. The affairs of the firm are complicated with the settlement of the bankrupt firms of Howell and Co., of Newark, and T. W. Sprague and Co., of Cincinnati. The liabilities are estimated roughly at 140,000 dols.—The failure of the firm of Edmund and Lewis Dunham, clothiers, at No. 815 Broad-street, Newark, is also announced. No statement of assets and liabilities has been made.—A telegram from Ottawa, Canada, says that the statement of the affairs of D. W. Coward and Co., insolvents, shows their liabilities to be 100,000 dols., and assets 80,000 dols.

GERMANY.—It is announced that Messrs. Gottleib, Gunther and Co., and Messrs. Rocholl Brothers, of Remscheid (Prussia), have for the present suspended payment, owing to some severe losses that they have sustained in the trade. Mr. J. F. Reike, of Remscheid, father-in-law to Mr. F. W. Rocholl, is appointed general liquidator to both firms. The liabilities of Messrs. Gottleib, Gunther and Co. are estimated at about £16,000.

Messrs. Robert A. McLean and Co. notify that certificates of the Company of Bondholders of the Bay of Havana Railway are now being exchanged, at their offices, 8 Old Jewry, for Bonds of the 1st Loan of £250,000, the 2nd Loan of £100,000, and the 3rd Loan of £400,000.

LOANS IN AID OF PUBLIC WORKS.—In the last financial year the Public Works Loans Commissioners advanced sums amounting to £2,318,759 by way of loan in Great Britain. Among these loans are £1,676,154 to School Boards; £460,979 to Sanitary Authorities; £83,140 for harbours, docks, and piers; £46,292 to Local Boards and Boards of Health; £26,700 under the Labouring Classes' Dwellinghouses Act of 1867; £12,794 for workhouses; and £7,000 to the Portpatrick Railway Company. In Ireland the Commissioners of Public Works advanced in the year sums amounting to £286,845. Among these loans are £102,005 for improvement of lands by drainage, erection of farm buildings and cottages, planting for shelter, &c.; £46,285 for advances to tenants for purchase of their farms, and to landlords for reclaiming waste lands, and compensating tenants for improvement; £52,966 in aid of construction of Railways; £39,236, for river drainage; and £26,781 for glebe loans. The account of the Paymaster-General (Dublin) shows also that sums amounting to £220,452 were advanced in the year in Ireland by way of loans under various Acts of Parliament for public works other than those under the management of the Commissioners of Public Works; the chief item is £217,861 for the building and support of lunatic asylums. The principal outstanding at the end of the year, the balance of advances made in Great Britain and Ireland under various Acts, after allowing for repayments made, and for sums remitted (chiefly on public works loans in Ireland), is stated in the finance accounts as amounting to £14,635,775.

At the meeting of the Congress on International law at the Hague, two important papers on bills of exchange were read. The first, by Mr. H. D. Jencken, was upon negotiable paper and paper to bearer. After showing the great importance of this class of securities, which in fact, he said, included even properties such as bonds, bills, bills of lading, dock warrants, and those which the text writers described as "imperfect paper to bearer"—namely, postage-stamps, railway tickets, &c., Mr. Jencken sketched out the history of these commercial documents, and gave an interesting outline of their origin, progress, and final development, dating as far back as the year 1275; when Marguerite, Countess of Flanders, issued Treasury bonds payable to bearer. In Venice, in the year 1171, an office of public loans, called the *Camera del Imprestito*, to meet the necessities of a disastrous war, issued promises to bearer. While in France and commercial Holland their employment was all but universal, merchants, battling step by step, in England had tardily compelled the Courts to admit the transferability of paper to bearer, even in the case of bills of exchange; and, Mr. Jencken pointed out, the English had to this very day refused to acknowledge a floating debt to bearer. The more scientificpart of this paper dealt with the legal definition of these instruments, and concluded with the following conclusions:—1. That the *minimum* value of a bond or share shall be limited to £4 (100f.) 2. That, after 50 per cent. of the nominal value has been paid up, bonds or scrip to bearer shall be issuable. 3. That they shall be transferable by delivery. 4. That the property conveyed by delivery shall not be hampered by any rights of third parties. 5. That the words "to bearer" shall appear on the face of the instrument itself. And, finally, that no private person shall be allowed to issue paper to bearer. In the concluding remarks Mr. Jencken suggested that in the case of a public loan or issue of paper by a joint-stock company the funds shall only be allowed to be touched after the holding of a meeting of the allottees, and disclosure in such meeting of all contracts and matters relating to the security issued to the public; all the documents being filed at some public office, including the minister of the public meeting.

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THE FINANCIAL CRISIS IN SAN FRANCISCO.

New York papers give detailed accounts of the failure of the Bank of California, and the subsequent financial troubles. The following despatch, published on Friday, August 28th, gave the first intimation of the failure:—

"San Francisco, California, August 26th.

"The Bank of California stopped paying cheques at 2.45 to-day. President Ralston stated orally, on his own responsibility and that of the officers of the bank, that there was no doubt they would be able to meet all obligations. Mr. Ralston further stated that about 1,400,000 dols. was paid out to-day. No assistance was received from other banks, although application had been made for it. They had telegraphed to all the agencies of the bank to close. The excitement in California-street was intense. The street was blocked during the afternoon."

The following telegram announcing heavy failures at Baltimore was received the same day:—

"Baltimore, August 26th.

"Sterling, Ahrens and Co., said to be the largest importing house in the United States, suspended payment this afternoon. Mr. Ahrens thinks the liabilities amount to about 2,000,000 dols., but that if the assets are judiciously administered, the creditors can ultimately be paid dollar for dollar. He assigns as the causes for the failure the general depression of business and shrinkage in the value of coffee and sugar, of which the firm have a large stock on hand. The debts of the firm are due to parties in this city and in Cuba almost exclusively. It is said that the business of the firm footed up 40,000,000 dols. per annum."

Summarising the situation on the following day (Saturday, August 28th), the *New York Times* says:—"The San Francisco failures are not likely to have any direct effect upon the commercial or financial business interests of this city, or indeed of any part of the country east of the Rocky Mountains. The news naturally created some excitement at the opening of business yesterday. Gold went up a little, and there was a rush to sell stocks, amounting to quite a small panic for awhile, 74,000 shares being disposed of at the morning board. Gradually, however, returning reason, combined with reassuring reports from local quarters, and a strong effort on the part of the stock bulls to uphold the market, tended to calm down the general feverishness, and the close of business left things nearly as they were the day before. The news of the failure of the Bank of California came upon the street like a thunder-cloud out of a clear sky. Every where the bank was regarded as one of the strongest institutions of the kind on the Continent. William C. Ralston was of Missouri parentage, and began life as a hand on a Mississippi steamer. In 1850 he was in Panama, a member of the firm of Fretz and Ralston, who were the agents of Commodore C. K. Garrison on the Isthmus. From 1852 to 1857 the firm of Garrison, Fretz and Ralston flourished in San Francisco. In the latter year Commodore Garrison came east, and a new firm was formed under the title of Donohue, Ralston, Kelly and Co., which lasted until 1862 or 1863. In 1865 Ralston took a leading part in the organisation and establishment of the Bank of California, which he has just led to its ruin. The bank was started on a capital of 2,000,000 dols., which was increased two years ago to 5,000,000 dols. Mr. Mills was made president, and Mr. Ralston cashier. More than a year ago Mr. Mills resigned, and Mr. Ralston was elected to his place. Both men were accounted extremely wealthy. Mr. Mills is probably so still, though if he be, as is believed, a trustee of the bank, and therefore liable for its indebtedness, his fortune will probably suffer considerable diminution. Two years ago Mr. Ralston's private wealth was estimated at 20,000,000 dollars. Mr. Ralston was by all accounts a man of restless energy, and unbounded liberality as well as great financial genius. 'There was no enterprise of any importance on the Pacific coast in which he was not foremost,' said a banker yesterday, who knew him well. When asked to name some of the principal enterprises in which he had been engaged, the answer was a repetition of the above sentence, with the word 'every' strongly accentuated. 'You can name nothing,' added the banker, 'in which he was not.' This policy of widespread speculation is believed to have been the indirect cause of the disaster to the bank over which he presided. The theory as to the direct cause that found most supporters in Wall-street yesterday was the following:—Ralston, with the Bank of California at his back, and aided by his or its vast interest in the silver mines of Nevada, wielded such a tremendous power not only over the commercial and financial destinies of the two States, but also over their politics, as naturally to arouse the envy and opposition of men of wealth and energy under his rule. A number of such men did get together, and the result was the organisation of the Bank of Nevada, with a capital of 5,000,000 dollars, and a right to increase it to 20,000,000 dollars. These men were J. C. Flood, William S. O'Brien, Samuel McLean, J. W. Mackey, and James Fair. Flood and O'Brien are known as 'the rich Bar tenders.' They kept a whisky shop in Sacramento-street for a number of years, and also owned an interest in certain of the Nevada mines. McLean was formerly a member of the firm of Wells, Sargo, and Co., and afterwards president of the Pacific Mail Steamship Company. Mackey, who is reputed to be the richest man on the Pacific coast, his fortune being estimated at 75,000,000 dollars, was working in a tunnel at 4 dollars a day sixteen years ago. These men are the owners between them of the Consolidated Virginia, Kentucky, Gavage, and Hale and Norcross mines. Taking advantage of the widespread manner in which Mr. Ralston had been scattering the funds of the Bank of California, and of his involvement in mining stock speculations, they sold their own stocks short to him, and when they knew him to be full of them, and short of gold, called upon him suddenly for margins, and broke the bank. They were aided in this, it is said, by one of the rival banks, who locked up all the gold it could get. It was stated by another gentleman, thoroughly informed regarding the financial business of California, that the Flood-O'Brien party, though distinct from the clique of the Bank of California, had in no way joined in an attempt to compel its suspension, but on the contrary, for several months, ever since the rumoured embarrassment of the corporation, published during the past spring, had done every thing in their power to sustain the tottering institution. To this end the incorporators of the New Bank of Neveda had received a proposition from the directors of the Bank of California to purchase their goodwill; but an investigation of the books made it evident that this could not be done, except at a great loss, at the terms proposed. In general terms, the Flood and O'Brien party, though they had gained supremacy in the great Nevada mines, to the exclusion of the Bank of California, did not care to see the latter fall to the ground, on account of the damaging effect that it would have not only upon their own interests but throughout the coast.

"The latest advices from San Francisco indicate that the failure of the Bank of California will have no lasting effect upon the financial world, and that commerce in this section at least will be in no way injured by it. In consequence of the failure of the bank, the National Gold Bank and Trust Company, and the Merchants Exchange Bank of San Francisco, two rich and powerful institutions, were obliged to close their doors. The directors of both institutions declare their ability to meet every demand upon them, but state that their temporary suspension is rendered necessary by the scarcity of gold, which, it will be remembered, is a circulating medium in California. There, there seems to be no possibility of a continuance or spread of the panic, and in the opinion of the best-informed business men of this city the money-market of San Francisco will in a few days return to its usual condition. It is probable that the mining interests of the Pacific Coast will be for a time interfered with by the failure of the Bank of California, but, as already stated, it is believed that its sus-

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pension will have little or no effect upon the country at large. To avert the possibility of further trouble, the Treasury Department at Washington is now engaged in transferring large sums of gold to aid the California banks. A telegram from San Francisco, dated Friday the 27th, says the excitement consequent on the failure of the Bank of California seems to be subsiding. The crowd on California-street is much less than at the opening of business this morning. The run on the London and San Francisco Bank ceased with a large surplus remaining in values. There was a slight run on the Anglo-California Bank on its opening this morning, but it soon subsided. The first National Gold Bank reports 'every thing secure,' and the same may be said of the Bank of British Columbia, the Pacific, and Commercial Banks. Private banks report no excitement, and every thing is going on as usual. Generally speaking, all the city banks are considered sound except the Bank of California. There has been a slight rush on the Hibernian Bank and Savings Bank, but demands were promptly met within the rules as expressed in by-laws of the institution. A later telegram on the same day says the Board of Directors of the Bank of California held a meeting on that day, and Mr. Ralston was requested to resign as president and director, which he did. As regards the financial prospect, in the best informed circles it is believed that all the banks will go on without further trouble. The town is full of rumours. The streets at this hour (8 p.m.) are crowded with people. It is understood that, owing to the excited feeling manifested, arrangements have been made to call out the military to preserve order if necessary. President Ralston committed suicide about 5.10 o'clock. This afternoon a close carriage drove rapidly to the side door of the Bank of California, when a gentleman jumped out in a state of excitement and ran into the bank. In response to inquiries, the driver of the carriage said he had just left the drowned body of the President of the Bank, Mr. Ralston, in charge of an officer on the beach near the smelting works, in the north part of the city. From the best information obtainable, it appears that he went to a sea-bathing establishment at the North Beach at about 3.25, undressed, went into the water, swam about 200 yards, and disappeared behind a vessel. Soon after his body was discovered floating by the Selby Lead Works, and was brought ashore still alive. A physician was summoned, but all efforts to resuscitate him failed, and he died at 4.50 p.m. Colonel Fry, his father-in-law, Mayor Otis, and a number of prominent citizens arrived before he expired. Colonel Fry and Captain Lees went to the bathing house, and obtained Mr. Ralston's clothes, in which were found a few dollars, and his statement to the Bank, but nothing having any tendency to show that he committed suicide. His body was conveyed to No. 1,812 Jackson-street, the residence of Colonel Fry. A boy named Festus Mazzele states that he saw Mr. Ralston before he reached the house, saw him sit on the clay bank near the smelting works, saw him tear up several papers and throw the scraps into the water. Search was made for the pieces, but none could be found. It is also reported that he was seen to drink the contents of a phial before going into the water."

Fraudulent Bankruptcy.—At the Central Criminal Court, Henry Webb, a china and earthenware dealer, was sentenced to one month's imprisonment with hard labour, for making false statements at the meeting of his creditors to induce them to agree to liquidation.

Miscellaneous Revenue. — The accounts of our public income, after stating the well-known great items of revenue, conclude with "miscellaneous receipts," approaching four millions sterling; and the recent issue of the Finance Accounts for the financial year ending with March last presents an opportunity for observing the component parts of this large amount. India contributed some £655,000 towards the military and diplomatic expenditure of the Empire, charged on the other sides of the accounts; and colonial governments £253,000. The year's interest received on loans for public works advanced from the Exchequer reached £467,000. There is an item of nearly £139,000 payable annually by the Bank of England out of the profits of issue; this was formerly deducted from the gross charge payable to the Bank for management of the public debt. There is also an item of £300,000, the diminution of the cash balance in the Treasury chest, and another of £48,000 for "small branches of the hereditary revenue." Among the miscellaneous receipts by Naval and Military Departments there is an item of as much as £464,000, with only the brief and general explanation that it is for "repayments for stores supplied" (perhaps to Indian and Colonial Governments), "sale of old stores, and other extra receipts." The fees, &c., received by public offices amount to £561,000; these include £34,000 for House of Commons fees, nearly as much, also, received in the House of Lords, fees of honour received in the Queen's Household, and fees and fines in Courts of Justice. Other large sums for constituted fees in Courts of Justice paid by the use of stamps are entered as receipts under the head of "stamps," and some persons might be misled by this entry of some of the fees of the courts in one part of the accounts and some in another. The miscellaneous receipts (other than fees) by civil departments amount to £424,000. Here are entered a host of items:—Unclaimed wages and effects of deceased merchant seamen; sale of British Museum publications; sale of Common Law Courts printed cause lists; product of labour of convicts; repayment of enclosure and drainage expenses; receipts for brokerage on purchase and sale of Chancery investments; produce of Dublin police tax, pawnbrokers' licence duty, and carriage revenue; sale of school books by the Irish Education Office; Mint profit on bronze coinage; rents received by the Office of Works for Westminster-bridge estate, &c. and sale of materials; parental contributions to reformatory schools, £16,200; sale of waste by the Stationery Office, £29,023; sale of House of Commons papers, £1,482; and a long string of other items. Then come miscellaneous receipts by revenue departments, £347,000. Among these are rents received by the Customs Department and receipts for special attendance of officers; Inland Revenue fines and penalties, receipts by the Post Office from India and Australia on account of the mail packet service; also £103,000 from the National Debt Commissioners for charges of management of Post Office savings-banks and insurances, and £4,420, the amount of "void money orders." Finally, come some items with no pretence of classification; among them are £7,890 repayment from Greece towards our loss by guaranteeing the Greek loan, £68,531, last instalment of the indemnity payable by Japan under the Convention of 1865; £6,326, part of the revenue of the *Gazettes*, other part being collected by means of stamps. These "Finance Accounts" cannot be regarded as conveniently arranged. We want an annual statement, which need not occupy above 20 pages probably, showing the actual income of the year last past classified as far as may be, and with all the main items stated, and, on the other hand, the actual expenditure arranged in a certain number of classes, and with all the large items shown. Such an account should, of course, equally include charges on the Consolidated Fund and payments voted by Parliament, and indeed need take no notice of "votes," but should show actual expenditure, and show the amount for every department or establishment—the salaries, pensions, general expenses, maintenance of buildings, and all other charges, and stating also the amount of fees and other receipts, whether obtained in cash or by requiring the purchase of stamps. An account of this kind used to be obtained annually on motion made in the House of Commons, in the later years by Mr. W. Williams, but the return seems to have departed with him. If ever revived and resumed, as it deserves to be, the arrangement of the items should be reconsidered and the account made rather fuller; in 1864 it occupied only 13 pages. It would be much more serviceable for general use than the Blue-book of "Finance Accounts."

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COSTS IN BANKRUPTCY.

The following reports and remarks are from a contemporary:

A somewhat remarkable application was some time since made to the judge of the Blackburn County Court. It was an application under Rule 292 of the Bankruptcy Act for an order directing that the proper officer of the court should not tax the costs of a solicitor incurred in a petition for liquidation by arrangement and composition with creditors by a bankrupt, and asking his Honour to direct that the said costs be not paid out of the proper estate of the bankrupt. The chief ground for this unusual application was, that but for the action of the solicitor at a meeting of creditors called in consequence of a liquidation petition, the creditors would have agreed to resolutions continuing the liquidation proceedings, and bankruptcy would have been avoided, and the liquidation proceedings would nat have proved abortive. After a lengthened argument, the learned judge said, that in order to make out a case for refusing to allow the costs of the liquidation, something very strong ought to be shown, because rule 292, upon which the application was founded, is in express terms—that where a bankruptcy occurs pending proceedings in liquidation by arrangement, the proper course is for the trustee to pay the costs of the liquidation "unless the court shall otherwise order." There is *primâ facie* an unquestionable title, on the part of the solicitor to the debtor, to have those costs paid, and they ought to be paid unless something is shown which either affects the bankrupt himself in the institution of the proceedings, or affects the conduct of the solicitor in the proceedings in the bankruptcy or the liquidation. From first to last it was a fair contest between the parties whether one gentleman or another should be appointed on the committee of inspection. His Honour did not think there was any imputation in the slightest degree against the solicitor, and did not see any reason why the costs of the proceedings should not be paid out of the estate.

With reference to the employment of accountants in proceedings under the Bankruptcy Act, it is gratifying to find County Court judges following in practice the opinions so aptly expressed by Quain, J., at the recent assizes. The following is reported in regard to a case heard in the Winchester County Court, before Mr. P. M. Leonard, judge. A debtor had filed a petition in bankruptcy, and his solicitor desired a restraining order as to two summonses, so that there should be no undue preference. It was desired to have an accountant appointed receiver. His Honour said he had decided never to appoint an accountant to be receiver, and desired to know what security the creditors had if the restraining order were granted. 'It was the old story where debts were liquidated by a dividend of a penny perhaps in the pound. He expressed again his determination never to appoint accountants as receivers. If creditors would only refuse to consent to liquidation proceedings, and compel every debtor to go into bankruptcy, they would often get perhaps 10s., or even sometimes 20s. in the pound, at a cost of not more than £5 per cent. in the way of expenses.' Although we cannot concur with his Honour in the moderate view he takes of the costs of bankruptcy proceedings, we trust that other judges will adopt his belief as to the evil arising from appointing so-called accountants as trustees in liquidation.

The Associated Chambers of Commerce.—A special meeting will be held at Leeds on the 21st and 22nd inst., at which Mr. Sampson Lloyd, M.P., President of the Chambers of the United Kingdom, will take the chair. On the evening of the 22nd, Alderman Barran, President of the Leeds Chamber, will give a dinner to the members of the association at the Queen's Hotel, Leeds; and on the 23rd, excursions will be made to different places of interest in the neighbourhood, and the principal manufactories in Leeds and the neighbourhood will be visited, as may be found most convenient. The programme of business is not yet completed, but resolutions on the following subjects among others will be discussed:—The desirableness of all Imperial taxes being collected by the Inland Revenue; the introduction into Parliament next Session of a Bill for the Compulsory Registration of Firms; the appointment of a deputation to the Postmaster-General, with a view to a more moderate tariff for telegraphic messages between England and France, and to the removal of the anomaly of charging 4f. for a message from Paris to London, and 6f. from Paris to English towns beyond London. At the request of the Paris (British) Chamber, the Executive will be asked to take the necessary steps for the early introduction of a Bill into Parliament to adopt the metric system in the United Kingdom. On the subject of Private Bill legislation, the Executive, being convinced of the necessity of effecting some reform in the present costly and uncertain system, press upon her Majesty's Government the desirableness of adopting certain resolutions (set forth), prepared by Mr. Dodson, formerly Chairman of Committees of the House of Commons, with a proviso that a local inquiry should be made before a provisional order be issued, as suggested by Mr. Dodson, by a permanent tribunal of a judical character, before which both promoters and opponents shall be heard in open court, and the decision of which shall be subject to confirmation by Parliament. As to Public Bills in Parliament, the Executive will propose a memorial to the Prime Minister, declaring the desirableness that Bills which have been read a second time in either House of Parliament shall be taken up at the same stage in the next ensuing Session of the same Parliament. Both the Executive and the Bradford Chamber have proposals for the appointment of a Cabinet Minister of Commerce. The Hull Chamber have on the paper a notice referring to limited liability companies, to the effect, that every such company be required annually to file, with the Registrar of Joint-Stock Companies, a copy of its profit and loss account and balance-sheet for the preceding year, together with a statement of the principle on which its assets have been valued, such statements to be signed by the chairman or deputy-chairman and the secretary, under penalties similar to those provided by the Regulation of Railways Act, 1868, and that the Executive Council be and is hereby requested to bring this matter before the Board of Trade. On behalf of Newcastle and Gateshead, it will be moved that, with the view of carrying out one of the suggestions contained in the report of the committee of the association on bankruptcy, already adopted, it is deemed expedient that the Bankruptcy Act should be extended by statutory enactment as under:—1. That it shall be compulsory upon every trader to keep books of account showing all his transactions. 2. That the same should be periodically balanced and made up to the time of his insolvency. 3. That on non-performance of either of the above, no trader shall receive his discharge. 4. That the failure to keep proper books, or to have them periodically balanced and properly posted up, shall be an offence, punishable in the same manner and by the same process as offences in bankruptcy are made punishable under the existing law; and the non-production of proper books by an insolvent trader, whether in bankruptcy or liquidation, shall *ipso facto* be deemed fraudulent, and the omission considered as done with the intent to deceive. The Northampton Chamber will recommend that, in any alteration of the Bankruptcy Act, 1869, it is desirable that farmers should be excluded from the schedule of non-traders. The Bradford representatives will recommend that County Courts ought to be made Courts of first instance for all commercial suits without limitation of amount, the legal Judge to be assisted by two honorary mercantile Judges. Other subjects to come before the association at Leeds are the Patent Laws, Bills of Sale, Halfpenny Letter Post, and Public Prosecutors.

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MESSRS. COLLIE.

At Guildhall on Monday, Mr. William Collie surrendered in discharge of his bail before Sir Thomas White, to answer the charge of conspiring, with his brother Alexander Collie, to defraud the London and Westminster Bank of large sums of money, amounting to upwards of £300,000.

Mr. Poland, instructed by Messrs. Travers Smith and Co., appeared for the London and Westminster Bank; and Mr. Coward, of the firm of Hollams, Son, and Coward, appeared for the defendant.

The particulars of the case will be fresh in the recollection of our readers. Mr. William Collie, of No. 8 Aytoun-street, Manchester, of the firm of Collie Brothers, of 17 Leadenhall-street, and his brother Alexander Collie, appeared before Sir Thomas White, conjointly, on this charge, and at the last examination, a month ago, Mr. Alexander Collie did not put in an appearance, having absconded, and his bail was forthwith estreated. It will also be remembered that Mr. Serjeant Parry stated to the court that the Union Bank of Scotland (whom he represented) had obtained a warrant against Mr. Alexander Collie for £170,000.

Mr. William Collie was in court some time before 12 o'clock.

Mr. Poland: Sir Thomas, in this case, since the adjournment, I need hardly tell you that a reward of £1,000 was offered by the directors of the London and Westminster Bank for the apprehension of Alexander Collie, and every effort has been made to apprehend that person. At present these efforts have been unsuccessful, but we still hope that we may succeed in bringing him before you at some future time. Whether it will be so or not, of course, time alone can show. All we can do we have done, and will do, to secure the re-arrest of Mr. Alexander Collie. In those circumstances, I have to apply to you for a further adjournment of this case until such a day as you may think right and proper to fix.

Mr. Martin (the Chief Clerk): I forgot to ask whether the solicitor for Mr. William Collie was present. I am reminded that he has not yet arrived.

Mr. Poland: Then I must wait. I myself thought he was present.

Mr. Martin (to the defendant): Do you expect any legal representative here to-day?

The Defendant: Yes. Mr. Coward will be here to represent me. [Mr. Coward having arrived,]

Mr. Poland said: I was just observing that I thought my friend, Mr. Coward, who represents the defendant, was in court. I was remarking that we still had a hope of arresting Alexander Collie, but we thought that the more convenient course would be to have another adjournment, to such a time as would be convenient to all parties. It would not, I think, be desirable to take a short adjournment at this time of the year, because it would be difficult to get the witnesses together. It would, therefore, be better, under all circumstances, that I should apply for an adjournment till some day in October, when we may hope to have a more definite statement to make to you, and I hope also one of a more satisfactory character.

Mr. Martin (the Chief Clerk): It has been suggested that the 18th of October would be a convenient day.

Sir Thomas White: First of all, Mr. Martin, suppose we ask whether the bail of William Collie are present.

One of the gentlemen, who is bail for the defendant, at once answered in the affirmative; and at the request of the Chief Clerk, he and his colleague came to the front of the court.

Sir Thomas White: I need not tell you, Mr. Poland, that the eye of the world is upon you in this case. It entirely rests with you, gentlemen, on both sides. If the solicitors for the prosecution and the defence are agreed, I am quite satisfied.

Mr. Poland: I am sure a somewhat lengthened adjournment would be the better course.

Sir Thomas White: Is it understood that is the wish of the defendant as well as the prosecution?

Mr. Coward: I have no objection to raise on the part of the defendant.

Mr. Poland: Would the 18th of October, then, be convenient?

Sir Thomas White: Mr. Poland, I will not hear of any thing like the word "convenience" being suggested so far as I am concerned. We are here as servants of the public, and however inopportune the time may be, in the interest of justice and of the public, I am ready to be here.

Mr. Poland: I am sure, Sir Thomas, from my experience of yourself and your colleagues in this court, nothing would stand in the way of your attending here when the interests of the public are concerned; but what I intended to convey was, that if a future day must be fixed the convenience of the court must be consulted.

It was then agreed that the case should stand adjourned until the 18th of October, at 12 o'clock, with the same bail, under the same recognisances—that is, the defendant, William Collie, in the sum of £4,000, and Mr. George Yule and Mr. Theodore Andreae, each in £2,000.

Mr. Andreae intimated that he feared he would be obliged to leave the country on his own business before the 18th, and wished to know whether substituted bail would answer the purpose of his attendance.

The Chief Clerk having arranged this matter to the satisfaction of all parties, the proceedings were adjourned to the 18th of October.

Collapse of a Limited Company.—On Monday, an extraordinary special meeting of the shareholders in the Silkstone Fall Colliery Company Limited, which was floated a few years ago with a capital of £50,000, was held at the King's Head Hotel, Barnsley, for the purpose of taking into consideration the present position of the company, and passing a resolution to wind it up voluntarily by liquidation. Mr Baker, chairman of the company, presided. In 1865 an attempt was made to float the colliery with a capital of £100,000. The attempt proved abortive, and a year or two later it was brought out with a capital of £50,000, the first dividend paid being 25 per cent, and that it was stated entirely out of the capital of the company. So rotten was the concern that the whole of the first board of directors save one had their shares presented to them, and in March last the chairman moved that the capital should be reduced from £50,000 to £10,000. It was also agreed at that meeting to discontinue working a so-called Silkstone pit, owing to the worthless nature of the coal. Until a recent period the directors worked the Thorncliffe seam for the purpose of the coal obtained from it, which they consumed in burning bricks and working a bed of fire clay. The quality of both the clay and the coal was found to be very inferior, and the directors having heavy waggon leases to pay, they resolved to wind-up the company, and bring all to a stand. The chairman explained at great length the deplorable position in which the company were placed. Being without funds, the directors had to guarantee the bank from loss in order to keep the thing afloat, and they had been compelled to sell part of the plant to pay off the bank. Mr. Kimber (London) moved a resolution to the effect that it having been proved to the satisfaction of the shareholders, that this company could not by reason of its liabilities carry on its business, it be voluntarily wound-up. Mr. Culpin seconded the motion, which was carried. Mr. Crabtree (Halifax) moved, and Mr. Chambers seconded, that Mr. Baker, the chairman, be the liquidator. Mr. Warwick (London) moved, as proxy for Mr. J. Dawson (Exeter), and seconded himself, that Mr. J. V. Young, public accountant, of London, be the liquidator. The show of hands was in favour of Mr. Baker, and a poll was demanded.

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Mr. S. J. Beswick has been appointed receiver and manager to the estate of Mr. William Killingbeck, tailor and draper, Snaith. Mr. Beswick has also been appointed receiver to the estate of Mr. M. Joseph, hat and cap manufacturer, Park-lane, Leeds. A meeting of the creditors of Eleanor Cluderoy, of Infirmary-street, Bradford, was held on Wednesday, at the offices of Mr. Mumford, solicitor, Bradford, when it was resolved to liquidate the estate by arrangement, and Mr. S. J. Beswick, accountant, Leeds, was appointed trustee, with Mr. Hardwick, solicitor, Leeds, to register the resolutions.

John Pattinson, (of the firm of Harry Brett, Milford, Pattinson and Co.,) of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed trustee of the estate of Andrew Holland Hingston, formerly of 58 Bold-street, Liverpool, in the county of Lancaster, chemist and druggist, but now of 123 Gloucester-road, Regent's-park, in the county of Middlesex, of no occupation. Mr. E. W. Owles, 22 Chancery Lane, W.C., solicitor to the trustee.

Harry Brett (of the firm of Harry Brett, Milford, Pattinson and Co.), of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed arbitrator on behalf of the liquidators of "Hester and Company, Limited," in liquidation.

Harry Brett (of the firm of Harry Brett, Milford, Pattinson and Co.), of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed trustee of the estate of R. H. Armit, of 33 Abchurch-lane, E.C., and 93 Regent-street, W., commission and financial agent, with a committee of inspection.

FRIENDLY SOCIETY IRREGULARITIES.—Some very unpleasant discoveries have just been made in connection with the Burngreave funding societies at Sheffield. They were established eleven years ago, and the investors in them were a poor but provident class. For some weeks past it has been impossible to obtain any withdrawals, and a committee has been appointed to investigate their affairs. They find that at the present time the investments amount to about four thousand pounds, about three hundred has been lent at fifty per cent. interest; where the remaining sum has gone has not been ascertained. The revelations made have caused great excitement in the neighbourhood.

VALUE OF CITY PROPERTY.—One of the finest and most important vacant sites in the City of London, at the corner of Threadneedle-street and Bishopsgate-street, having commanding frontages thereto, the whole covering an area of about 3,600 feet, has recently been let by Messrs. Harvey and Davids, at a ground rent of £2,600 per annum, and it is proposed to have erected thereon a handsome pile of buildings suitable for bankers, public companies, and merchants, of the estimated rental value of over £8,000 per annum. The lessee has commenced the work with unusual energy, and there is no doubt but that he will find the transaction a very profitable one, as there is a great demand for offices in this locality.

TO CORRESPONDENTS.—L. B. Thanks; you will see that we have quoted similar paragraphs. They are scarcely worth notice.

LATE ADVERTISEMENT.

AN ACCOUNTANT (6 years established) would like to meet with a gentleman of experience in the profession, who possesses a good business connection, with a view to partnership.—Apply, in the first instance by letter only, to "G. D.," 59 Lincoln's Inn Fields, W.C.

RESTAURANT,
13 OXFORD STREET,
Near the corner of Tottenham-court-road.
Known as the BODEGA, now under the new management of Mr. L. BOECKER, late of 13 Idol-lane, City.
Luncheons from the joints, hot or cold, including vegetables and bread, 1s. 3d
Dinners from 12 till 4 o'clock, from the joint, with soup or fish, vegetables, cheese and bread, 2s.
Dinners from 6 till 9 o'clock, from 2s. 6d. to 10s. 6d.
Private Dining Rooms for large and small parties on the Second Floor.

MONEY to LEND to BORROWERS residing in town or Country, from £50 upwards, repayable in one sum, from one to five years, at five per cent. interest on personal security; also on mortgage of freehold or leasehold property from 3 per cent., for a term of years to be agreed upon. No commission.
Apply to R. F. PRESTON, Esq., 120 Southampton-row, London, W.C.

"The source of many a writer's woe has been discovered."
PENS! PENS!! PENS!!
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Another blessing to men! The Hindoo Pen.
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Patentees, MACNIVEN & CAMERON, 23 to 33 Blair-street, Edinburgh.

THE BIRKBECK BUILDING SOCIETY'S ANNUAL RECEIPTS EXCEED THREE MILLIONS.
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30 Moorgate-street, E.C., 23rd July, 1875.

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The Accountant.

SEPTEMBER 18, 1875.

Now that it is pretty generally admitted that the law of bankruptcy has been relaxed very much in favour of the debtor, it may be worth while to consider some of the enactments of former statute law on the subject, and see exactly how far the stringency of their provisions has been modified; and by so doing, we may form an opinion how far a retrograde movement may be expedient. With reference to imprisonment for debt, we must say at once that it is a practice which ought never to be restored as it existed previous to the passing of the Debtors Act. To arrest a man for debt, and to punish him like a criminal for not having the means to pay it, is simply barbarous. It would be far wiser to restore a still more ancient practice, and to condemn the debtor to work out his debt, than to shut him off from any means of getting a livelihood, and so prevent him from paying his creditors. But with the increased deference which is paid to the liberty of the individual debtor, has come a great want of control over defaulters. Bankruptcy is now resorted to as an easy means of escape from all difficulties, instead of a measure of the most extreme self-preservation. How far this is attributable to the leniency of the law we propose to examine.

Theoretically the practice in bankruptcy is marked by the most admirable principles. The estate is to be administered in the interest of all creditors, and they have absolute power to do what they think most expedient. On the other hand, the debtor is entitled to his discharge on certain lenient conditions; and so long as he has only made away with half as much as he received, can claim it as a matter of right. But the creditors have the control over the discharge, and in the case of liquidation their resolution is an essential preliminary. The assent of the creditors to the discharge is not of unbroken usage. Under 4 & 5 Anne, cap. 17, the power of granting a certificate to the bankrupt is vested in the commissioners alone. A statute of the subsequent year provided that the certificate should be first signed by four-fifths in number and in value of the creditors. The power, though modified by succeeding statutes, was still vested in creditors till the year 1842, when the signatures of the creditors were dispensed with, and power was given to the commissioner, either to allow the discharge, or suspend it, or grant it upon such conditions as he might think fit, subject to confirmation of his action by the Court of Review. The Act of 1849 did away with the necessity of confirmation, but granted a right of appeal. Under this act, certain proceedings on the part of the bankrupt are stated to have the effect of making the

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certificate void (section 251), and certificates were by schedule Z, to the act, divided into three classes. The first-class certificate was granted only where the bankruptcy had arisen from unavoidable losses and misfortunes; the second class, where it had not wholly arisen from unavoidable losses and misfortunes; and the third class, where it had not arisen from unavoidable losses or misfortunes at all. These distinctions were abolished by Lord Westbury's Act in 1861.

To Lord Westbury belongs the honour, such as it is, of having endeavoured to cut down the discretionary powers of the commissioners. According to the act, and the interpretation of its provisions which he himself gave in his judgment in the well-known case of *Re Mew and Thorne*, the discharge must be granted, unless the bankrupt has been guilty of certain offences specified in the Act. These are: 1. Carrying on trade by fictitious capital. 2. Contracting debts without reasonable expectation of payment. 3. Neglecting, if a trader, to keep proper books. 4. Failing through rash and hazardous speculations, or extravagant living. 5. Vexatiously defending any actions. The Act of 1869 sweeps away these offences, and makes the order of discharge consequent upon payment of ten shillings in the pound, with the exceptions specified in the 48th section of the Act, with which all our readers are sufficiently familiar. It is obvious that the modern provisions are much more favourable to the debtor, and it is impossible to look through the clauses of the Act of 1861 without seeing that the re-enactment of some of them would meet many of the complaints which are so loud against the working of the Act. The third provision, especially, is one which all accountants would consider of importance. Incorrect books, sometimes no books at all, sometimes books so arranged and made up as to be misleading to any one who has not the key to their solution, are common occurrences in bankruptcy; and one of the great difficulties is to prepare a clear statement of affairs. Why this provision, so essential in impressing proper business habits on a trader, has been cut down into altering or falsifying books within four months of bankruptcy, it is difficult to say. Moreover, the omission to keep books was an omission that might be punished in various ways by the commissioner; the offences against the Debtors Act involve the machinery of a prosecution, and a trial before judge and jury, with even the possibility of a judicial lecture on the heinousness of incurring any further costs. The fifth offence is one which has almost entirely died out. Just as smuggling came to an untimely end when free trade became universal, so nobody ever thinks of defending an action vexatiously when so ready a means is at hand of getting rid of all debts and liabilities at one clean sweep. But the clause as to rash and hazardous speculations, is one which would be of peculiar importance in the present day. How many debtors are there whose collapse is owing, not to unavoidable misfortunes in business, but to speculations on the Stock Exchange, or ventures quite beyond the scope of their ordinary trade! Under the old Act there were fewer cases in which the assets bore an infinitesimal ratio to the liabilities. The re-enactment of this provision would cure a great evil. Many a firm has been induced to endeavour to recover some part of its losses by speculation, sure of but little notice being taken of such proceedings.

Lastly, we would urge, as to orders of discharge, that it would be as well to distinguish more clearly between the purely ministerial duty of realising the assets, and the judicial duty of examining into the conduct of the debtor. When men make a practice of resorting to liquidation as an easy mode of escape from their embarrassments, on the condition of giving up the portion of their creditors' money that they have not succeeded in irretrievably wasting, it is time that a check should be put upon such criminal vagaries. Every one must pity honest misfortune; but at the same time a suicidal leniency must not be extended to recklessness and dishonesty.

Two Scotch cases which we report this week illustrate admirably the simple mode in which people contrive to become bankrupt, with only nominal assets to set against a large account of liabilities. The first is the common case of a man starting in business with no capital, and looking upon the bankruptcy law as a means kindly devised by a paternal legislature for relieving him from any anxiety on the score of his pecuniary responsibilities. Mr. Duncan McLaren, indeed, seems to be thoroughly experienced in the art of whitewashing. He starts as a bankrupt in 1868, and then having given up all his property to his creditors, among whom is included a friendly one in the shape of his father, he commences life anew by buying a business for which he never pays. Less than four years afterwards, he calls a meeting of his creditors, when his balance-sheet, which is then made out for the first time,

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shows that he can pay exactly five shillings in the pound. A brief space of two years elapses, and then Mr. McLaren, feeling that *on revient toujours à ses premiers amours*, betakes himself again to the protecting shades of the Bankruptcy Court. This time his statement of affairs is even less favourable to his business capabilities. He has to show liabilities of over £1,100, his assets being £140—as nearly as possible one-eighth part of their amount—and he has contrived to make bad debts and losses to the amount of £1,338. What the future of Mr. McLaren will be it is difficult to predict, and it might be as well for his country to consider the advisability of supporting him at the public expense. It seems clear that if he again urges on his wild career as a trader, it will result in no benefit to him, and positive loss to those with whom he may chance to do business. Possibly, improved legislation may result in preventing the repetition of such a story as this. Even the much-abused Act of 1861 would have been of some efficacy; but the much-vaunted Scotch law is simply powerless. We hope that Mr. McLaren will confine his energies to his own country, where they have been so successful, and resolutely turn his back to the "noblest prospect that a Scotchman can ever see."

The history of Messrs. Wilson and Armstrong is no less instructive, and the frankness with which Mr. Walter Armstrong favoured the Court with his autobiography, leaves nothing to be desired, except that no such story may ever have to be told again. Mr. Wilson and Mr. Armstrong are tweed manufacturers, their joint capital, including stock, plant and buildings, amounting to £18,500, of which Mr. Armstrong contributed £3,500. For some time their business throve amazingly, and it was this exceeding prosperity that was the first cause of their misfortunes. Finding that money poured in upon them, they began to speculate with more vigour than judgment, and in 15 years they succeeded in losing £240,000, while of this a large amount was lost in pure speculation. Theirs was not the case of men ruined by the unforeseen chances of trade; their failure, as the senior partner candidly stated, was owing entirely to the "losses made by their London house out of trade and speculation." This, surely, is a case in which it is an abuse to invoke the protection of the law. There, again, the provision of the Act of 1861 against engaging in hazardous speculations might advantageously be brought into play. The creditors of the firm in their proper mercantile capacity suffer heavy loss, not from any causes which, in the ordinary course of trade, quick foresight might have enabled them to have checked, but because of these gambling transactions, utterly foreign to their legitimate business, in which the partners saw fit to engage.

We hear a great deal of the vast superiority of the Scotch system in all mercantile matters, but we suspect that a good deal of the boast is founded more upon the national characteristics of the Scotch than on any very searching comparison of the two systems. Such cases as the two we have commented on, show that the bankruptcy law is a mere farce played for the amusement of the debtor, or it would be impossible for a man to fail three times in six years; and that the fever of gambling and speculation is just as keen among the prudent inhabitants beyond the Tweed as it is among the more fervid southern race. Formerly there was some amount of disgrace attached to bankruptcy; and it would be better to let the law press heavily on debtors, than to see it contemptuously made use of as it is at present. In these instances, at least, the fault is more with the law than those concerned in administering it.

The rights of dissenting creditors under a composition are now fully ascertained, and the case of *Re* Whitaker *Ex parte* Tomlinson, which we reported last week, has been decided in the fullest accordance with the most recent authorities. The section of the Act which regulates compositions, gives power to the court to enforce the debtor's obedience to the resolution in a summary manner, or the creditor may, if he prefers it, bring his action for the full amount of his debt. But where a trustee has been appointed, it is simple justice that the debtor shall not be punished for default on his part; and so it has been held that no action can be maintained against the debtor if the trustee neglect to pay the composition. As regards the argument that the trustee is bound to pay the composition without requiring any proof of the debt, the position of the law is rather curious. A creditor cannot vote at a general meeting in respect of "any debt the value of which is not ascertained," and these words have been decided to include untaxed costs; but a compounding debtor is bound to estimate their value, and pay the composition on the estimated amount. This is, however, a different thing from saying that no proof of the debt should be required. It would, in the case referred to, have been competent to a trustee to show that the debt was fictitious altogether. The distinction between the creditor's remedy, in cases where there is a

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trustee and where there is not, is obvious. If the debtor neglects to pay, he may be sued, or punished by the court. If the trustee neglects his duty, the proper course is to apply to the court to compel him, and not to try to recover what is virtually a penalty from a man who has performed his share of the bargain, and has had, moreover, no voice in the election of the trustee.

We have often said that the right of refusing registration to resolutions for liquidation and composition has been unduly strained, though doubtless with good results; but there can be no doubt whatever as to the duty of a registrar, to satisfy himself that all necessary formalities have been observed. In the case of Samuel Webb, at the Wigan County Court, the registrar refused to register a resolution for liquidation because no statement of affairs had been presented to the meeting. As against this refusal, the 3rd and 4th clauses of the 125th section were quoted, to show that the registration was a matter of course. Whether the amount of the assets should influence the registrar's decision has long ago been decided in the affirmative, though the creditors, who know that the arrangement is illusory, have come to a resolution which "whitewashes the debtor." But the presence of the debtor, and the production of his statement, are essential parts of the formalities of the meeting, and the registrar is bound to inquire if all due formalities have been observed. Mr. Webb's solicitor asked for an adjournment, to find authorities. We will present him with one. In the case of a composition, unless a statement of debts and assets, with the names and addresses of all creditors, has been produced, a resolution to accept a composition cannot be registered. This is decided by *Ex parte* Sidey, reported in the 24th volume of the *Law Times*. Further, the statement must show a clear distinction between joint and several debts. It is plain, therefore, that the registrar is bound, not only to require the production of the statement, but to examine it.

ANSWERS TO CORRESPONDENTS.

"A SUBSCRIBER."—A stamp must be affixed on all receipts for sums amounting to £2 or upwards. We never heard of any exception in bankruptcy cases.

RENT.—A trustee *may* disclaim a lease, even though he has taken possession; and in that case, the surrender is held to relate back to the adjudication, and no rent would be payable. But we have inquired of legal friends, and are told they can give no decided opinion on the point. Our impression is that the £15 only is payable, but it is a question which must be decided by judicial authority. Perhaps some of our readers can give further information.

Correspondence.

FAILURE OF THE BANKRUPTCY LAW UNDER "FREE TRADE."

To the Editor of the Accountant.

SIR,—*The Hour*, some short time since, published a series of letters signed "Hyde" under the above heading. The letter appearing in that paper on the 31st August, commenced by criticising the sale of the Report of the Comptroller in Bankruptcy for three-halfpence in lieu of the price at which the writer valued it, namely one shilling. "Hyde" complained also of the "wholesale fraud committed under that amiable process called bankruptcy," and accuses people of selling their goods without a profit and becoming insolvent according to the modern commercial system, and charges the authorities with setting the example by selling documents "at less than cost price, and levying direct taxes to make up the loss;" and thereupon went a little into the statistics furnished by the report in question, and argued that "the law ought never to give a man a clearance from his debts and liabilities."

There is a great deal of reason in some of "Hyde's" remarks, but I cannot agree with him that if a man meets once with a misfortune he shall have no chance of retrieving his position. Furthermore, I am a believer in "free trade," but I certainly think that the expression is entirely misconstrued, not only by the existing bankruptcy law, but also by creditors themselves. The present practice appears to be to grant unreasonable credit upon the slightest provocation, to allow men to squander or divert their assets in the most reckless and barefaced way, and then, on their filing a petition, to accept any composition which they may be graciously pleased to offer, or hush up the matter quietly under liquidation. Now, sir, my idea of "free trade" is, to give liberty to every man to try his luck, if he thinks he sees his way; but for creditors themselves to ascertain whether they are asked to trust a *speculator*, or a hard-working and intelligent man. It is certain that the overcrowded state of England, and the keenness of competition, render it very difficult for small men to hold their own against wealthy or unscrupulous houses unless they possess ability and energy above the average, and therefore, in spite of a man's best efforts, he may find it impossible to succeed. There are also many circumstances connected with trade and credit (for trade means credit) which prevent a man from making a positive certainty of success, even after the most careful calculations. I should, therefore, be sorry to see a law which prevented an honest but unfortunate man from getting his release; while, on the other hand, I should like to see a law which would render it impossible for a man, *without the unanimous consent of all his creditors*, to effect an arrangement of less than twenty shillings in the pound, unless the deficiency were first clearly explained and authenticated.

I recently attended a meeting whereat a statement of affairs was submitted, showing liabilities to the amount of £140,000, against trade assets of £2,700 only, which were increased by supposed surpluses from the separate estates to a total of £13,500. The difference between £13,500 and £140,000 is not small, and some of the creditors very reasonably desired to know what had become of this large sum,—whether the alleged losses had been incurred during the last year, whether they were of ten or twenty years standing, or whether a purse had been made for the secret benefit of the debtors. But this the debtors positively

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declined to explain, and treated the very suggestion as an insult. It was urged that the misconduct of the debtor of itself justified recourse to bankruptcy, and many of the creditors in the room seemed to be of that opinion, and desired a strict investigation and public *exposé* of the matter; but the majority of the creditors elected to liquidate, and I suppose we shall hear no more of it.

Now, sir, I believe very much in amicable arrangements between debtors and creditors, and strongly advocate compositions, although not so profitable to all parties as liquidations or bankruptcy; but I do not believe in men hanging on until they have practically eaten up every thing, and then quietly escaping from their debts by way of liquidation. In my opinion, creditors should use some discrimination, and when they get hold of a glaring case make a thorough example of the delinquent, reserving all their pity for persons deserving of sympathy.

I am, Sir,
Yours faithfully,
PUBLIC ACCOUNTANT.

London, September 10th, 1875.

A QUERY.

To the Editor of the Accountant.

SIR,—Will you kindly say which is correct of the two following interpretations of the 34th Section B. A., 1869:—*A. B.* was bankrupt 25th May: at that time he owed landlord the half-year's rent, due 12th May previous to the bankruptcy; also a balance of £2 10s. of previous half-year, in all £15. The trustee only vacated premises a day or two prior to another quarter's rent becoming due. Landlord claims to be paid in full for what has accrued subsequent to the bankruptcy, as well as the £15 previous to it. Trustee thinks he should rank for the subsequent quarter as a *common debt*, not being of opinion that the Act contemplated whatever was deficient of a year's rent prior to bankruptcy was to be made up by adding thereto what had accrued during the bankruptcy. Can you tell me which is correct?

Your obedient servant,
RENT.

MR. REGISTRAR ROCHE.

To the Editor of the Accountant.

DEAR SIR,—I am sure all your readers will learn with much regret the death of Mr. Registrar Roche. The cases which come before the learned Registrars are not always of the most respectable character, and many are the opportunities of testing the patience and temper of the Judges of that Court. Mr. Registrar Roche, while he knew how to uphold the dignity of the Court, will leave behind him a good name for patience and invariable courtesy; and his death will, I am sure, be regretted by many accountants. I, for one, shall miss his old familiar face and pleasant ways.

H. B.

London, 15th September, 1875.

THE BANKRUPTCY COURT.—The stamp duty in bankruptcy matters realised a net sum in the year ended March 31 of £63,072 10s. 7d.

COURT OF BANKRUPTCY.

September 14.

(*Before Mr. Registrar* PEPYS.)

IN RE ANDERSON, DUNCAN, AND ANDERSON.—The debtors, John Anderson, John Duncan, and George Gray Anderson, trading in co-partnership as merchants at 17 Philpot-lane, under the firm of John Anderson and Co., and at Colombo as Duncan, Anderson, and Co., had presented a petition for the liquidation of their affairs, and at a meeting recently held the creditors resolved to liquidate the estate by arrangement, Mr. Bishop, accountant, Tokenhouse-yard, being appointed trustee, with a committee of inspection. A statement of the joint affairs disclosed liabilities to the extent of £144,746, and assets £31,595, besides doubtful items returned at about £42,000. The case now came before the court upon the hearing of an application for leave to register the resolutions, and in the absence of opposition registration was ordered.

IN RE HEALD, MATHWIN, AND CO.—The debtors, Joseph Heald, William Mathwin, Francis Brichta, and William M'Allum, were merchants, ship and insurance brokers, commission agents, and steamship owners, of Billiter-street, and also trading at Newcastle-on-Tyne and Constantinople, under the firm of Heald, Mathwin, and Co. Liquidation of their estate by arrangement has been agreed upon, Mr. T. Y. Strachan, accountant, Newcastle, being appointed trustee, and the debtor's discharge was also granted. Liabilities returned at £51,146, and assets £21,022. Registration of the resolutions was now allowed.

(*Before Mr. Registrar* PEPYS.)

IN RE DA COSTA RAALTI AND CO.—In this case the creditors had agreed to liquidate by arrangement. The liabilities amount to £135,580 10s., and the assets £85,290 9s. 7d. It was stated that a question of great nicety had arisen with respect to the connection of the firm with that of Messrs. Behrend Brothers, of Alexandria, whose affairs were being liquidated under the German law, and the relations were such that, without being actual partners, each firm was entitled to participate in the profits of the other, and important questions would have to be determined both in the law courts of this country and Germany as to the amount of the profits to which they were entitled. The applicant, however, contended that even a quasi-partnership with a foreign firm would not disentitle an English firm from taking the benefit of the bankruptcy law, still less would it prevent the registration of a resolution of the creditors. The relations between the two firms could only be determined in the courts, and their decision would only affect the distribution of the assets. His Honour, taking this view, decided that the resolution must be registered, and made an order accordingly.

RE ROBERT BENSON AND CO.—The debtors in this case were London and Liverpool and American merchants, who recently failed for £82,900. The resolution with reference to the joint estate has been registered, but on the application to-day to register that with reference to the separate estate, Mr. J. Linklater stated that the resolution had been objected to in the office, on the ground that two of the debtors were formerly in partnership with the late Mr. Robert Benson, and that his executors must be made parties to the proceeding and his estate liable. After hearing a lengthened argument, his Honour decided that, inasmuch as the two debtors in question were continuing partners, being surviving members of the old firm, and that a new firm was constituted on the death of Mr. R. Benson, he had no jurisdiction, sitting as Registrar, to enter into the legal question, but was bound by the proceedings, which appeared to be regular. Registration ordered.

IN RE DOWSE BROS.—His Honour also ordered the registration of a resolution for liquidation by arrangement in the case of these debtors, who were potato salesmen in the metro-

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politan markets, and who recently failed for £140,190. In the course of the proceedings Mr. Linklater took occasion to express the regret felt by himself and the profession generally at the great loss the court had sustained in the death of Mr. Registrar Roche, who was much esteemed alike for the soundness of his decisions and his courteous and kindly bearing towards all who had to come before him. It appears that the deceased registrar's death was not quite so sudden as has been stated. He had complained of being unwell for some days, and especially on Tuesday last, when he sat as liquidation judge. Mr. Registrar Pepys also expressed his sorrow at the death of his learned colleague, and stated that, finding his health failing, Mr. Roche had taken an early vacation, in the hope that an interval of rest would restore his powers, but unfortunately such was not the result.

Mr. Henry Philip Roche was a member of Lincoln's Inn, and was called to the Bar in Michaelmas Term, 1848. He was appointed one of the Registrars of the Court of Bankruptcy by Lord Westbury, in acknowledgment of the services he had rendered in framing the Bankruptcy Act of 1861.

EDINBURGH BANKRUPTCY COURT.

September 9.

At this Court yesterday, Duncan M'Laren, carrying on business at Bread-street as an ironmonger, under the firm of M'Laren and Son, appeared before Sheriff Hallard for examination in bankruptcy. Bankrupt, in answer to the trustee, Mr. James Drummond, C.A., stated that he was sole partner of the firm of M'Laren and Son, and that he commenced business in Bread-street, at the end of 1868. He got the business which had been previously carried on by his father and brother, but he had no capital. The sum he had to pay for the goodwill and stock was £213, but no part of that sum had yet been paid. Previous to taking over the business of his father and brother he had been in difficulties, and obtained a degree of *cessio* in March 1868. Every thing that he then possessed was made over to the trustee, including his furniture, which was sold to his father for £15 odds. His father took delivery of the furniture, which was moved out of the house, and bankrupt left the town. On returning to Edinburgh the greater part of the furniture was restored to him. He went on in business till 1872, but during the whole of that time he never took a balance sheet. In 1872 he called a meeting of his creditors, and his state of affairs then showed a dividend of 5s. in the pound. There were between £200 and £300 of bills granted by bankrupt for the accommodation of others in the hands of the bank. He paid 5s. in the pound on his liabilities under the accommodation bills, 20s. in the pound to some of his trade creditors, and the claims of some of them which were not so extinguished were carried forward. Some time ago he became a member of four building associations, his object being to make money—(laughter)—and specially to get their contracts for the furnishing of ironmongery. His anticipations of making money in this matter were not realised, but, on the contrary, he attributed his present bankruptcy chiefly to his connection with these building societies. These associations owed him, for work done and materials supplied, accounts amounting to between £400 and £500, and he was under large liabilities as a member. In the case of two of these associations, meetings were held to allot the houses among the members; the allocation was made but not carried out. In the year 1869 he bought four houses in Dalry Park-terrace at the price of £550 for the whole lot, and he borrowed a sum equal to the price on the security of these houses. He also gave in as security a policy on his own life, for the sum of £200. He had no other property transactions. In June, 1874, he opened at Haymarket-terrace, a branch establishment of his ironmongery business. He left the branch on 25th May last. He had got the stock for £15 when he went into the shop, but he did not pay the money, and he made over the stock to his successor in the place, Mr. Hay, on condition that he would pay the sum and the rent to the landlord. The stock had grown in value from £15 to £17, and he got the difference. All the four building associations of which he was a member were insolvent, so far as he knew, and they were all under the management of a judicial factor or trustee. His liabilities were £1,124 8s. 7d., besides unascertained building association claims, and the assets £140 3s. 11d., excluding claims of £45 against building associations, being a deficit of £984 4s. 8d. He handed in to his trustee a list of bad debts and losses to the amount of £1,338 5s. 3d. No goods had been removed out of his shop since sequestration, except in the ordinary course of trade. In answer to Mr. Roy, bankrupt said he was not in a position to place any value at present, as an asset in his estate, on his claims as a member of the four building associations. The principal men of these societies were practical men connected with the building trade. These societies got estimates for the erection of their houses, but in dealing with these estimates the members of the association got the preference. He could not remember any case in which a contract was given to an outsider. Mr. Roy—Did it not come to this, that the taking of estimates was a mere farce and form? Bankrupt—It served as a check upon the member who got the contract. There was no limitation of liability in these building associations. The statutory oath was then administered.

COURT OF BANKRUPTCY, DUBLIN.

September 8.

(*Before* JUDGE HARRISON.)

IN RE WM. BORTHWICK.—The bankrupt had been a seed merchant, carrying on business in North-street, Belfast. Mr. H. Fitzgibbon and Dr. Houston, instructed by Messrs. Armstrong and Johnstone, Belfast, appeared for the assignees. Mr. Falkiner, Q C., instructed by Mr. Browning, appeared for Mr. Kirkpatrick, who claimed to be a creditor on the estate. The case came before his Lordship on appeal from the ruling of the Chief Registrar, dated the 16th of August, admitting the proof of the alleged debt of Mr. Kirkpatrick for the sum of £602 18s. 8d. The application was for an order that the ruling should be reversed or varied, and that the proof of the debt should be expunged, or only admitted subject to the condition that all the creditors of the bankrupt should be first paid in full, the allegation being that the said J. J. Kirkpatrick was a partner of the bankrupt, and that he was not entitled to a share of the profit of the trading carried on with the moneys in respect of which the said proof of debt had been made. It appeared that on the 16th of August, a meeting for proof of debts was held before the Chief Registrar, and on that occasion Mr. Kirkpatrick was examined and cross-examined at considerable length by counsel, and after argument the Chief Registrar admitted Mr. Kirkpatrick's proof to the amount in question, £602 18s. 8d. From that ruling the present appeal was brought. Mr. Kirkpatrick had served his time to the bankrupt. His apprenticeship expired in 1870, and after its expiration he entered into the employment of Mr. Borthwick, as he stated, at a salary. Mr. Fitzgibbon, Q.C., opened the case, and referred in detail to the evidence of Mr. Kirkpatrick, contending that it showed a partnership between himself and the bankrupt. Mr. Kirkpatrick was employed as a salesman and buyer, and he lent £800 in different sums to the bankrupt, on which he was to receive 5 per cent. The condition besides, on which, it is stated, he lent the money, was that he was to get half the profits on what was known as the Irish Flax account, in the purchase of which flax the money so lent was to be expended, and which was to be security for the loan. It was contended on the part of the assignees that the agreement constituted Mr. Kirkpatrick the partner of the bankrupt. Counsel having been heard on both sides, Judge Harrison said he would take time to consider his decision.

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JEDBURGH BANKRUPTCY COURT.

The adjourned examination in bankruptcy of Messrs Wilson and Armstrong, tweed manufacturers and warehousemen, Hawick and London, was held yesterday in the Court-room, Jedburgh, for the purpose of questioning Mr. Walter Armstrong both as a partner of the firm and as an individual. Bankrupt having been sworn, deponed in answer to the trustee —When I joined Mr. Wilson, in 1853, I was possessed of about £3,500 of capital. Mr. Wilson's capital was about £15,000, in cash, buildings and plant. That, I understand, was the capital of which he was possessed after deducting liabilities. Our business was as manufacturers and merchants, and until about 1861 we confined our business to that, when we began to speculate in stocks. I should say it was owing to our having spare money in our business that we invested it in shares. We accumulated money rapidly in London, to say nothing of what we made in Hawick as well. At first our investment account was kept exclusively at Hawick, but afterwards we opened books for investments managed in London; but the annual balance statements were sent down to Hawick, the figures being there filled in, and the profit and loss accounts were there made up. There were frequent changes in the investments. Our transactions on the Stock Exchange never exceeded, I should say, £200,000 in any one year. The investments at Hawick were entirely separate from those in London. In one or two instances, the transactions were initiated by Mr. Wilson, such as the Iberian Irrigation Company, for which the whole money was found in London, and which ultimately resulted in a loss of £9,000. This transaction was gone into on the representation of Mr. Bateman, and with my full cognisance. For some time I received copies of the general balance-sheet made up at Hawick, but for several years I have not received any copy, but, generally speaking, the result was communicated to me in conversation by Mr. George Wilson. I first found that I was in difficulty for want of money in the early part of 1874. Our trade previous and up to that time had been fairly satisfactory. I attributed the difficulty in which I found myself to losses in speculations in which the firm engaged. I cannot at this time particularise the losses I refer to, but from the depreciation in certain stocks on which we had been formerly able to borrow, and from absolute losses on other transactions, we had some difficulty in carrying on our speculations. I did not at that time inform Mr. Wilson that we were pinched for money. I never informed him that we were in any difficulty until Collie and Co. failed; indeed, I did not consider that the firm was in any difficulty until that event happened. It was well-known at Hawick from our daily correspondence that we were pressed for money in London, because we applied to them for money.

When did you first begin the system of adventures conjointly with other persons?—To the best of my recollection the first joint adventures were entered into at Hawick, in wheat and wool, about the year 1860. From that time we have had many such transactions, jointly with other persons, and have had a share in adventures along with other firms. Some of these transactions were carried on in Hawick, and others in London. We were cognisant of each other's transactions to a large extent, but there were some transactions in which I was engaged which were not communicated to Mr. Wilson. The principal of these were the French Property Company and a joint adventure with Frith, Sands, and Co. The transactions relating to the French property were entered into in 1871. I think two days before I became seriously unwell, an illness which necessitated my absence from all business for five or six months. The purchase price of the French property was about £140,000. There were four partners, and we were each equally interested. On my recovery I was informed that the property could have been sold at a price which would have yielded £80,000 of profit, but one of the other partners held out for a larger price, and the opportunity was lost. It was expected, however, from time to time, that the property would be realised, and it was not till 1872 that we required to grant any acceptances on account of the price. These acceptances were granted to Alexander Collie and Co., who did the finance connected with this purchase. The bills have been renewed from time to time. It was in these circumstances that my entering on this speculation for the firm of Wilson and Armstrong was not mentioned to Mr. Wilson at the time, but the cash payment on account of the deposit was entered in our books, and formed an item in the list of investments returned to Hawick, and I observe that it is included as an asset of the firm in the balance-sheet as at April, 1873 to 1874. The French property adventures consist of the Seyssel Pyremont Asphalte Mine and Manufacturing Company; the Lawsal mine, in Savoy; the Schavroch property, including a chateau and forty-eight acres of land. There are two or three other parts on the lower part of the Rhone—of which I do not recollect the names, and there is an asphalte mine in Sicily. Along with the mines we purchased the works of the Paris Asphalte Paving Company. This latter business was purchased by the French Property Company for £70,000—£50,000 in cash and £20,000 in shares. The property is held by Mr. Callendar. He holds this property under a deed of sale, which was signed by me for our firm, but whether that deed has been executed by my co-adventurers I cannot tell. I am quite sure it was not executed by Mr. Collie. Mr. Callendar gave no consideration at the time or since for the deed. He may have been at some outlay in connection with the property, as he is working it; but I consider that one-fourth of the properties above described unsold is an asset of the firm subject to adjustment of accounts.

Did you ever explain to Mr. Wilson what the French property was? I told Mr. Wilson very little about this transaction, as I expected it to be closed speedily with a profit. I am not aware that I told him I had granted acceptances to Collie in connection with this transaction. These acceptances were regularly entered in our books. We had other joint adventures with Messrs. Collie in seven or eight different matters. In these cases Collie and Co. drew upon Wilson and Armstrong, and I attribute the bankruptcy of our firm to the stoppage of Collie and Co. The whole of these adventures are still open, and in some of them there is a large amount of property which ought to have met our acceptances. Previous to the failure of Collie and Co. in June last, we had suffered considerable losses in our speculations, but when the Collies stopped we found it impossible to carry on business.

To what do you attribute the bankruptcy of your firm?—I attribute the bankruptcy of our firm in the first instance to my illness, and I had never the strength to recover the control of matters. My cashier was a Mr. Casswell, in whom I had great confidence, but shortly after the stoppage of the firm he absconded, or rather he went away and has never been seen since. (Laughter.)

Have you made any endeavour to find him?—I have used my best endeavours to find him, but without avail. He had the exclusive charge of the cash.

Are you aware that the cash column had not been added up for the previous twelve months?—I am now aware; but I never looked at the cash-book, trusting every thing to Casswell. The books show a balance unaccounted for by him of between £2,000 and £3,000. Some of the investments belonging to the firm were taken in the name of Casswell—a very common practice in London. The purpose of this was to conceal the true ownership, and the reasons for doing so were that the holding of many stocks tends to discredit the holder if he were a borrower, and another reason is that the stocks could be dealt in more readily.

Are there any other persons holding investments in the name of the firm?—There are none at present, but there have been. At the date of the stoppage Casswell was, to the best of my recollection, the only party holding stocks or other securities belonging to the firm, not held by myself or Mr. Wilson. At the date of my illness Casswell got the keys of the safes in which the securities were kept, and he retained

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them until he left, when he gave them to the London accountants who were called in.

Have you found that all the securities are paid for?—I believe the whole of the securities can be accounted for. So far as regards the firm's transactions in London, the state of affairs by the London accountant is, to the best of my knowledge and belief, a true statement of affairs, and I account for the deficiency of over £200,000 by handing to the trustee a list of losses which occurred in the London house, viz.: 1st, Losses by public companies enumerated, £25,400; 2nd, losses by Spanish land and irrigation companies, £24,000; 3d, bad debts in trade, £21,600; 4th, losses in shares and stocks, £21,000; 5th, consignments and adventures, £18,500; 6th, loss through Messrs. Collie and Co., £60,000; 7th, bills payable, £8,600; 8th, bills receivable, £60,000—total £239,100. I believe this statement to be a true statement of the losses, with the explanation that the loss through Collie is rather understated. A number of these losses through public companies were ascertained long previously. Some of these had been written off in the balance-sheet, while others were carried on until they lost all hope of securing them. We never balanced our books in London, but we regularly, at the close of each year, sent certain materials to Hawick, from which Mr. Wilson prepared the balance-sheet. We never had any profit and loss account in London, and so far as I know in Hawick. I have furnished to my trustee a list of the joint adventures carried on with eight different parties—also a list of certain adventures in which we had a share with other firms, five in number. The speculations in shares were carried on either in name of Mr. Wilson or myself, or a third party for behoof of the firm; but when I say the firm, I mean that Mr. Wilson and I alone shared in the profits of the speculation.

You said, when you commenced to speculate in 1861, that you had made money fast in London and in Hawick. Were you not at that time accepting bills from manufacturers in payment of tweeds they sent you? We might have been accepting bills to manufacturers from whom we purchased goods, notwithstanding that we had so much money, but such acceptances would be more advantageous in some instances than by taking the usual credit and paying cash.

Bankrupt was then examined as to his individual estate. He said: There is no marriage contract between my wife and me. I have not at any time settled money or estate of any kind upon her or upon any of my daughters. The only provision of any kind which I made for any of my children is a sum of £11,000, payable to the trustees of the marriage settle-personal expenditure, including purchases of furniture, horses, ment on my son's marriage in 1873. My household and &c., has been about £7,000 on the average of the last seven years. The sum expended during that time in furniture, pictures, &c. was about £11,000. The policies of insurance on my life for £10,000 are deposited with Mr. M'Ewen, in security of advances made to my firm. I considered that the profits of my business quite entitled me to live at the rate I have mentioned, but during the last eighteen months the expenditure caused me great uneasiness, and in view of reducing the expenditure I had made arrangements for selling the house and furniture in April last. I let the house and went to the country when the stoppage took place.

Mr. George Wilson, senior, was then recalled for further examination. He said, I was possessed of about £15,000 of capital when I went into partnership with Mr. Armstrong. For the first three or four years our business was not very successful, but in the next ten years it was very prosperous.

What led you to go into speculations in stock and public companies? We had spare money, and we thought the transactions would be profitable. The same explanation applies to our entrance into joint adventures outside our regular business. When we entered upon these outside transactions we accepted bills for supplies by wool merchants and others, and we considered this was profitable to our business, in so far as the rate of discount we paid was less than the value of the money to us in our business. We have had several joint adventures specially conducted in Hawick, the profits of which were divisible between Mr. Armstrong and myself. I was aware that Mr. Armstrong had entered into joint adventures in London in name of the firm, but I was not aware of the full nature and extent of these until the failure.

When were you first aware of Mr. Armstrong's connection with Collie and Co.?—I was aware many years ago that he had transactions with Collie & Co. Such transactions appear in our balance-sheet, and were on behalf of the firm, but I was not aware that the firm was under the acceptances to Collie, or that there were any transactions open with them at the date of our stoppage, except an old debt due to the firm both at Hawick and London. The first time I heard of a joint adventure with Firth, Sands, and Co. was in April last. I knew of adventures with Mr. D. P. M'Ewen, also of the adventure in potashes with Smith. I heard of the adventure regarding the French property first from the balance-sheets sent from London, but I knew nothing of the co-adventurers nor of the magnitude of the transaction. I only knew from the statements furnished that a certain sum was invested under that head. I made no inquiries, believing that it was the limit of the obligation. The London business and transactions were managed by Mr. Armstrong, and the only time I attended in London was during his illness, but I never interfered with the cash. Mr. Casswell attended to that. The only time when we in Hawick were pressed for money was in the panic of 1857, and again slightly so in 1866. More recently when we required money we drew upon the firm and discounted the acceptances for a round sum, as being the cheapest way of supplying money. The same explanation applies to our getting other parties to discount the acceptances of the London house for goods supplied. The London house in the spring of 1874 was not to my knowledge in want of funds, but in the spring of 1875 we advanced them a very considerable amount.

To what causes do you attribute the bankruptcy of Wilson and Armstrong? Entirely to the losses found to have been made by the London house, arising out of trade and speculations. In 1874 the London balance-sheet, prepared by me from the information furnished, shows a balance to their credit of £44,000, this balance being comprised in favour of the trade of £9,725, and London investments amounting to £34,367. At the same date the balance appearing on the Hawick business was £86,000, of which £25,000 was invested. I was aware of some of the investments in London which caused losses prior to 1874, but I knew of no losses after that date except Grant, Brodie and Co. for £10,000.

Did you take any steps to investigate into the nature and worth of these London investments? I did not make any independent investigation, but always took Mr. Armstrong's statement. With reference to the drawings for private accounts, I explain that although these seem to be large, I consider that my personal expenses did not exceed £2,000 to £2,500 per annum. I had considerable advances in the purchase of land and buildings, which now form assets in my private estate. My private expenditure did not nearly equal the interest of my capital. So far as I know, the state of affairs of the London house, prepared by the London accountants, is correct, and I adopt it.

The statutory oath was then administered to Mr. Wilson.

The principal sales by auction of landed property during the past week were as follows:—"Kentish-town-road—Nos. 1, 3, 5, 7, and 9, Frideswide-place, £1,160; Redhill—plot of freehold land, containing 5a. 0r. 22p., £1,060; Holloway, Eden-grove, lease of the George publichouse, £4,360; Rotherhithe—Nos. 51, 52, and 53, Adam-street and the Adam and Eve publichouse, £2,350; Greenwich—the King's Head publichouse, £1,100; Lingfield, Surrey—Crowhurst Land Farm, containing 116 acres, £4,360; Chelsea—Nos. 428 and 438, King's road, £1,370; Westbourne-park—freehold ground rents of £69 10s. per annum, £1,580; Hammersmith—15 to 20, York-road and a ground rent of £6 per annum, £2,020."

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BRADFORD COUNTY COURT.

IN RE HAINSWORTH EX PARTE HAINES.—This was a judgment of Mr. T. S. Daniel, Q.C., on an application that Mr. John Rayner, a mungo merchant of Leeds, should deliver up to the trustees of Hainsworth's estate certain sheets of mungo which had been received from the debtor in April, 1874. The case was heard on June 8th last, and the debtor stated in his affidavit that he was being sued on bills of exchange bearing his name, which had been dishonoured; and that he was apprehensive that he would have to fail before long. He had then in his possession a quantity of mungo, which he had some time previously purchased from Rayner, and he conceived the idea of returning these goods; his object in doing so being to make the loss less in case of his having to file a petition. On April 20th, 1874, he returned to Rayner sixteen sheets of mungo, of the value of £185 10s. 4d. His petition was filed on May 1st, and in the mean time he had no conversation with Rayner as to the return. His Honour said he had no reason to doubt the truth of the debtor's affidavit; but he held that the transaction was a fraudulent preference within section 92 of the Bankruptcy Act, and an act of bankruptcy within sub-section 2 of section 6 of the same statute. The respondent, in his affidavit, said he had known and done business with the debtor for many years, and was in the habit of permitting customers to return goods, when these, after purchase, were not required, on the understanding that any difference upon resale was made up. This practice, it was said, was well-known to the debtor, who had taken advantage of it in the February previous by returning goods which he could not use. In dealing with the credibility of the affidavits, his Honour said that Rayner's had been prepared with legal skill for the purpose of making out his case, and was more of the character of pleading than of evidence. The respondent, he held, had no lien or charge upon the goods for current acceptances or for goods supplied since the return. The only question that could be raised was whether he was a purchaser in good faith and for valuable consideration, and that appeared to depend upon the question whether the transaction as deposed to by Rayner was a transaction in the ordinary course of business as between the debtor and Rayner. The case was referred to a jury who sat on June 22nd, and questions were put to them: Were the goods received and dealt with by Rayner in the ordinary course of business? Were they dealt with by Rayner in the ordinary course of business as between him and the debtor? Were they received and dealt with by Rayner in the ordinary course of business as between him and his customers? Were they dealt with by Rayner after he had received notice of the insolvency of the debtor? The jury answered these questions in the negative, and his Honour, who concurred in the view of evidence taken by the jury on these points, ordered a verdict to be entered for the trustees. The case came before him again on July 20th, on an application for a new trial to set aside the verdict of the jury, mainly on the ground that the verdict was against the weight of evidence. That application was refused without the trustees' advocate being called on for an answer, and, having promised at a future time to state his reasons for such refusal, he now did so. In his opinion the crucial test of the validity of the transaction, as between the respondent and the trustees, was whether, at the time it took place, it was a transaction in the ordinary course of business between the debtor and the respondent. If it were, then it was a purchase for a valuable consideration; if not, then, whatever might be the good faith of the respondent in the matter, it was immaterial, and the transaction was void as against the trustees as being a voluntary transfer of goods by the debtor to the respondent for the purpose of being sold by the respondent for the debtor's benefit. In that view of the transaction, the property in the goods would not pass to the respondent, but would remain in the debtor; and as the goods remained in the respondent's possession at the time the petition for liquidation was filed, the property would vest in the trustees, unless after the petition had been filed, and before the respondent had notice of it, he had disposed of the goods in good faith and for valuable consideration. His Honour then declared that the goods were transferred to the respondent voluntarily, and that the property in them remained with the debtor and passed to the trustees under the liquidation, and advised the respondent to pay their value to the trustees.

The result of all this liquidation was that, though he had failed to obtain for himself the benefit of the fraudulent preference which the debtor intended for him, Mr. Rayner's right of proof as a *bonâ fide* creditor was not prejudiced, and he stood in the same position as all the other *bonâ fide* creditors. The result might be a disappointment, but it was not an injustice, nor even a hardship; and although, according to a recent case in the House of Lords, full effect was to be given to the proviso in favour of a creditor who received a debt justly due, having an ignorance of the debtor's fraudulent intention to prefer, the same effect ought, in his opinion, only to be given in the case of a purchaser who *bona fide* bought in the ordinary course of business, and was ignorant of the debtor's intentional preference.

A CO-OPERATIVE FAILURE AT NEWCASTLE.

The annual report just issued of the Ouseburn Engine Works Company, established at Newcastle on productive co-operation principles during the memorable nine hours' strike some years ago, shows a greater loss than in previous years. It is £10,862, £8,000 being due to bad debts through failures. The workmen insisted upon a rise of 10 per cent. in wages, which the directors were powerless to prevent. The system of compulsory deposit, though founded on sound principles, has, in the opinion of the manager and foreman, increased the cost of reduction. The directors have taken counsel with the debenture holders, and with shareholders who have not paid-up their shares, but the result had not been such as to warrant the hope that they would be able to resist pressure of creditors or prevent liquidation. The directors call the immediate attention of the shareholders, if they wished to save their business and property, to a scheme of reconstruction, and submit various suggestions for their consideration.

A GENERAL COLLAPSE.—Some time ago Thomas M'Gregor Miller, a travelling draper, of Huddersfield, filed a petition in the Huddersfield County Court for the liquidation of his affairs, and Mr. P. K. Chesney, Bradford, accountant, was appointed trustee under the petition. With the consent of the creditors, the business was sold to the debtor for £1,050, which was to be paid in three equal instalments of £350 each, at 6, 12, and 18 months. As security, bills were accepted from five of the creditors; and about six months afterwards Miller again failed for several hundred pounds, and was made a bankrupt. Since then Mr. Chesney, the trustee, has served notices on each of the five sureties under the first petition for the whole of the first instalment due under the first petition. Of these five sureties four have filed petitions for liquidation. They are Alfred Laycock, Primrose Hill, designer, who does not estimate his liabilities; John Horace Davidson, Bradford Road, draper, whose liabilities amount to £1,500; Francis Nicholson, Paddock, Huddersfield, who says he can pay more than 20s. in the pound; and James Peacock, Cross Church-street, draper, whose liabilities are estimated at £4,000. Messrs Learoyd and Learoyd are acting for some of the debtors, and Messrs. Craven and Sunderland for some of the others.

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PUBLIC REVENUE AND EXPENDITURE.

(From the *London Gazette*.)

Receipts into and payments out of the Exchequer between the 1st April, 1875, and the 11th September, 1875:—

REVENUE AND OTHER RECEIPTS.

—	Budget Estimate for 1875-76.	Total Receipts into the Exchequer from April 1 to Sept. 11, 1875.	Total Receipts from April 1 to Sept. 12 1874.
Balance on April 1, 1875:—	£	£	£
Bank of England	—	4,662,261	5,908,870
Bank of Ireland	—	1,603,061	1,533,984
		6,265,322	7,442,854
Revenue.			
Customs	19,500,000	8,295,000	8,111,000
Excise	27,740,000	11,270,000	10,869,000
Stamps	10,600,000	4,860,000	4,762,000
Land Tax and House Duty	2,450,000	563,000	536,000
Income Tax	3,900,000	1,029,000	1,374,000
Post Office	5,750,000	2,832,000	2,600,000
Telegraph Service	1,200,000	520,000	500,000
Crown Lands	385,000	150,000	140,000
Miscellaneous	4,100,000	1,745,813	1,253,217
Revenue	£75,625,000	31,264,813	30,145,217
Total including Balance		37,530,135	37,588,071
Other Receipts.			
Advances, under various Acts, repaid to the Exchequer		782,667	1,038,378
Money raised for Fortifications and Military Barracks		250,000	400,000
Money raised for Local Loans by Exchequer Bonds		500,000	—
Temporary advances, not repaid		—	—
Totals		39,062,802	39,026,449

EXPENDITURE AND OTHER PAYMENTS.

—	Estimate for 1875-76.	Total Issues from Exchequer to meet Payments from April 1 to Sept. 11, 1875.	Total Issues from Exchequer from April 1 to Sept. 12, 1874.
Expenditure.	£	£	£
Permanent Charge of Debt *	27,400,000	13,341,431	13,311,529
Interest on Local & Tem. Loans *	70,000	—	—
Other charges on Consolidtd. Fund *	1,590,000	689,102	715,693
Supply Services †	46,837,000	20,301,034	19,430,462
Estimate	£75,897,000		
Expenditure		34,331,567	33,457,684
Other Payments.			
Advances, under various Acts, issued from the Exchequer		1,780,361	1,345,607
Expenses of Fortifications and Military Barracks		—	200,000
Exchequer Bills paid off		17,300	9,000
Surplus income applied to reduce debt		331,867	466,409
		36,461,095	35,478,700
Balances on Sept. 11, 1875:—			
Bank of England		1,892,463	2,633,079
Bank of Ireland		709,244	914,670
Totals		39,062,802	39,026,449

* As stated in the Budget. † As per Appropriation Act.

Treasury, Sept. 14, 1875.

At a meeting yesterday of the creditors of the Phœnix Bessemer Steel Company (Limited), Sheffield, which failed in June with trading and share liabilities amounting to £220,000, it was determined to reject an offer of 10s. in the pound, but another meeting will shortly be held.

COMPANIES REGISTERED.

The *Investors' Guardian* publishes the following list of companies which were registered during the past weeks:—

	Capital.		Shares.	
Broadroyd Felt Manufacturing	£25,000	in	£5	"
Cadogan & Hans-place Estate	150,000	in	10	"
Cambrian Sanitary Pipe and Terra Cotta	25,000	in	5	"
Compressed Gas Regulator and Pneumatic Machine	40,000	in	5	"
English Sulphur Fusion	40,000	in	10	"
Halifax Worsted	10,000	in	5	"
Industrial Fire Insurance	50,000	in	1	"
Joseph Wright and Co.	50,000	in	10	"
Ley and Co.	25,000	in	10	"
London and General Skating Rinks	10,000	in	5	"
Mossley-road Brick and Tile	5,000	in	5	"
North Lancashire Agricultural Auction Mart	3,000	in	10	"
North London and Suburban Skating Rink	400	in	5	"
Preston Nursery and Pleasure Gardens	20,000	in	50	"
Rockingham Clay Works	20,000	in	5	"
Ship Timber	2,000	in	10 & 25	"
Winterbottom Brothers and Co.	8,000	in	1	"

	Capital.		Shares.	
Bryneini Lead Mining	£5,000	in	£50	"
City of London Lighterage	2,000	in	10	"
Clayton Liberal Club	3,000	in	1	"
Dinas Slate and Slab	50,000	in	5	"
Downham Market Hall	300	in	1	"
General Shipping & Trading	120,000	in	10	"
Henry Cutts and Co.	5,000	in	1	"
Highbridge Cattle & Stock Market	5,000	in	1	"
Hyde Paper Manufacturing	15,000	in	5	"
James Bartleet and Co.	10,000	in	10	"
Life Saving Dress Company (Boyton-Merriman Patents)	120,000	in	10	"
Manley Hall Winter Garden Society	450,000	in	18s.	"
Metropolitan Safe and Strong Room	125,000	in	10	"
Morpeth Grand Stand	2,000	in	5	"
New Flintshire Lead Mining	20,000	in	1	"
New Guinea	100,000	in	10	"
New Town Manure	50,000	in	10	"
North Buckley Colliery and Fire Brick	15,000	in	10	"
Plant Brothers	50,000	in	10	"
St. Anne's-on-the-Sea Gas Light and Coke	15,000	in	5	"
South Cwmstwith Lead Mining	12,000	in	2	"
South Leicestershire Colliery	100,000	in	10	"
Temperance Artisans', Labourers' and General Dwellings Association	50,000	in	1	"
Thomas Wood and Co.	10,000	in	5	"
Union Buildings	4,000	in	5	"
William Bland and Son	60,000	in	10	"

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CREDITORS' MEETINGS.

W. KILLINGBECK (SNAITH).—A meeting of the creditors of William Killingbeck, tailor and draper, of Snaith, was held on Wednesday last, the 8th inst., when it was resolved to liquidate the estate by arrangement, and Mr. S. J. Beswick and Mr. J. Barrett were appointed joint trustees.

T. SHAW (LOWER BROUGHTON).—A meeting of the creditors of Thomas Shaw, of Lower Broughton, near Manchester, out of business, was held on Friday last, the 10th inst. The statement of affairs, prepared by Mr. John C. Beswick, the receiver, showed liabilities £967 8s. 5d., against assets £170. It was resolved to liquidate the estate by arrangement, and Mr. J. C. Beswick was appointed trustee.

KNIGHT AND SONS.—The first meeting of creditors of Messrs. Knight and Sons, of 8½ Copthall-court, E.C., stockbrokers, was held at the Bankruptcy Court, on Thursday, the 9th inst., when Mr. E. Downs, of Moorgate-street Chambers, E.C., accountant, was appointed trustee.

R. MALLALIEU (MANCHESTER).—A statutory meeting of the creditors of Richard Mallalieu, of Manchester, Salford, and Pendlebury, grocer and provision dealer, was held on Saturday, at the offices of Messrs. Addleshaw and Warburton, solicitors, when a statement of affairs submitted by the receiver, Mr. Nicholson (Nicholson and Milne), showed liabilities £2,366 8s. 8d., and assets £853 13s. 9d. A composition of 7s. in the pound was accepted. Mr. Bent, solicitor, of this city, represented the debtor.

SHAW AND SON (MANCHESTER).—A second meeting of the creditors of Messrs. John Shaw and Son, trading at Miles Platting, Manchester, and at Barrow-in-Furness, under the style of "The Furness Coal and Coke Company," was held on Friday, at the offices of Mr. J. Best, solicitor, 64 Lower King-street, when the creditors confirmed the resolution passed at a former meeting to accept 7s. in the pound, by three instalments. Mr. Whitehead, of 6 Brown-street, was appointed trustee.

H. BENNETT (FARNWORTH).—A meeting of the creditors of Henry Bennett, carrying on business as a builder in Glynn-street, Farnworth, was recently held at the offices of Messrs. Dawson and Scowcroft, Bolton, when a statement was read, showing liabilities amounting to £4,246, and assets estimated to produce £4,592 10s. Mr. Gordon, solicitor, represented the majority of the creditors. Resolutions were passed that the estate should be wound-up in liquidation.

G. BURGESS & CO. (DUNDEE).—A meeting of the creditors of Messrs. Geo. Burgess and Co., of New York and Dundee, was held in the chambers of Messrs. Pattullo and Thornton, Dundee, on the 11th inst. It was reported that the liabilities amounted to about £62,000. An offer of composition of 10s. in the pound was made—5s. to be paid in cash, 2s. in six months, and 3s. in twelve months, the last instalment to be guaranteed. A committee of investigation was appointed to transmit a telegram to New York, authorising an accountant there to make an examination of the firm's books.

J. L. WHITELEY (SOWERBY BRIDGE).—A meeting of the creditors of John Lord Whiteley, wool waste dealer, Sowerby Bridge, was held on the 10th inst. at the offices of Mr. Francis Jubb, solicitor, Halifax. The debtor's statement showed liabilities of about £1,140, with assets—subject to realisation—of £470. An offer by the debtor of a composition of 6s. in the pound was refused by the meeting, which also declined to appoint the debtor's accountant trustee. One third of the creditors were relatives of the debtor. It was resolved to liquidate by arrangement; and Mr. Atkinson, accountant, of Bradford, was appointed trustee, with a committee of three of the principal trade creditors. The proceedings were transfered to Bradford County Court. General dissatisfaction was expressed with the statement of affairs.

At an adjourned meeting on Wednesday, September 15th, of the creditors of the Aberdare and Plymouth Iron and Coal Companies it was announced that an arrangement had been come to which would allow the works to be continued, and secure the creditors, it was hoped, 20s. in the pound. The claims of the creditors are now to be represented by an issue of debentures, to be gradually liquidated out of the future income, and meanwhile cash has been raised to work the properties, which are believed to be very valuable. A future meeting of the creditors will be held, when the details of the proposed scheme of arrangement will be submitted for their approval. Resolutions were passed in favour of the liquidation of the estate by arrangement, Mr. Turquand being appointed trustee, with a committee of inspection.

J. HOLDEN (LIVERPOOL).—A statutory meeting of the creditors of Joseph Holden, of Kirkdale-road, Liverpool, builder and contractor was held on Wednesday, at the offices of Messrs. Quelch and Greenway, solicitors, Dale-street. An offer was made of a composition of 5s. in the pound, but was declined. It was subsequently resolved to liquidate the estate by arrangement. A spirited contest took place for the choice of trustees between Mr. Bolland (of Gibson and Bolland), and Mr. Sheen (of Sheen and Broadhurst). The latter was chosen.

FAILURES.

ENGLAND. — A petition has been filed in the Dewsbury County Court, on behalf of Mr. George Oates, wool merchant, of Bradford-road, Dewsbury, for liquidation by arrangement or composition. The liabilities are estimated at £12,000. Mr. J. D. Good was appointed the receiver.—A statement of the affairs of Messrs. Joseph Heald and Co., of Newcastle-on-Tyne, who recently stopped payment, has been sent to the creditors. The liabilities of the Newcastle office are—to creditors, £36,684 4s. 9d.; other liabilities which will not rank, £5,993 13s. 7d.; estimated to be paid in full, £315 15s. 7d.; liabilities on bills discounted, £25,158 9s. 11d., of which it is expected there will rank against the estate, £14,146 3s. 6d.; total, £51,146 3s. 10d. Estimated assets—book debts estimated to produce £7,000; cash in hand, £348 8s. 3d.; bills in hand, £2,250 12s. 1d.; estimated value, £1,066 19s. 7d.; furniture estimated to produce £100; property, £12,022 14s. 10d.; total, £21,022 14s. 10d.

AMERICA.—American advices report the suspension of Messrs. Juan De Mier and Co., of 69 and 71 William-street, New York, with liabilities estimated at from £80,000 to £100,000. The firm was largely engaged in exporting soap, flour and other American products to New Grenada.—Messrs. Edward and Lewis Dunbarn, clothiers, Newark, N.J., had suspended; liabilities, £20,000.—The Phillips and Jordan Iron and Steel Company, Covington, Ky., had made an assignment; liabilities, £30,000.—Mr. J. Klopenstein, brewer, Canton, O., had failed; liabilities, £20,000.—Messrs. Edmund, Anget, and Co., of the Dominion Boot and Shoe Company, Montreal, had made an assignment; liabilities, £15,000.—Mr. P. H. Stevens and Mr. J. W. Brown, stock brokers, New York; and Mr. J. B. French, of the Produce Exchange, had suspended.—Further advices announce the suspension of Sterling, Ahrens, and Co., Baltimore, said to be the largest importing-house in the United States. Mr. Ahrens thinks the liabilities amount to about 2,000,000 dollars, but that, if the assets are judiciously administered, the creditors can ultimately be paid dollar for dollar. It is said that the business of the firm amounted to 40,000,000 dollars per annum. — The suspension is announced of the Washington Market Co., in Paterson, New Jersey, with liabilities of £50,000. — Messrs. Union, Adams, and Co., of 913 Broadway, wholesale and retail dealers in knit goods, &c. had also suspended; liabilities and assets unknown when the mail left.—Messrs. Lee and Shepherd, of Boston, and Messrs. Lee, Shepherd, and Dillingham, of New York, publishing houses, had also stopped payment, the former with liabilities of about £30,000, the latter at close on £120,000. The creditors are in Boston, New York, and London.—Messrs. Robert Griffith and Co., wholesale grocers, Ontario, had made an assignment.—Messrs. H. Seymour and Son, Montreal, have made an assignment; liabilities £40,000.—Mr. Andrew Moody, builder, Mr. H. F. Hamilton, trader, and Messrs. Richardson and Mason, ironfounders, all of Halifax, N.S., had made assignments.

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this column.*]

Mr. John Slater (of the firm of Slater and Pannell), of No. 1 Guildhall chambers, in the City of London, public accountant, has been appointed trustee of the property of the bankrupt estate of Arbuthnot Macaulay Emerson, of 19 Cambridge-street, Pimlico, a bankrupt.

Mr. John Slater (of the firm of Slater and Pannell), of No. 1 Guildhall chambers, in the City of London, public accountant, has been appointed trustee of the property of William Bond, of No. 16 Garway-road, Westbourne-grove, in the county of Middlesex, dyer, a bankrupt.

Mr. William H. Pannell (of the firm of Slater and Pannell), of No. 1 Guildhall chambers, in the City of London, public accountant, has been appointed trustee of the property of Charles Morton, of 38 Alwyne-road, Canonbury, in the county of Middlesex, theatrical manager, a bankrupt.

Mr. John Slater (of the firm of Slater and Pannell), of No. 1 Guildhall chambers, in the City of London, public accountant, has been appointed trustee of the property of Cyrus Baker Kirke, of 19 and 20 Lime-street chambers, Lime-street, in the City of London, wine merchant, trading under the style or firm of "Cyrus B. Kirke and Co." and residing at 26 Grove-road, St. John's Wood, in the County of Middlesex, a bankrupt.

Mr. John Slater (of the firm of Slater and Pannell), of No. 1 Guildhall chambers, in the City of London, public accountant, has been appointed trustee of the property of William Leopold Zoers, of No. 88 Victoria-park-road, Hackney, in the county of Middlesex, stick manufacturer, who has instituted proceedings for liquidation by arrangement or composition with his creditors.

MR. FORSTER ON FRIENDLY SOCIETIES.—The points in regard to which Mr. Forster would have liked to see the Act made more stringent are fundamental points. They are a real and satisfactory audit of accounts, and a periodical valuation of assets and liabilities. These are provided in the great Friendly societies, such as the Odd Fellows, at a meeting of which Mr. Forster was speaking, because the great societies have proved their anxiety to know and publish the exact state of their affairs, and a society which has proved this in other ways can be trusted to commit its audit and its valuation to competent and disinterested persons. But of a great number of the smaller societies no good is certainly known, while much evil is shrewdly suspected. To place these societies on the same level in respect of Government recognition with the Odd Fellows or the Foresters, because they have gone through the form of submitting their accounts to an audit which may only be a sham audit and their assets and liabilities to a valuation which may only be a sham valuation, is to neglect a duty which is strictly within the competence of Parliament, and which, but for the cowardice of those who had charge of the Bill, it might easily have performed. As the Act stands, says Mr. Forster, "there is no security taken that the auditors shall be responsible auditors, or that the valuation shall be made by responsible valuers." In other words, there is no security taken that the one condition of solvency in a friendly society which is at once indispensable in itself and ascertainable by Government, and in many cases by Government only, shall be present in all societies which bear the Government stamp. Honest administration is also indispensable, but then honest administration is not ascertainable by Government, while for the most part the members of a friendly society are able to ascertain it for themselves. But the existence of a scientific proportion between the rates of payment to the society and the rates of payment by the society must be disclosed by a proper audit of accounts and a proper valuation of assets and liabilities, so that if these two things were made compulsory the true position of every friendly society in the kingdom would be published to the world. When Mr. Forster says that he should have liked to see the Act made a little more stringent than it is, he means that he should have liked to see a provision introduced into the Act without which the rest of the Act is no better than an equivalent weight of waste paper.—*Pall Mall Gazette.*

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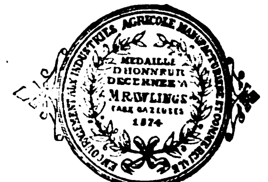

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 42.] SATURDAY, SEPTEMBER 25, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE LONDON BANKRUPTCY COURT.

IN THE MATTER of ROBERT HENRY ARMIT, of 33 Abchurch-lane, in the City of London, and of 93 Regent-street, in the County of Middlesex, Commission and Financial Agent, a bankrupt.

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The Accountant.

SEPTEMBER 25, 1875.

There is, probably, no question of law which has been so hotly disputed at times as the question of the validity of voluntary settlements, and the Bankruptcy Act has afforded a sufficiently simple mode of testing the propriety of these convenient family arrangements. It used to be very common, on the failure of some person of great reputed wealth, to discover that his wife and family were enjoying large incomes under settlements of property that in reality ought to have belonged to his creditors. The remedies against this state of things are of very long standing. As far back as the reign of Queen Elizabeth it was enacted that such conveyances of property should be void as against creditors existing at the time; but the mere circumstances of the deed being voluntary have not been considered grounds for setting it aside in the interest of subsequent creditors. Some very curious questions arose on these distinctions, and a number of cases were decided in the courts on the claims of creditors. The test applied was, whether the settlement was intended to, or would have the effect of delaying the creditors, and much judicial learning was expended on the various points of difference that arose; but at last a startling decision of the late Vice-Chancellor Kindersley gave creditors very great power. Previous to this, it was held that a creditor to whom money was owing at the time of the execution of the deed could file a bill to have it set aside, if he was put to any inconvenience in recovering his debt, but that a subsequent creditor could not be said to have been delayed by the execution of a settlement which had been completed before his claim accrued. Of course, if the deed was upset at the instance of the earlier creditor, he was fully entitled to receive the amount of his debt from the

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estate. But Sir Richard Kindersley declared it to be his opinion that a subsequent creditor might file a bill, if any debt remained due which was owing at the time of executing the deed. This view of the law, expressed by a judge of such deservedly high eminence, was a great blow to all who relied on the protection of voluntary settlements, as the slightest debt omitted or forgotten at the time might be raked up and used to invalidate a perfectly legitimate transaction.

The Bankruptcy Act of 1849 made all deeds by a trader with intent to defeat his creditors an act of bankruptcy, and further, that if any bankrupt, being at the time insolvent, should, except on the marriage of his children, or for valuable consideration, have transferred any property, the court should have power, as against the bankrupt, and those claiming under him, to annul the transfer, and sell the property for the benefit of creditors. But still this threw upon the creditors the *onus* of proving the insolvency, and a resort to the Court of Chancery was tedious, expensive, and often liable to be defeated by unseen circumstances. As the law is now declared by the Act of 1869, nothing can be more to the advantage of the creditors. The settlement is absolutely void if the settler becomes bankrupt within two years of its date, and the onus of proving his solvency lies upon him, or those who claim under him, if he fails within ten years. It must be borne in mind that the Act speaks only of traders, and therefore the convenient summary process which it provides must give place to the more dilatory and costly process of a suit in Chancery, or the modern equivalent which is provided in the Judicature Acts, in the case of a bankrupt who has not carried on one of the avocations mentioned in the schedule to the Bankruptcy Act.

There is one other point in this 91st section which is worth notice, and which may become very important in view of sundry recent popular agitations. From the operation of the opening clauses is excepted "A settlement made before, and in consideration of, marriage, or a settlement made on or for the wife, or children, of property which has accrued to the settler after marriage in right of his wife." The latter portion embodies a rule which has long been acted on by the Court of Chancery in enforcing what is termed the wife's equity to a settlement. Where money belonging to a married woman can only be obtained by means of proceedings in equity, the court will insist on a due proportion of the amount being settled, the amount varying from the entire fund to a-half, according to the discretion of the judge; and this, whether the object is to protect the after-acquired property from actual, or merely potential, creditors. But the mention of marriage as a valid consideration, also carries out the rules of the Court of Chancery. With that delightful commercial spirit of interpretation, which is one of the greatest blessings of our law, and which is charmingly exemplified in actions for breach of promise of marriage, it is laid down that, if a woman marries and has a settlement of all her husband's property upon her, nothing can deprive her of her bargain; she has purchased her husband's fortune as the price of herself, and she is the valuable consideration that has passed. The case of Hardey v. Green, which is a stock case on the point, exemplifies this doctrine to perfection. There (we quote from memory) a man perfectly insolvent at the time of his marriage, but entitled to valuable reversionary interests, married, and settled the whole of his property of every description on his wife. The claims of the creditors were thus entirely defeated; it was laid down that the marriage was a valuable consideration, and that the wife was fully entitled to what she had sacrificed herself to obtain. This doctrine still remains unshaken, though somewhat qualified by a more recent case, in which, where a marriage was obviously entered into merely as a means of cheating creditors, the wife being fully cognisant of the intended fraud, it was held that the settlement was void. Still, in the absence of the very peculiar circumstances of Colombine v. Fenhall, it may safely be laid down that young men of fortune, who have perfect confidence in their powers to manage their future wives, need not hesitate to marry for fear of the consequences; and it must be observed further, that the High Court alone, and not the Court of Bankruptcy, would have the exclusive right of determining the questions arising under similar circumstances, and of declaring a settlement void. The Court of Bankruptcy, indeed, would have to strain its authority very far if it ventured to do more than declare that such settlements were absolutely protected.

It is curious to consider what may be the effect of the "emancipation of women" on the question of marriage as a valuable consideration. The tendency of the agitation is doubtless to reduce marriage to a sort of partnership determinable at very short notice, and on very slight grounds, in which both parties to the contract retain their individual rights over the property they contribute to the common stock. So far as relates

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to the right of creditors to seize the wife's fortune to satisfy their claims on the husband, modern legislation must soon form a complete bar to this, whether a settlement has been executed or not; but as regards the power of the husband to lock up his property from the grasp of his creditors by giving what may be a mere nominal control to the wife, the case is very different to those who regard marriage from its aspect as a life-long connection, and those who treat it as a mere partnership at will. Such a case as Hardey v. Green is an anomaly, look upon it how we will, and though we may have every pity for the disappointed expectations of the family of the ruined trader, we must have equal sympathy for the deceived and deluded creditors. Probably the most satisfactory solution would be found in a species of retrograde extension of the old system. We would still preserve the property that strictly belongs to the wife from the clutches of the husband's creditors, but we would make his property, as far as possible, available for the debts he has incurred. We would make, for instance, every settlement of furniture void unless registered, instead of exempting marriage settlements, and we would extend the provisions of the Act to settlements whether made in consideration of marriage or not. But we would apply the doctrine of the wife's equity to a settlement to those cases where a settlement previous to marriage had been made; and though declaring the settlement void, if of less than two years standing, we would allow the judge to give effect to the wife's claim, and settle a portion of it according to the rules now prevailing in the Court of Chancery, and would not permit the settled property to be resorted to further than to make up the statutory dividend. We throw out these suggestions for the consideration of those who are vexed with the law as it stands, but uncertain in what direction to turn for amendment.

There is one point especially to which we must call attention. The Act of last session is supplemented by a very large number of forms. It will be the duty of the profession at the outset to watch jealously the use of such forms. They will be printed by law stationers all over the kingdom, who will be as ready to sell them to the class of so-called "accountants" whom Mr. Justice Quain has lately dealt with, as to the profession. It is the use of forms which has led to such a wholesale illegal traffic in the preparation of bills of sale, leases, assignments, and other documents, forms of which are exposed for sale in the shop windows of tradesmen. We admit that their use often leads to profitable litigation, but from this risk the public ought to be protected.—*Law Times*. [We are glad to see our contemporary draws so accurate a distinction between "Accountants" and "so-called Accountants."—ED.]

Correspondence.

THE ERIE RAILWAY COMPANY.

To the Editor of the Accountant.

SIR,—Although fortunately not an investor or speculator in any one of the various issues of Eries, I, in common with most Englishmen, have from time to time watched the moves. Sir Edward W. Watkin's report, dated London, 18th September, 1875, was published in the *Times* of 21st inst. That report gives just about as much satisfaction as most people expected, that is to say none. I sincerely hope Sir Edward W. Watkin and Mr. Morris enjoyed their trip, which must have been very pleasurable and remunerative at the vacation period. Perhaps, next year the investing public will send me out to look into some other American swindle. I will not ask the same terms in consideration of the pleasure to be derived from the trip, and the meagre result likely to arise to those trusting people who believe in Yankees trading with Britishers' capital, I will be more moderate, and be satisfied with from a thousand pounds *upwards* for my *honorarium*. (This word, Mr. Editor, conveys to thinking minds a good deal!) It is not my intention to find fault either with Sir Edward W. Watkin or Mr. Morris, both of whom will, I am sure, do all in their power for the interests they represent, but how are they to succeed in an attempt to get "figs from thistles?"

Mr. Jewett's report of the 13th of May last, seems to have omitted various deductions of loss, "and thus unintentionally produced an erroneous impression of the actual available net profit."

"Should it be found possible under the management of "Mr. Jewett to work the Erie undertaking at a rate of "even 70 per cent. of outlay, an additional net profit— "equal to some 1,600,000 dollars per annum—would result "and we shall all watch with anxiety the changes of "management already hopefully commenced. Mr. Jewett "speaks with confidence of the propable future progress "of the net earnings, &c.," but Sir Edward Watkin wisely postpones the expression of any opinion of his own. "Only one engine in ten is in the shops for repairs or "renewals. The railway, together with the plant, is in "a full average state of repair according to the standard "of the United States. One seventh of the nominal "stock of cars is represented by useless or worn out "vehicles, or missing in number. It is gratifying to "know that at the principal workshops at Susquehana, 600 "men now do as much work as 1200 formerly got through. "As respects the usually heavy fees and charges attaching "to a receivership, Mr. Jewett does not contemplate or "intend to receive any other remuneration than that of his "salary as president of the company." How very considerate of Mr. Jewett, to content himself with 35,000 dollars per annum, for which sum, as president, he generously issued an erroneous report (no extra charge being made for the same, we will suppose), and how very ungrateful of "those Britishers" to think that President and Receiver Jewett had the best of the bargain!

Now, Mr. Editor, as "an outsider," but one who takes sufficient interest in his compatriots to like to follow their "little game," I should be glad to know what the ungrateful British public expected in the way of a pecuniary

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result from the last move in Erie. If I may judge from other experience, Erie is in its present shape a "sucked egg."

The suggestion of Sir Edward W. Watkin, "that the "bond and stock holders will have the courage now to "submit to a period of self-denial, and will consent to "pay their debts and complete essential obligations out "of available net profits, the bond holders receiving in "place of cash such equitable obligations realisable out of "surplus revenue in the future, as each, according to right "and priority, may justly claim," reads very nicely, but it seems to me that this is merely another way of "burying "one's head in the sand, and from that elevated position "winking benignly on one's baffled pursuers." The Erie *shareholders*, by this time, must be simply a figure of speech, and the question at issue really lies between the creditors and the bondholders. Who takes precedence I know not, but suppose that the bond-holders are "secured creditors." If such is the fact, why do they not realise their security. Liquidate the whole concern by a sale to a new corporation formed out of their foreclosure; "shunt" all the Yankee element; put in a practical, efficient and honest English staff, and *then*, and not till then, hope for better things.

This suggestion may be "rough" on the shareholders; but is it not better that one section should lose, rather than that Yankees should absorb the whole? I admire "Young America" as a remarkably 'cute race; but I think they might, with profit to the "Old Country," confine their attentions a little more to home.

Yours truly,
JOHN BULL'S BROTHER.

London, 22nd Sept., 1875.

[With reference to the answers to correspondents in our last, we have received several communications, of which we print the first two, received from a well-known firm of accountants. It is singular enough, that in the 113th section of the Act, the word "receipt" is not used, the marginal note speaks of "deeds, &c.," and the instruments specified are "every deed, conveyance, assignment, surrender, admission, or assurance," and later on, "every power of attorney, proxy, paper, writ, order, certificate, affidavit, bond, or other instrument in writing." There appear to be no cases on the point, which is purely one of practice, and on which the opinion of our various experienced correspondents must be conclusive.]

To the Editor of the Accountant.

SIR,—In your present number (41), you reply, in answer to "correspondents," that a stamp must be affixed to all receipts for sums above forty shillings. I beg to say, that relying upon clause 113 of the Bankruptcy Act, I have never required receipts for dividends to have receipt stamps affixed.

Yours truly,
PRACTICE.

To the Editor of the Accountant.

SIR,—In reply to "Query" as to a landlord's rights.— A landlord can distrain for rent, not exceeding twelve months, due before bankruptcy, should there be goods to distrain upon, otherwise, he is but an ordinary creditor— the intervening period between the time of rent-due and date of filing of petition he must prove for—and rent accruing after the bankruptcy should be paid by the trustee, so long as he holds possession.

Yours truly,
PRACTICE.

To the Editor of the Accountant.

SIR,—As your answer to "Subscriber" in last week's *Accountant*, with regard to stamp duty in cases of bankruptcy, is calculated to mislead trustees, I hope you will allow me to correct it. When the 1869 Act came into operation, I took an early opportunity of ascertaining whether trustees in bankruptcy would be justified in following the practice previously followed by official assignees under former Acts, who, in giving receipts for moneys due to bankrupts' estates, in drawing cheques on account of the same, and in taking receipts for creditors' dividends, omitted all Inland Revenue stamps. The result of my communication with the Inland Revenue authorities was, that the Solicitor to the Board informed me that a receipt given by a trustee for moneys due to a bankrupt's estate was exempt from stamp duty, as was also any cheque drawn by a trustee on a banking account representing the assets of a bankrupt's estate. With regard to receipts given by creditors for dividends due to them from bankrupts' estates, I was informed the law was not so clear, but that there appeared no reason for departing from the practice theretofore prevailing on this point, viz. of taking such receipts unstamped. The practice thus laid down, applies to liquidation by arrangement as well as bankruptcy, but would not, I imagine, extend to cases of composition—at any rate, I have never treated it as being applicable to the latter.

Trusting this letter may be of service to trustees, and afford some little relief to estates in the matter of stamp duty,

I am, yours truly
TRUSTEE IN BANKRUPTCY.

London, 20*th September*, 1875.

To the Editor of the Accountant.

SIR,—In reply to "Rent's" query in your issue of the 18th inst., I think he will find the law and practice on the question of payment of rent in full to be this:—A landlord is entitled to distrain after the commencement of a bankruptcy for a year's rent accrued due *prior* to such commencement, and he is also entitled to *prove* for any rent due in respect of a proportionate part of a current quarter up to the date of the bankruptcy. But if he neglects to avail himself of the power which the law gives him, by either distraining, or obtaining from the trustee an undertaking for payment in consideration of his *not* distraining, he loses his right of payment in full, and must rank as an ordinary creditor. Rent is not a *preferential* payment in the same sense as rates, taxes, and wages; the landlord may rather be looked upon as a secured creditor to a certain extent, the security being the property on his premises, and that security is not available to him unless he distrains. Therefore, if the landlord omits to secure himself, the trustee would be justified in selling the goods on the premises, and treating the landlord as an unsecured creditor. With regard to the case cited by your correspondent, I should hold the law to be this:—The landlord is entitled to be paid in full his rent due up to the

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12th May prior to bankruptcy, presuming the quarter terminated on that day, and also that the landlord took care to get from the trustee the requisite undertaking to pay what was legally due. He is also entitled to *prove* against the estate for the rent accrued due between the 12th of May and the date of the bankruptcy (25th of May). With regard to the trustee's occupation, it has been generally held, that the assignees or trustees are entitled to hold possession of the bankrupt's premises for a reasonable period sufficient to enable them to realise the property thereon, and that for such a reasonable time no claim can be made by the landlord for rent; but where the trustees hold the premises for the purpose of continuing the bankrupt's business, or otherwise obtaining a beneficial occupation, the landlord is entitled to be paid a rent for use and occupation for the actual period occupied by the trustees. Of course, in the case of a lease, the trustees would be bound by its covenants, unless they disclaimed.

Yours truly,

Accountant.

London, *21st September*, 1875.

[We quite agree with our correspondent's views on this point. Probably the landlord's course would always be to distrain, or obtain some guarantee for his rent. We will examine into the matter, and endeavour to state some more positive rules for the guidance of trustees next week.—Ed. Accountant.]

To the Editor of the Accountant.

Sir,—I was much pleased to see a letter in the *Accountant* of the 18th inst. respecting the relations at present existing between a landlord and a trustee in bankruptcy. It is a question which has puzzled myself, and, no doubt, many others of your subscribers, for some time, and one which "I am informed and believe" has not yet been judicially settled. I have had to deal with many cases somewhat similar to the one referred to by your correspondent "Rent," and shall be glad to give him the result of my experience, and the conclusions at which I have arrived, which, of course, he can estimate at what he may think they are worth. It appears, I think, quite clear, that a landlord is entitled to six years rent, if he has only distrained *before* the adjudication, but if not until *after*, then he is only entitled to twelve months in full, and to rank as an ordinary creditor for any balance "up to the day of the adjudication;" of course, in both cases, the rent must necessarily have become due *before* the adjudication, and as a landlord can "only" distrain for rent accrued due *before* the adjudication, he cannot, of course, distrain for any rent accruing due *after* the adjudication, and (query?) if he cannot distrain for it, is he entitled to it? I think not. (Bankruptcy Act, 1869, section 34, and Roche and Hazlitt's Bankruptcy, page 81.) A difference of opinion seems to exist as to whether, if a landlord fails to distrain, and allows the goods to be removed off the premises, he thereby loses his legal preference, and must prove as an ordinary creditor? I know of several cases where it was so decided. It would also seem that a trustee is entitled to hold possession of premises for a reasonable time, for the purpose of realising the estate, and is not *bound* to formally disclaim, without his having had notice to do so, in which case, however, he must disclaim within the 28 days (secs. 23-24), or he will be responsible for the rent in full. If a trustee holds premises for an unreasonable time, and no notice calling upon him to disclaim has been given by the landlord, then I think it may be competent for the landlord to prove only on the estate for "damages," (Subsec. 23 and Sec. 31) which, in case of dispute, will be assessed by the Court; but I cannot see that he can call upon the trustee for "rent," seeing that no tenancy has really existed between them. It is, therefore, to the landlord's interest to give a trustee notice to disclaim immediately, or get an undertaking from him for his rent. For my part, I have always failed to see why a landlord should be entitled to any preference over an ordinary creditor, seeing that his rent is merely at best, as it were, but the interest or profit only on his capital; whereas the tradesman's debt is made up, not only of his profit or interest, but also of a part of his capital in addition! As matters stand at present, I think the little hardship seeming to press unjustly against landlords *after* a bankruptcy, is more than counterbalanced by the preferences and privileges enjoyed by them *before*. At the same time, I do not think that a landlord ought to be compelled to make a bad debt in spite of himself, and I think it would only be fair and reasonable to allow him to claim his proportion of rent, as due from day to day, in full, *after* a bankruptcy, until he obtains possession of his premises; but then, let him rank as an ordinary creditor for any rent or proportion of rent due up to the adjudication. But all this is, of course, beside the question. I have, at the present time, several cases on hand, involving claims of hundreds of pounds, and I should very much like to see—with your permission—the opinions of your many subscribers fully and freely expressed, in the columns of the *Accountant*, on this very important subject. I shall be glad, too, at any time to exchange opinions, confidentially, with any of your readers on unsettled points of practice as to a trustee's duties and responsibilities in the ordinary working of bankruptcies, liquidations, compositions, &c. avoiding, of course, all legal matters, where the advice and assistance of the solicitor to the estate ought to be sought.

Yours truly and obliged,

C. T. R.

Halifax, Sept. 21st, 1875.

RECEIVERS' AND TRUSTEES' CHARGES IN COMPOSITION CASES.

To the Editor of the Accountant.

Sir,—Referring to the case of *Re Knowles*, reported in your issue of the 4th inst., I should be glad to be informed what power or right the creditors of an insolvent have, in case they accept a composition under sec. 126, to vote any part of their debtor's property to the receiver or trustee, or any one else. It appears to me that if the creditors resolve to accept a composition in satisfaction of their debts, they have not a shadow of right to deal in that or any other way with the property which they have practically sold to the debtor in consideration of his paying the composition. They may determine as to the amount of composition, manner of payment and security,

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and by whom the composition shall be distributed; but there I consider their power ends. The debtor's property does not vest in the trustee, in fact the term "trustee" is perhaps somewhat misleading. The trustee's duty is simply to receive from the debtor or his sureties the moneys or securities for the composition, and distribute such moneys or securities amongst the creditors. The question of the payment of the costs of the debtor's attorney, the receiver, the accountant, and the trustee, is one entirely between those agents and the *debtor*. Their remedy is against the *debtor* and not against the *creditors;* and for the latter to pretend to pass resolutions on the question of costs must be entirely *ultra vires*. The agents in the matter are, or ought to be, amenable to the court, and if the debtor is dissatisfied with their charges he has, or ought to have, the right to call upon the taxing officer to tax such charges. With all respect, therefore, to the learned judge before whom the application in *Re Knowles* was heard, I am of opinion that his decision was founded on an erroneous view of the rights of creditors in composition cases, and he ought, upon the debtor's application, to have decided the taxation of the accountant's, receiver's, and trustee's charges. The amount allowed on taxation would have been recoverable by the agents from the debtor in the ordinary way. No part of any funds handed to the trustee to pay the creditors their composition could have been applied in payment of the taxed charges, though he might reasonably have a right to retain his own costs out of any moneys which he might have received during his receivership, and which moneys would remain the property of the debtor upon the passing of the extraordinary resolution, and the receiver would be accountable to the debtor therefor under Rule 298.

My remarks are intended only to apply to the *principle* at issue, and I leave the question of the fairness or otherwise of the charges made by the accountants and trustee in *Re Knowles* to the decision of those acquainted with the circumstances of the case, which I am not. I think, however, that some of the strictures of the learned judge were beside the mark.

I am, yours truly,

TRUSTEE.

London, 21st September, 1875.

RECEIPT STAMPS IN BANKRUPTCY.

To the Editor of the Accountant.

SIR,—Referring to your answer to "Subscriber" in your issue of the 18th instant, permit me to call your attention to sec. 113 of the Bankruptcy Act, which expressly exempts all deeds, documents, papers, &c. from stamp duty.

Being in doubt as to whether the wording of this section covered receipts given by trustees in bankruptcy, I, in the early part of 1870, wrote to the Board of Inland Revenue on the subject, and on the 22nd February, 1870, received a reply in the following words: "Receipts given by trustees under the Bankruptcy Act for moneys paid to them as such trustees are exempt from stamp duty."

I am, Sir, your obedient Servant,

F. M. I. A.

BANKRUPTCY LAWS. No. 9.

LIQUIDATION BY ARRANGEMENT OR COMPOSITION.

Owing to various calls on our time, we have been compelled to defer continuing these articles. The last (No. 8), appeared on the 10th April, 1875 (No. 18 of the *Accountant*). Our readers will, we trust, excuse the delay, and accept the apology which we hereby offer.

The last article referred to the duties of a *Receiver and Manager*. A recent decision, which has not yet been upset, removes the distinction between a *Receiver* appointed, either upon the application of the debtor or of a creditor, and one appointed upon nomination by a majority of the creditors. The practice hitherto has been to disallow the charge for the preparation of the statement of affairs, when the appointment of a Receiver was made under one of the two first conditions, but to allow for it upon the appointment by *nomination*.

The decision referred to (*Ex parte* Gordon *Re* Gomersal reported in our issue of August 14th) certainly is a step in the right direction. Creditors always *expect* Receivers to submit a statement of affairs, and it is not fair that they should be left to depend on the goodwill of persons whose interest it may be to dispute the charge for its preparation; and unfortunately, in the case of small assets, this is too frequently done. After all, it is but natural that the principle of self-preservation should be adopted, and we therefore hold that, in common fairness, that which is daily expected should be legally chargeable.

The duties of a Receiver, or of a Receiver and Manager under composition or liquidation, ought not to cease until the registration of the resolutions is completed. As a matter of fact, however, their duties do cease at the first meeting of creditors, unless continued by a special resolution; and we would call the attention of our readers to the necessity of such a resolution being passed, if the creditors desire their interests not to be left unprotected during an indefinite period.

Instances frequently arise of registration being delayed for one and even two months. Section 125, subsection 4, contains these words, "and the liquidation by arrangement shall be deemed to have commenced as from the date of the appointment of the trustee." It is therefore highly important that creditors should not neglect the precaution of having their estate protected until the trustee is in a position to act.

Irregularities in connection with these points are not of rare occurrence, such as Receivers continuing to act after their duties cease in consequence of omission to have their position confirmed, or trustees commencing to act before their appointment is made.

As a rule, these irregularities are either overlooked, or

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tacitly connived at in consequence of their having been committed for the protection and benefit of the creditors, and owing to their being based on *common sense* (which is not always law); but some of these days advantage will be taken of it by some "outsider," or sharp practitioner who is looking after his own costs or remuneration, and the receiver or trustee will realise the fact that attention to detail is necessary in his vocation.

Our next number will deal with the duties of a trustee under liquidation.

H. B. [London.]

A SCOTCH BANKRUPTCY.—At Perth, on Saturday, September 4th—before Sheriff Barclay—Mr. John Baxter, proprietor of Ashbank and Ashgrove Spinning Mills, Blairgowrie, was examined in bankruptcy. There appeared—the bankrupt; along with Mr. David Myles, accountant, Dundee, trustee; Mr. John P. Kyd, solicitor, Dundee, agent in the sequestration; and Mr. Thomas Thornton, solicitor, Dundee, agent for the Commercial Bank and other creditors. The bankrupt, interrogated by Mr. Kyd, deponed—I commenced business in September 1869, on my father's death, and after his affairs were wound-up. I succeeded to Ashgrove mill and machinery under my father's settlement, burdened with an annuity of £300 a year to my mother as long as she lived, and also with the obligation to pay my father's debts in so far as the movable estate was insufficient to pay them. In respect of that condition I have paid about £8,000 of my father's debts. As shown by state of affairs, Ashgrove Works and machinery are valued at about £20,000. Since my father's death I have spent nearly £7,000 on improvements, so that the value as at my father's death would be about £13,000. I had no capital other than the works and machinery. I afterwards bought Ashbank Mill from my brother Robert. As far as I remember, the price was left to be determined by two practical men—Mr. Luke and Mr. Grimond—who are personal friends; but we had agreed as to the price of the mill, although we took their advice. These two gentlemen fixed it at £2,100. I have since spent on it upwards of £7000, as shown by my books. In the state of affairs my brother Robert is a creditor to the extent of £470 14s. 7d., being the balance still to be paid to him. My brother granted a discharge in 1874 bearing that I had paid the full amount, but I had not paid him at that time. The discharge was delivered to me and recorded. I do not remember if I granted him any letter as to the sum unpaid. My books show all the moneys paid to my brother, and the dates of the payments. I have made up a statement showing how the deficiency of £19,850 is accounted for, which I now hand in. I have given the trustee and his agent and the commissioners every information I am aware of, and I will continue to do so. I have disclosed to the trustee all the goods and effects and bills given away by me during the present year, and have kept nothing back. I have kept back nothing of my actings during the sixty days prior to my bankruptcy. Mr. Thornton said—I understand, Mr. Myles, that you have got a full and correct statement from the bankrupt of all his transactions and deliveries of goods, articles, and machinery, not only for the sixty days preceding his bankruptcy, but for the whole year, and that you have compared notes of the information so received; and I believe you are satisfied that they are correct. Mr. Myles replied by stating that he was fully satisfied. Mr. Thornton thereupon said he had no questions to put to the bankrupt. The statutory oath was then administered. The assets are £10,466 16s. 8d.; liabilities, £30,317 8s. 5d.; deficiency, £19,850 11s. 9d.—showing a dividend of 6s. 10d. per £, subject to expenses in realising and administering the estate.

COURT OF BANKRUPTCY.

September 17.

(*Before Mr. Registrar* PEPYS.)

IN RE HON. W. F. O'CALLAGHAN, M.P.—This was an application to confirm a scheme of arrangement come to by creditors under the 28th section. The bankrupt, who was adjudicated in March last, is described as of Old Burlington-street, and Paris. Mr. Theodore Lumley applied to his Honour to confirm the resolutions. He said that they were to the effect that the trustee should be at liberty to sell the estate for £6,250, to be divided among the creditors, in satisfaction of their claims, the bankrupt receiving his discharge and the bankruptcy being annulled. The report of the official assignee as to the reasonableness of the offer having been read, his Honour confirmed the resolutions.

IN RE JOHN STRACHAN AND CO.—This was a first meeting for the proof of debt and appointment of trustee. The adjudication was made in August last; the bankrupt, John Strachan, being described as an East India merchant, of 14 New City-chambers, Bishopsgate-street-within, trading as John Strachan and Co. Debts to the amount of £60,000 were proved, and a resolution was come to appointing Mr. W. Waddell, accountant, trustee of the estate, with a committee of inspection. The bankrupt was not in attendance, and no statement of affairs was produced. The account produced at the meeting held under the liquidation shows debts of £96,938, against assets of £5,711.

IN RE MCFARLAND AND NANCE.—A trustee was appointed to the estate of these bankrupts, who are described as builders, carrying on business at Park-street, Victoria-park-road. The adjudication was made on the 1st instant. The statement shows about 18s. in the pound, subject to realisation.

September 20.

(*Before Mr. Registrar* PEPYS.)

RE W. R. PERRIN.—The debtor, carrying on business as a rod merchant and basket manufacturer at Ma idstone-buildings Southwark, and Peckham, has presented a petition for liquidation, and the court now appointed a receiver and manager of the estate, it appearing of importance that the business should be continued for the benefit of creditors. The amount of debts was not stated. The assets, consisting of stock and book debts, were of the estimated value of £1,230.

September 21.

(*Before Mr. Registrar* PEPYS, *sitting as Chief Judge.*)

IN RE CHARLES CARNIE.—Upon the application of Mr. Travers Smith, on behalf of the London and Westminster Bank, petitioning creditors, his Honour appointed Mr. Whinney, public accountant, receiver of the estate of Charles Carnie, of 25 New Broad-street, merchant, who has filed a declaration of his inability to pay his debts. The liabilities were estimated at £56,000, and it appeared that the assets comprised valuable property at the debtor's residence which required to be protected. Order accordingly.

WINDING-UP.—A petition has been filed in Chancery to wind-up the Newspaper Company.

Messrs. W. Turquand and R. P. Harding, the liquidators in the matter of Overend, Gurney, and Company (Limited), have, with the sanction of Vice Chancellor Malins, declared a seventh return of 10s. per share, payable on the 27th inst.

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BIRMINGHAM COUNTY COURT.

September 21.

(*Before* MR. W. H. COLE, Q.C., *Judge*.)

Mr. Motteram applied to the Court, on behalf of William Hales Pridmore, iron merchant, New-street, to have a warrant, made on that debtor some time ago, directing him to keep the terms of a composition, rescinded or varied. Mr. Nordon, of Liverpool, appeared for Mr. McCulloch, iron merchant, of that town, and one of the creditors, to oppose the application. Mr. Motteram based his application on the fact that the debtor had not had notice of the other proceedings against him, so that the order of committal was without his knowledge, and he had no chance of appearing to answer it. On the other hand, Mr. Nordon submitted that the debtor could not be heard in support of an application to vary an order whilst he was in contempt. The objection was over-ruled, however, and Mr. Nordon then said that Pridmore failed to attend the court, as required. Mr. Motteram explained that he could not do so, being seriously ill at the time, and he put in an affidavit from a surgeon at Folkestone saying that this was so. He assured the court that the debtor was not contumaciously in contempt, even if he were in contempt at all. He had not had a chance to answer the order, and it was not known whether he had paid his creditors or not. Mr. Nordon said Pridmore had kept out of the way, so that the order could not be served upon him. His Honour said he could not rescind the order, but he would hear Mr. Motteram further if he had a case upon the merits. Mr. Motteram did so, but his Honour refused the application on the merits also.

FAILURES IN THE IRON TRADE.

The Richmond iron works have ceased working. The establishment comprises 26 puddling furances and rolling mills, and has been regularly occupied in manufacturing puddled bar since their erection by Messrs. Jaques and Co., five years ago, affording employment to nearly 300 hands. Mr. Jaques was transacting business at Middlesborough market on Tuesday, and on Wednesday it was rumoured that he had left the district. The night-shift men did not resume work on Thursday, and the furnaces have since been idle. The operatives presented themselves at the office on Saturday morning, and demanded their wages, but were informed that no money could be obtained, and that the concern was insolvent. Four sheriffs' officers, representing Middlesborough and Stockton firms, made their appearance immediately afterwards, and are now in possession.

COURT OF CHANCERY.—In the year ended the 31st of March the compensation paid to officers of the Court amounted to £5,046 10s., including £1,145 11s to "Chaff Wax."

THE ALBERT ARBITRATION.—The several firms of solicitors recently engaged in the Albert Company Arbitration have sent to the secretary of the Arbitration a testimonial, in which they express to Lord Cairns, their satisfaction at the way in which Mr. Thomas Preston has discharged the duties of the office of secretary in relation to the legal practitioners concerned. They state that the magnitude, intricacy, and novelty of the work demanded special qualifications, and that Mr. Preston has proved himself in all respects equal to the occasion. The Lord Chancellor, in acknowledging the receipt of the testimonial, says it has given him much pleasure to note such a recognition of the services of Mr. Preston, and that he is himself fully cognisant of the diligence and intelligence with which the duties of the office of secretary have been discharged.

CREDITORS' MEETINGS.

N. M. DUFFIELD (LOWESTOFT).—A meeting of the creditors of Naomi Mary Duffield, of Lowestoft, single woman, was held at the offices of Messrs. Chamberlin and Divers, solicitors, Yarmouth, on the 20th of September, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay-chambers, Great Yarmouth, public accountant, being appointed trustee.

W. SIXTON (SALFORD).—A numerously attended meeting of the creditors of Mr. William Sixton, of Salford, builder and contractor, was held last week at the offices of Mr. Dawson, solicitor, Ridgfield. The statement of affairs, read by Mr. Whitt, accountant, showed total liabilities, £4,964; and assets, £5,183, subject to realisation. An offer of 12s. 6d. in the pound was made, which the creditors unanimously refused. It was resolved to wind-up the estate in liquidation, Mr. Whitt being appointed trustee, with three of the principal creditors as a committee of inspection. Mr. Dawson was intrusted with the registration of the resolutions.

ANDERSON & CO.—An application has been made for leave to register the resolutions come to by creditors in the case of Messrs. Anderson, Duncan, and Anderson, trading in copartnership as merchants in Philpot-lane, and at Colombo, Ceylon. A statement of the joint affairs disclosed total unsecured liabilities to the extent of £144,746, and assets £31,595, besides doubtful items returned at about £42,000. The creditors have determined to liquidate the estate by arrangement, with Mr. Bishop, accountant, Tokenhouse-yard, as trustee; and, in the absence of opposition, registration of the resolutions was ordered.

J. MAYE (HUDDERSFIELD).—At a special sitting of the Huddersfield County Court, Mr. S. Learoyd, of Messrs. Learoyd and Learoyd, solicitors, filed a petition on behalf of John Maye, Cross Church-street, Huddersfield, rope and twine maker, for the liquidation of his affairs. The liabilities were about £4,000. The debtor had during the last six months sustained losses to the amount of £4,700, and he was compelled to come to the court. He had to ask the court to appoint Thomas Westerby, accountant, the receiver under the liquidation, and grant injunctions restraining five actions commenced against the debtor by creditors.

G. HANDSOM (MIDDLESBROUGH).—At a meeting of the creditors of George Handsom, of Middlesbrough, watch maker and jeweller, held at Birmingham on Friday the 17th inst., a statement of affairs was presented showing liabilities to unsecured creditors, £1361 3s. 5d.; creditors fully secured, £1,006 17s.; estimated value of securities, £1,250; surplus to contra, £143 3s. 0d.; creditors partly secured, £145; estimated value of securities, £100; other liabilities, £259 16s.; creditors to be paid in full, £33 17s. 9d. Assets, including surplus from securities, but less creditors to be paid in full, £776 12s. 7d.; stock-in-trade estimated to produce £500; book debts, £43 11s. 10d.; furniture, &c., £50; property, £73 16s. 6d.; surplus from securities, £143 3s. Mr. E. T. Peirson, of Coventry, public accountant, who represented several trade creditors, examined the debtor and learnt that he had been in business about 5 years, having commenced with a borrowed capital of £100; since then he had taken stock twice, the last time being about 18 months ago, when he had a surplus of about £100, but the book and papers containing the accounts, he thought, had been destroyed. The debtor's solicitor offered 7s. 6d. in the pound at 4, 8, and 12 months, but this was increased to 10s. in the pound, at 4, 8, 12, and 16 months, to be secured.

The adjourned statutory meeting of the creditors of Richard Mallalieu, of Manchester, Salford, and Pendlebury, grocer and provision dealer, was held on the 21st instant, at the offices of Messrs. Addleshaw and Warburton, King-street. It was resolved to liquidate by arrangement, and Mr. H. G. Nicholson, 100 King-street, was appointed trustee, with a committee of inspection.

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S. FREETH & Co. (MILLWALL).—The first meeting of creditors of Messrs. Samuel Freeth and Co., of the Phœnix Iron Works, Millwall; the West Drayton Iron Works, West Drayton, and 60 Gracechurch-street, London, was held on the 20th inst., at the Cannon-street Hotel. The creditors resolved to liquidate the estate by arrangement; and appointed Mr. Robert A. McLean (R. A. McLean and Co.), to be trustee, with a committee of inspection. The statement submitted showed liabilities, £30,824; and assets, £10,276. Messrs. Linklater and Co. are solicitors in the matter.

WILSON AND ARMSTRONG.—The creditors of Messrs. Wilson and Armstrong, manufacturers at Weensland, Hawick, met on the 21st instant, in the Freemasons' Hall, George-street. The trustee, Mr. T. S. Lindsay, accountant, presided, and the meeting considered what allowance should be given to the bankrupts. At a previous meeting the creditors fixed the allowance at £1,500 a year—£750 to be given to Mr. George Wilson, £500 to Mr. Charles Wilson, and £250 to Mr. George Murray Wilson, for the management of the business. Mr. Dunlop said that, so far as the bankrupts were concerned, the bankruptcy looked like a farce. The senior partner still resided in the same mansion house he occupied in the days of his prosperity, and kept his horses and carriages. He (Mr. Dunlop), as representing creditors, would not be a party to taking money out of the pockets of the creditors to support such an establishment. If a poor man or a tradesman had failed with £200 or £300, he would soon have found himself rouped out. He had no objection to giving a small allowance, but he would not be a party to giving a large allowance. He concluded by moving that the allowance to the bankrupts be at the rate of three guineas a week for six months from the day of the sequestration, that being the highest statutory allowance. Mr. Dalziel, Edinburgh, who represented the Bank of England, moved that the allowance previously fixed by the trustees and commissioners be continued, and on a division this was agreed to, only the mover and seconder voting for Mr. Dunlop's motion. At a meeting of creditors, held immediately before, it was agreed to continue Mr. Armstrong's allowance at three guineas a week.

FAILURES.

ENGLAND.—The firm of Crowther and Gledhill, slaters and plasterers, Halifax, were adjudicated bankrupts on the 13th inst., and Mr. C. T. Rhodes, Halifax, accountant, was appointed receiver. The first meeting is fixed for the 4th October at 11 o'clock, at the Halifax County Court. Mr. W. H. Boocock and Mr. J. W. Longbottom are the solicitors acting in the bankruptcy.—A petition for liquidation has been filed in the Halifax County Court by Richmond Gledhill, of Halifax, plasterer and slater. The first meeting will be held at the offices of Mr. J. W. Longbottom, solicitor, Northgate, Halifax. Mr. C. T. Rhodes, accountant, of Ward's End, Halifax, has been appointed receiver.—Messrs. Hallett, Manning, and Prentis, merchants and insurance brokers, of 150 Leadenhall-street, have suspended payment in consequence of non-receipt of remittances from abroad. The books have been placed in the hands of Messrs. J. J. Saffery and Co., public accountants, 14 Old Jewry Chambers, for investigation.—A petition for the liquidation of the affairs of Mr. Francis Day, accountant, Sheffield, was filed on Saturday. The liabilities are estimated at nearly £10,000.—A petition for liquidation by arrangement or composition has been filed in the Dewsbury Court by Henry S. Binney, glass and china merchant, of the Market-place, Dewsbury. His liabilities are from £2,800 to £3,000, and the assets are estimated at £1,400. Messrs. Binney and Sons, of Sheffield, are the solicitors to the estate, and Mr. Rhodes Clay, of Dewsbury, accountant, the receiver.

AMERICA.—American advices announce the failure of Messrs. Azagra and Bell, of Valparaiso, with liabilities of £100,000; also that of the Calvert Sugar Refining Company, caused, it is said, by the incautious use of its credit to bolster up Messrs. Stirling, Ahrens and Co., of Baltimore, to the extent of £160,000.—The following suspensions are also announced:—Messrs. Joseph Nicholl and Son, general contractors, Longton; liabilities £12,000. Messrs. Homer, Langer and Co., fruit merchants, Philadelphia, had suspended, with liabilities of £5,000.—New York advices announce the failure of Mr. Robert M. Ferran, an extensive dealer in teas and groceries; it was believed that a compromise would be effected with his creditors.—Mr. William H. Hewitt, of 3 Bowling Green, had notified the New York Produce Exchange of his inability to meet his engagements, owing to the embarrassment of Messrs. Hewitt and Sons, of London, with whom he was connected.—The boot and shoe manufacturing firm of Messrs. Snow, Hopper and Sanderson had failed.—Messrs. Richardson, Merriam and Co., wood-working machinists, of Worcester, Mass., reported failed.—Mr. George W. Hayward, of Buffalo, N.Y., wholesale grocer, had made an assignment; liabilities £18,000.—The Boston and Charleston Steamship Company had also made an assignment; the Company, it was thought, would offer 50 cents on the dollar.—Mr. Friend Pitts, a Broadway merchant, New York, suspended; liabilities £4,000.—Messrs. Morton and Co., Falmouth, Hart County, Halifax, in the lumber trade, had made an assignment; liabilities £10,000.—Referring to the failure of Messrs. Schuchard and Sons, the New York bankers, we learn that the house, which was established in 1825, formerly enjoyed a high reputation, but it appears that, in common with other banking and mercantile firms whose difficulties have, to a large extent, been the result of participation in the American railway mania, which has caused so much mischief, there has been too great a lock-up of capital, the immediate effects of which were avoided by timely assistance being obtained in 1873, since which time the business has been in virtual liquidation. The foreign bill business of the house was, previous to the crisis, the largest of any house in the United States, and the ramifications are understood to be very large now on the Continent, especially in Germany, there being a branch establishment at Hamburg. The total liabilities are understood to be about £600,000, and it is feared the estate will pay only a small dividend.—American advices report the failure of Messrs. Hengehold and Co., extensive coal merchants, Cincinnati; also, the suspension of the New York and Erie Bank, Buffalo, which had a capital of £60,000.—The Union Lumbering Co., Chippewa Falls, Milwaukee, has failed, with liabilities estimated at £130,000.

The *National Zeitung* reports the failures of Wallfisch and Sons, Schulhof and Co., and Steinitzer and Co., of Arad (Hungary). The suspensions are attributed to speculations. Some of the banks are concerned to a considerable extent.

AT THE CENTRAL CRIMINAL COURT, on Thursday, Robert Gordon Coleman, 37 years of age, an accountant, was *convicted* of feloniously forging and uttering a check for £13 12s. 9d., with intent to defraud Messrs. Smith, Payne, and Co., bankers in Lombard-street, and was sentenced to nine months' hard labour.

By the death of Mr. Roche one of the supernumerary registrarships in the Court of Bankruptcy ceases. It will be remembered that by the act of 1869 the registrars in the old London Bankruptcy Court were attached to the London Bankruptcy Court constituted under that act. But by section 61 it was provided that, subject to this provision the court should consist of a judge, "and such number of registrars not exceeding four . . . as may be determined by the chief judge with the sanction of the Treasury." There are still five registrars in the Senior Registrars' Department, so it may be expected that no new appointment will be made in the place of Mr. Roche.—*Solicitors' Journal.*

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THE ABUSES OF LIFE ASSURANCE.

The following letter is of peculiar interest to holders of policies :—

SIR,—It is hardly possible to conceive a subject of more general interest to the public than that of life assurance; and seeing how extensively the practice of assuring has become, I think you will agree with me that it is of the utmost importance for the public to be acquainted with the position and practice of the offices in which they are invited to insure.

We all know what loss and disappointment have been occasioned by the failure of insurance companies to fulfil their obligations; and next to being protected against such contingencies, it is most desirable that assurers should have some reasonable security as to the current value of their policies, so that in the event of their requiring to surrender them, they may get a fair consideration for the amount paid in the shape of premium.

Unless the honourable dealing of assurance offices can be relied on to afford some security in this respect, I need hardly say that much hardship and injustice are likely to result. Suppose, for example, a tradesman or a professional man has insured his life for a considerable amount, and adverse circumstances, or it may be the increasing demands of a large family, should render it impossible for him to keep up his annual payments. Unless he is able to surrender his policy upon something like equitable terms, he has to face a most disagreeable alternative. Either he must accept a sum out of all proportion to the amount he has paid, and so small as to be comparatively useless to him; or he has to risk the forfeiture of his policy; and whichever it be, the insurance office gets the benefit, and the unfortunate insurer becomes the victim.

There are, I am glad to know, many offices in which the surrender value of policies is regulated upon a just and reasonable basis, and in which assurers are, as a consequence, protected against such unjust and unjustifiable treatment; but I have had recent experience of a precisely opposite kind, and as a protection to the public both of Southampton and the entire kingdom, I feel it incumbent upon me to make the facts known through the medium of the newspaper press, which I have ever found to be the most effective means of exposing injustice and ensuring the redress of wrongs.

Ten years ago, upon the solicitation of a friend, I took out a policy for £2,000, payable at death, in the Briton Medical and General Life Association. The annual premium was £76 3s. 4d.; and up to last November I had paid upon that policy £761 13s. 4d., receiving no advantages whatever in the form of bonus. On the 3rd of June last I wrote to the actuary and secretary (Mr. Messent) to inquire what sum of money the directors of the Briton would advance on the security of this policy, and what amount they would give for the surrender of the same. In reply to this, I was informed that the required information would be supplied on payment of a fee of five shillings! I accordingly paid the fee, and renewed the inquiry, which brought an answer to the effect that the present office value of the policy was £99 4s.; or if preferred, the sum of £99—a difference, be it observed, of four shillings!—would be advanced upon it by way of loan. And it was added that the quotation of value would only remain in force *seven* days from the date, whereas it appeared from the printed form that *fourteen* days had been the usual time previously.

As you may imagine, I was fairly astonished at such an amount being named, more especially as I knew what very different estimates other offices placed upon their policies; and accordingly, on the 17th June, I wrote to the secretary as follows:—

I cannot understand how you can make the surrender value of policy 19,924, on the life of myself, only worth £99. Is there not some mistake? I find I have paid £761 13s. 4d. in annual premiums of £76 3s. 4d., so that you allow very little more than one year's premium. I made the same application to the directors of the Crown Life Assurance on a policy that I hold for £500, and on which I have paid £342. The secretary replied by the next post, without asking for any fee, stating that they would give £188 on loan or surrender of policy. From this I feel that the sum offered by the directors of the Briton is so unfair that I shall feel it my duty to make these facts known to the inhabitants of Southampton, through the local press. Please let me know at your earliest convenience if there is not some mistake, as I fully expected £350 would have been paid on the surrender of policy.

The actuary replied to this under date of 21st June, though I did not receive his letter until the 3rd of July; and in order that both sides of the case may be fully and fairly stated, I quote his remarks *in extenso*. He writes:—

I have referred to the calculation of the value of your policy, and find the same correctly arrived at in accordance with the rules adopted by the society at the present time. It is right I should add that the association has lately been the subject of a most violent though unjustifiable attack, and that an unusual number of surrender applications have been made in consequence. The directors, therefore, in order fully to protect the interests of the existing assured, have determined to reduce, though but temporarily, the rate of return. Although this may be a little disappointing to individual applicants, the general wisdom of the course pursued will, no doubt, be recognised by all. The surrender value of a policy of assurance must depend upon a variety of circumstances existing at the time the surrender is applied for, and it is a source of regret to the Board and to myself that at this moment the circumstances, so far as our society is concerned, are somewhat adverse to the policy-holder. Doubtless, at some not very distant period, this will be removed. I shall be happy, if you wish it, to place this matter before the Board; but I do not anticipate they will be able to depart from the rules laid down. With respect to the imposition of a fee, I would explain that this is an office, and not a personal charge, and is a very common charge with assurance companies.

Before the receipt of this communication, I had inquired for what amount the office would insure a paid-up policy in substitution for that which I held, and was apprised that a paid-up policy for £157 18s. could be issued in lieu of the existing assurance. Feeling that this proposal was even more unsatisfactory than the former one, and that both were manifestly unjust to myself as the assured, I addressed the following communication to Mr. Messent on the 8th of July:—

In answer to your letter of the 2nd July, I beg to say, however much I was disgusted by the paltry sum of £99 offered by the "Briton" Board of Directors for the surrender of policy 19,924 for £2,000 on the life of myself, and on which I have paid the sum of £761 13s. 4d., without receiving any bonus whatever, I am more than disgusted to find that you will only issue a paid-up policy for £157 18s. You say the directors will only grant this small amount because an unjustifiable attack has been made on the association; but I am at a loss to see why the policy holders should be robbed of what they are justly entitled to because the "Briton" Life Association has been assailed. I, therefore, trust you will bring my case before the Board of Directors at your earliest convenience, and let me know their final decision in this matter. I beg to add that I shall feel myself at liberty to publish the correspondence that has taken place between us, not only in the local but also in the London papers. I may add that since I last wrote to you I have applied to the Argus Life directors, where I am insured for the same amount, and on which I pay only £52 1s. 8d. a-year, and have received in the shape of bonus one year's premium every five years, and they now offer on the surrender of policy £511 6s. I will add that I have been assured in the company fifteen years, as I only wish what is right and just. But I feel that the directors of the "Briton" are acting so unfairly, that if the association suffer from my publishing these facts it will be their own fault.

To this communication Mr. Messent replied by saying that he had laid the correspondence before the directors, and was

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instructed to state that they were unable to alter the quotation in respect to the value of the policy.

Thus the matter ended. I felt obliged, in self-protection, to accept the paltry sum offered, for the very obvious reason that the *actual* value of a life policy must bear at least some proportion to the surrender value; and if the surrender value of the Briton's policies be so trifling, what faith can be placed in their prospective *actual* value, even when the premiums paid amount to much larger sums than in my case? I had already paid £761 16s., and might have paid another annual premium of £76 3s. 4d. in November next without increasing the surrender value, or obtaining any better security; and, therefore, I felt the best plan was to cut the connection with such an office as speedily as possible.

These facts are of so much importance to life insurers and the public generally, that I am satisfied you will be conferring a public benefit by giving effect to my determination to publish them. The directors of the Briton announce that the total income of the office last year was £245,516, and that the funds in hand amount to £660,000. The new annual premiums in the same period are stated to be £11,667 10s. 3d., derived from 1,245 persons, and assuring £352,619 15s. 3d. If this be so, and if these statements fully represent the position of the office at the present time, why is it that the surrender value of its policies should be regarded as comparatively worthless?

The shareholders of the Briton were paid 5 per cent. last year upon their paid-up capital. Why should not the policy-holders, who have provided the necessary means for paying this dividend, also receive just and equitable treatment at the hands of the directors when they seek for some return for the money they have invested? If the surrender value of all the Briton's policies is to be estimated at the same rate as mine, I pity the unfortunate 1,245 insurers who were induced last year to avail themselves of this means of making provision for those who may survive them. Should any of them through affliction, losses, or other unforeseen circumstances be unable hereafter to keep up their premiums, they know what they will have to expect.

Life assurance is worse than useless—it becomes a snare and a deception, unless, in all its details, it is regulated upon a just, fair, and consistent basis; and who can say that this is the case with regard to the surrender values of the Briton? I ask the public, in justice to themselves, to look impartially at these facts, and to draw their own conclusions. One office which I have named offers more than a third of the sum assured as the surrender value of its policy; another office, which has given every four years a bonus equivalent to one year's premium, offers more than a fourth; whereas the Briton, with all its vaunted advantages, refuses to give *one twentieth* part of the sum assured for the surrender of a policy upon which premiums have been paid to the amount of nearly eight hundred pounds! If this is the value which the office puts upon its own policies, what value can attach to the office itself; and what confidence can be felt in the security which it offers to the life-assuring public? Facts are proverbially stubborn things; and there are some facts which should never fail to act both as a warning and a caution..

I am, Mr. Editor, faithfully yours,

THOMAS P. PAYNE.

Southampton, *Sept. 8th*, 1875.

APATHETIC CREDITORS.

A correspondent of a Birmingham newspaper writes as follows:—" Sir,—The interesting correspondence which recently appeared in your paper induces me to ask permission to direct the attention of your commercial readers to the report in your paper of to-day of a meeting of the creditors of Henry Chapman, of Gate-street, Saltley, formerly of Balsall Heath. The liabilities are stated to be £778 10s. 5d., and the assets £4 10s. The result of the meeting is given in these words:—' The creditors resolved to liquidate, and granted the debtor his discharge.' I am in no way interested in the failure, and do not even know the debtor; but as some of your correspondents have attempted to make the law responsible for the ready way in which debtors are released from their liabilities, I wish to point out the above case as proving incontestably that creditors alone are themselves to blame, and not the law. I assert that the apathy and indifference of creditors to their own interests lead to the perpetration of many of the abuses which they very thoughtlessly attribute to the present state of the law. It may be that the debtor, Chapman, was a fit subject for the exercise of creditors' benevolence, and that his losses may have induced them to give him a gratuitous release from his debts. As to this I have no knowledge whatever; but it must be borne in mind that such a happy termination of a debtor's difficulties can only happen by the consent of creditors, or, rather, of the bulk of the creditors, who are empowered to bind the rest. The only possible complaint against the law is, that it allows a large majority to bind a minority; but on a fair consideration of the question, such a complaint is untenable. Nearly all the public affairs of life which affect the private interests and rights of individuals are controlled and governed by majorities. Laws are so made, and municipal and parochial concerns are managed in the same way. The law very reasonably assumes that what is considered right by a large majority of creditors should be held to be so by the minority; but the law is perfectly consistent, for whilst it allows a majority to rule, it only does so when the majority exercises its power *bona fide* and honestly in the interests of the whole body of the creditors. It does not permit the majority to discharge a debtor from a motive of friendship, generosity, or benevolence, and it certainly does not allow them to go through the farce of passing a resolution to 'liquidate the estate' when there are no assets available for a dividend; and, above all things, the law does not sanction the granting of a debtor's discharge under such circumstances. The Bankruptcy Courts have repeatedly declared, at the instance of non-assenting creditors, that a resolution so passed has no validity, because it is of the essence of a liquidation that there be something to liquidate, which will result in the attainment of the object of a liquidation—viz. the payment of a dividend. I do not now enter into the question as to the way in which the consent of a majority of creditors is not unfrequently obtained, or as to the manufacturing of debts for the purpose of creating a majority by a debtor, who wishes to 'whitewash' his affairs at the expense of the genuine creditors. These matters are entirely within the control of the creditors themselves, if they will only be true to one another, and adopt those measures which the law provides for suppressing such dishonest practices."

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*]

Mr. Edward Thomas Peirson, of 46 Jordan Well, Coventry, public accountant, has been appointed auditor to the Coventry Corporation.

Mr. J. J. Saffery (J. J. Saffery and Company), 14 Old Jewry chambers, E.C., public accountant, has been appointed trustee of the estate of David French, coal merchant, cooper, &c., of Chatham, in the county of Kent.

The Vice-Chancellor Sir James Bacon has appointed Mr. H. J. C. F. Woodhouse, public accountant, of 14 Warwick-court, Holborn, and Mr. J. N. Cuthbertson, merchant, of 29 Bath street, Glasgow, to be official liquidators of the British Seaweed Company (Limited).

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CONTINENTAL DEBENTURES.

Under this heading a correspondent sends the following:—Such large sums being constantly placed in the hands of accountants for the purpose of investment, and their advice being continually required as to the safest modes of investing capital and the reliability and genuineness of different financial undertakings, it will not be out of our province to explain the nature and security of the different "continental debentures" now announced in this country by the Messrs. Wolfskehl, an old established firm of bankers, at Frankfort-am-Main. For some years past, many of the continental governments, notably Austria, Prussia, Russia, and Hungary, have been in the habit of raising money by loans, bearing three to five per cent. interest, repayable by periodical drawings extending over a term of years, with a certain number of bonuses attached to each drawing. An explanation of one will give the salient points in all, as the system adopted in each is almost identical. We will take, for instance, the Imperial Austrian Loan issued in the year 1860, for £20,000,000 sterling, in 400,000 obligations of 500 guldens or £50 each, bearing 5 per cent. interest. The terms of the legislative enactment authorising this loan stipulate that it shall be paid off in 57 years by 114 half-yearly drawings, at each of which drawings £50,000 shall be divided in bonuses amongst 50 obligations as follows, viz. one obligation to receive £30,000, one £5,000, one £2,500, two £1,000 each, fifteen £500 each, and thirty £100 each; besides which, all other debentures drawn shall receive £60 each for the £50 originally paid, for the obligation. Up to the present time 31 drawings have taken place, by which means 37,600 debentures have been redeemed, and the amount already paid by the Austrian Treasury is £3. At a superficial glance, it may appear difficult to see how it can answer the purpose of any government to borrow money at 5 per cent., and be able besides to pay handsome bonuses; but a small amount of calculation will prove that the system is sound, and the countries negotiating these loans procure great benefits therefrom. The interest bearing portion of these loans being continually reduced, it will be seen that they have only to pay a fraction less than two and a half per cent. for the money, which is at once paid up in full, and is used for the construction of railways and other public works—as stated on the face of each debenture; on the completion of which the State realises great benefits; and the payment of the interest and bonuses is, therefore, of small account. All these loans are secured primarily on the works for which they are issued, and also bear the guarantee of the respective governments, with the sanction of the different legislatures on the continent; they are held in highest esteem, extensive investments being continually made in them on account of "trust-money," municipal, church and orphanage funds, &c. and large transactions are daily recorded on all the Continental Bourses, where nearly all are now dealt in at a high premium, in instance of which we may mention the Imperial Austrian Loan of 1839, redeemable in 40 years, of which four have still to run, the debentures being scarcely obtainable at the enormous premium of 12.53 per cent. Up to the present these loans have been neglected by English capitalists, owing to their being confounded with the German lotteries, to which, however, they bear no resemblance whatever, and which were, with two or three small exceptions, prohibited by an Imperial German Edict passed January 1st, 1873.

We are informed that considerable dealings have already taken place in these debentures through the agency of Messrs. Wolfskehl, of Liverpool, and that two of their clients in this country have already been lucky enough to receive bonuses of £20,000 each.

The *Frankfurt Zeitung* of the 10th instant states that one banking firm alone in that city sold, from the 1st of January to the 31st of August this year, 216,678 Continental loan debentures.

BUSINESS IN THE DIVORCE COURT.—The stamps in the financial year ending 31st of March 1875, amounted to the sum of £4190 13s.

COMMON LAW COURTS (ENGLAND).—The fee stamps used at common law in the year ending on 31st March, 1875, amounted to £85,781 17s. 6d.

FEES IN THE HOUSE OF LORDS.—A sum of £13,047 11s. 11d. was received in the year 1874 as fees in the House of Lords.

REGISTRATION OF DEEDS.—The amount produced by stamp duty in the year ending the 31st of March 1875, amounted to £13,980 12s. 11d.

THE OLD MARSHALSEA COURT.—There are 12 officers of the late Marshalsea Court who enjoy pensions on the abolition of their offices, to the amount of £1,482.

TAXATION.—Mr. Paget, M.P., has obtained a Return, just issued, relating to Property and Income Tax Assessment, Poor Rate, &c. from 1814-15 to 1873-74. In the first year the amount of property and profits assessed was £168,234,808, and increased to £437,611,490 last year. Returns are given in reference to the Poor Rate assessment and Poor Rate expenditure over the same period. In 1814-15 the relief to the poor only amounted to £5,418,846, and for all other purposes £2,090,008. The total Poor Rate expenditure in that year was 7,508,854, and in 1873-74 the relief to the poor only £7,664,957; for other purposes (generally), £4,408,909, and £777,141 (specially) Highway Rate transferred to the Poor Rate. The total Poor Rate expenditure last year was £12,851,007.

CO-OPERATIVE MINING.—The annual report of the Co-operative Mining Society (Limited), which owns a colliery in Derbyshire, and whose meeting will be held in Newcastle-on-Tyne on Saturday, has been published by the directors. Messrs. Benson, Eland, and Co, auditors, report a loss to the company upon the trading transactions of the year ending June 30, 1875, of £7,715 3s. 6d.; adding to this interest on purchase money and loans amounting to £3,295 5s. 11d., the result is a loss of £11,010 9s. 5d. The directors report that the output of the colliery was such as the committee was never led to anticipate. This, with the increased cost of production and the unsatisfactory state in which the society found the colliery, has occasioned the loss shown in their balance sheet. The directors report that they have instructed their solicitors to file a bill in Chancery against the vendor for the recision of the contract and the return of the purchase money.

LEGAL TOUTING.—Under the head of "More Touting," a legal contemporary says:—"The annexed advertisement has appeared in a local paper, the *Frome Times*; I send it in case you may think proper to refer to it. I do not know what is meant by the term 'law agents;' the names, I need scarcely say, do not appear in the Law List.

EDWARD HENLEY.

[We quite recently noticed this miserable advertisement, part of which is as follows:]

LEGAL ASSISTANCE in the Chancery, &c., Courts. Actions brought or defended by skilful Solicitors. Damages recovered for breach of contract, railway accidents, and illegal distresses. Divorces obtained. Compositions with creditors. See prospectus. Advice free.——— and Co. Law Agents, High Holborn, London."

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BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, Sept. 22 :—

Thursday, September 16	£15,773,000
Friday, September 17	14,559,000
Saturday, September 18	17,085,000
Monday, September 20	14,667,000
Tuesday, September 21	11,925,000
Wednesday, September 22	12,826,000
	£86,835,000

The total at the corresponding period of last year, was £102,122,000.

HOUSE OF LORDS APPEALS.—It appears from a recent official report, that when Parliament assembled in February, twenty-three causes were effective for hearing and twenty-four causes set down for hearing before the Whitsuntide recess, that is, forty-seven causes were ready for effective hearing before Whitsuntide. During the session forty-seven causes were heard, seven of which causes were brought into the House during the past Session. Subsequently to the Whitsuntide recess fourteen more causes were set down for hearing.

The meeting of the profession at Liverpool, says the *Law Times*, will afford an opportunity to solicitors to let their united voice be heard and their influence felt in regard to the Inns of Court Act of last session, the origin and passing of which is due to the energy and resolution of Lord Selborne; and among the many other subjects which should engage the attention of those members of the profession so attending, we may mention the question of professional remuneration, the non-liability of counsel for negligence, their indiscriminate receipt of briefs and fees without regard to their other engagements, restrain upon transfer of leasehold property, audience of solicitors at assizes and quarter sessions, encroachments by unauthorised persons on professional rights, unjust restrictions on the call of solicitors to the Bar, qualifications of parliamentary agents, practice under the Judicature Acts, land transfer, scale of charges in conveyancing, and public prosecutors. We hope that the meeting in October will be a success, to which we are anxious to contribute in every way in our power; and we cannot help thinking that an annual meeting in London of a somewhat similar character would prove of advantage, not only in securing a free discussion on all questions of professional interest, but also in promoting additional adhesion to the chief society on the part of solicitors, some thousands of whom still hold aloof and take little or no interest in their profession.

LATE ADVERTISEMENTS.

TO ACCOUNTANTS.—A Gentleman established some years in one of the best positions in the City, will shortly have a portion of his handsomely furnished offices vacant, and will be open to share same (together with use of clerk, &c.) with any gentleman having a connection of his own, on equitable terms.—Address, "Accountant," care of Housekeeper, Old Jewry Chambers, E.C.

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NOTICE OF REMOVAL.

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The Accountant.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

OCTOBER 2, 1875.

In accordance with our promise last week, we have taken an opportunity of investigating further the correct construction to be placed on the sections regulating the respective relations of landlords and trustees. The facts on which the discussion has arisen are of frequent occurrence in cases of bankruptcy. A trustee has taken possession of premises, in respect of which rent is owing, and occupies them for some little time. The landlord claims to be paid in full, not only the rent which accrued due previous to the bankruptcy, but also rent for the period during which the trustee occupied. To this our correspondent "Rent," whose letter first raised the question, very properly, in our opinion, answers, that rent subsequent to the bankruptcy cannot be treated as a preferential claim; and with this view many experienced correspondents agree. We may assume at once that the landlord has taken steps to assert his right to the rent which has accrued. The Act gives him a power of distress, limited to the arrears of one year; and if he has remained passive, he loses his right. If he has either distrained, or has forborne to distrain by arrangement with the trustee, he has done all that the law requires in the way of protecting his own interests.

We have found no cases decided on the point arising under the 34th section of the Act. But it is a fact very frequently overlooked, that many of these provisions are taken bodily from older statutes; and it is by reference to these that we may arrive at some definite solution. The rule, that distress is effectual only in respect of one year's rent, is exactly fifty years old, and is laid down in the 74th section of the Act of 1825 (6th George IV. cap. 16), which enacts that "no distress for rent made and levied after an act of bankruptcy, upon the goods or effects of any bankrupt, shall be available for more than one year's rent accrued prior to the date of the commission; but the landlord shall be

allowed to come in as a creditor for the overplus of the rent due, and for which the distress shall not be available." This clause, with a few verbal alterations, is repeated in the Act of 1849, and is substantially re-enacted in the Act of 1869. The clause giving power to the landlord to apply for an order that the assignees may elect whether they will continue in possession or give up the lease, is also in the Act of George IV. (sec. 75), and is followed in the 145th Section of the Bankruptcy Act of 1849. It is to be observed, that the 75th Section of the 6th of George IV., c. 16, provides that the bankrupt shall not be liable for rent due after his bankruptcy, if the assignees elect to take the lease, or if he gives up possession within fourteen days after the assignees have declined. It appears pretty clear, from a consideration of these sections, that there is no right to rent at all after adjudication, in case the trustee refuses to continue the lease; and so it is laid down in the text books of bankruptcy law to which we have referred. The Bankruptcy Act of 1861 allowed (by Section 131) the assignees to take and retain possession of the premises "up to some quarter or half-yearly day on which rent is made payable by the leases or agreement, such day not being more than six months from the adjudication of bankruptcy; and upon such day to decline such lease." This section was introduced in the interest of the assignees, who often found themselves treated as having accepted a lease which they had never intended to accept, and thus became liable to the rent and covenants. Under this section it is said, that if they take possession for the limited period allowed, they will be liable to an action for use and occupation.

We have treated this matter throughout as if the landlord had exercised his right of distraint, but he may lose his preferential claim altogether by negligence. If he neglects to distrain, and the goods are removed from off the premises and sold by the trustee, he can only prove and take his dividends with the rest of the creditors. But, if the trustee agrees to pay the amount of rent, he will then render himself personally liable, and the landlord will naturally only forbear to exercise his right of distress on receiving such an undertaking from the trustee. It becomes important, therefore, for a trustee to ascertain that the value of the goods actually on the premises, and liable to distress, is sufficient to pay the amount of the year's rent. If not, his only course is to allow the distress to take place. If there is insufficient distress on the premises, the loss will fall on the landlord; but, if the trustee has agreed to pay the rent, he will be personally liable for deficiency.

Upon a consideration of the whole circumstances of the case, we are inclined to think that where a trustee has disclaimed a lease, no rent is payable from the date of the order of adjudication, and that this applies to the case stated by our correspondent "Rent." The 23rd section of the Act is very strongly worded. It provides that the trustee, "notwithstanding he has taken possession of such property, or exercised any act of ownership in relation thereto, may disclaim such property, and upon the execution of such disclaimer the property disclaimed shall, if the same be a lease, be deemed to have been surrendered on the date of the order of adjudication." Abuse is prevented by the 24th section of the Act, and the 21st rule of 1871. Our correspondent C. T. R. thinks that unreasonable delay on the part of the trustee would be considered as an "injury" within the meaning of subsection one of sec. 23. We cannot quite take this view. The creditor has only to serve the notice mentioned in sec. 24 to protect himself, and unreasonable delay on the part of the trustee would be ground for holding that he had elected to accept the lease, rather than as an act for which the bankrupt could be mulcted in damages. What the meaning of the subsection is, is clearly laid down in a case which came before the Lords Justices about four years ago. In that case a bankrupt was tenant under a lease of property at a very high rent; and the trustee, upon being applied to to make his option, at once disclaimed. It was stated that the property had deteriorated in value, and would only let for about half the rent reserved by the lease. This was an "injury" for which the lessor was allowed to prove against the debtor's estate on the following principles,—"if the landlord got as much rent for the premises as he did before, the damages would be *nil;* if he got less rent, it would be the difference."

We would, therefore, finally recommend all trustees to act as promptly as they can in the matter. So long as they receive no application, they need not disclaim. But, except under very peculiar circumstances, no rent would be payable. They may apply to the court for further time to make up their minds, and it must be remembered that the disclaimer must be approved of by the court. This may press hardly on the landlord,

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but then landlords generally are now suffering some curtailment of their ancient rights and privileges.

The letter of "Trustee" in our last week's issue raises, *à propos* of the case of re Knowles, the question of the right of remuneration of a trustee under a composition, and our correspondent holds that though fees and charges paid out of pocket were properly allowed, though in a somewhat informal manner, yet there was no right in the creditors to vote any part of the debtor's money as remuneration to the trustee. The case of re Knowles is not reported sufficiently full to make all the facts perfectly clear, but as far as they are set out, they seem to justify the decision of the judge. It is quite true, as "Trustee" points out, that no property vests in the trustee in a composition, and that his duties are simply to receive the amount of the composition and divide it in due proportion among the creditors. But in Knowles' case, it appears that Mr. Crowther had been for some time acting as receiver and manager, and that the remuneration was mainly given to him for his services in that capacity, hence the question scarcely arises in that instance. But let us put the point on abstract grounds. A first meeting is held, and a composition proposed and accepted. If a trustee is appointed, (and whether this is done or not is left optional by the Act), the question then arises, how is he to be paid. This question, according to "Trustee," the meeting cannot entertain. "They may," he says, "determine as to the amount of composition, manner of payment, and security, and by whom the composition shall be distributed; but there their power ends." But with all respect to the opinion of our correspondent, we conceive that the meeting has full power to decide also how, and what sum the distributor is to be paid. A composition is virtually a compromise. It may be of the most vital importance to a debtor to escape from any proceedings which vest his property in a trustee. He is entitled to certain estate, which goes over to his children or to strangers, if he is deprived by any means of the use or enjoyment of it. Let a trustee in liquidation be appointed, and that property is gone from the debtor for ever. But if the creditors like to take a composition without any bankruptcy, the estate is not diverted. In these and many other cases, composition is an advantage to a debtor who has assets. Surely the creditors, who are omnipotent in the manner in which they will deal with these assets, may say, "Pay us five shillings in the pound, and pay so much as remuneration to the man we appoint as our agent in the matter, and we will release you, or we will proceed by liquidation in the ordinary way." We cannot see that either in a legal or an ethical point of view such a proceeding would be incorrect.

Then there is another fallacy in "Trustee's" argument, and that is, in talking about "the debtor's property." The case of Mr. Knowles was very exceptional. It is undoubted that every creditor was paid in full, and so the trustee's remuneration really came out of the debtor's pocket. But how often does such a case as this happen? As a rule, the larger the amount paid to the trustee, the less is there for the creditors. If they pay the trustee out of their own pockets, they fail to get the exact amount of composition they expected. If the debtor pays it, that must be taken into the account. If a man pays five shillings to his creditors and a lump sum to their trustee for time, trouble and costs, as the terms of his release, he cannot complain. If he objects to assent to the arrangement, he can apply to the Court, and become a bankrupt. And even in a case where twenty shillings in the pound is paid, there is still a fallacy lurking in the phrase the "debtor's property." He must be presumed to have had some advantageous result in view when he filed his petition, and sought the protection of an act where the essential point is that a debtor once brought within its provisions is no longer master of his property, but holds it in absolute trust for his creditors till a trustee is appointed in whom it vests. So that it is, in reality, the creditors dealing with their own property, and not that of their debtor. He has invoked to his aid a power whose operation is at times inconvenient to him; and can only escape from his unpleasant position at the will of those to whose mercy he has surrendered himself.

ANSWERS TO CORRESPONDENTS.

"R. R. R."—We are afraid that the words "made by a trader" do not apply to the case you speak of, where the debtor was not actually in trade at the time of making the settlement. We will try and answer you more fully next week, when, perhaps, some of our correspondents may be able to assist us.—Ed.

Profit on Bronze Coinage.—The sum of £34,609 6s. was received in the year ended the 31st of March as profit on bronze coinage.

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Correspondence.

ANTE-NUPTIAL SETTLEMENTS.

To the Editor of the Accountant.

Sir,—I have read with interest your article in last week's *Accountant* upon this subject, but do not agree with all your conclusions. A few years ago, at the instance of the Chambers of Commerce, a committee of merchants and lawyers was formed, and after many meetings, they came to certain resolutions, which, when published, were much commended by the press. A long and varied experience has convinced me that in nine cases out of ten, a settlement by a man, before or after marriage, ought to be prohibited, at least in the case of a trader. If an intended wife has property, let her settle that, if you will. The express object of all settlements is to defeat creditors, if the chances of life should turn against the husband. In the case of re Clint, decided in December, 1873, in which I was trustee, the debtor made a settlement in contemplation of marriage, whereby, in addition to a life policy for £1,000, and household furniture, he covenanted to settle all future real or personal estate, of which he, the settlor, might at any time during the intended coverture become possessed. The settlor subsequently became possessed, *inter alia*, of shares in ships, and on his bankruptcy they were claimed by the trustees of the wife's settlement. The County Court Judge upheld the claim, whereupon I appealed to the Chief Judge, who, in giving his decision, said, that no man could make a declaration of such a trust, because he could never know the value—he could only make a guess at it. He added, that nothing could be more opposed to plain reason and justice and the policy of the law, than that a man, either in trade or out of it, should make over every particle of his property, down to his very boots, to his wife, by including it in his marriage settlement, when the effect might be to interfere with the rights of his creditors. He declared the settlement void as to the after-acquired property, but solely on the ground of a well known rule in equity, upon which there have been other decisions, beside the leading case of Lewis v. Madocks (17 Vesey junr., page 47), that settlements of after-acquired property only carry property in the nature of capital. Continually I find, where men have made ante-nuptial settlements, and afterwards become bankrupts, the trustees of the settlements come in and claim the amount the debtor covenanted to settle, and vote at meetings of creditors with the *bonâ fide* creditors, and by their vote carry the debtor's proposal. We have a great many wise laws as to marriage being a valuable consideration, and so on, which might well be modified in operation. I say, let ladies settle their property, if they have any, and share their husbands' good or ill luck; if they have no property, let them do the latter. As matters stand, instances will occur to every business man where persons who have settlements of their own or their wife's property, go to the wall again and again, simply because, whatever comes or goes, they are assured of no diminution of worldly comforts, and can calculate on the kindness of their wives. What do the strong-minded women say as to marriage being a good consideration when it is used all on one side? If they rightly contend for equal privileges with the men, they ought to accept the same position as to the acquisition of property.

Yours truly,
H. B.

Liverpool, *Sept. 26th*, 1875.

To the Editor of the Accountant.

Sir,—Having just read the article in your issue of this date, on the subject of settlements, I am induced to ask whether the question of a man being considered a "trader" under the 91st section of the Bankruptcy Act 1869 has been raised under circumstances as follows, and if so, with what result? *A* failed as a wine merchant in 1872, but the creditors received twenty shillings in the pound (I believe by friends coming forward), his affairs being settled by private arrangement; in 1873, it appears he had no occupation, but in 1874 again commenced business in the same trade, in partnership with *B*, who was known to be without means, whilst *A* was believed to have money. Early in 1875, this firm was adjudicated, there being no assets, except some furniture of slight value in the separate estate of *A*, settlements of considerable amount having been made by *A* on his wife in 1873, behind which he shelters himself from his present creditors (although the settlements bear date within two years of bankruptcy) on the ground that he was not *then* a trader. I may add, that the furniture was settled in like manner early in 1874, but that settlement has been set aside on evidence that *A* was at the time selling wine on commission. There are no books to show what became of the goods for which the firm's acceptances (nearly all bearing *A's* individual endorsement), now proved on, were given, or how the proceeds of said goods were disposed of, there having been, apparently, no *bonâ-fide* sales. The office furniture was sold a month before the date of adjudication, the tradesman's account for same having since been proved; yet from all I can learn, without trying the question, for which funds are not in hand, this fraudulent insolvent, (who has never surrendered, being still somewhere on the Continent) can with impunity live on the interest of the money invested under the settlements, and set his creditors at defiance.

Surely *such* protection was never intended when the word "trader" was introduced into the 91st section of the Act, which, as far as form goes, so jealously watches over the interests of creditors.

Yours truly,
R. R. R.

September 25*th*, 1875.

THE STAMP QUESTION.

To the Editor of the Accountant.

Sir,—As your correspondents do not seem quite clear as to how far the exemption from stamp duty in the 113th section appears, I enclose copy of a letter from the Inland Revenue authorities, which I think is conclusive.

Yours truly,
L. B., A.S.A.E.

[Copy.]

"Inland Revenue, Somerset House,
London, W.C.,
25th April, 1872.

Sir,—In reply to the inquiry contained in your letter of the 18th instant, I am directed by the Board of Inland

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Revenue to acquaint you that the exemption from stamp duty in the 113th section of the Bankruptcy Act, 1869, is applicable to receipts for dividends payable under Bankruptcies, and to cheques drawn by trustees in Bankruptcy upon their separate accounts as such trustees, but that it is not applicable to receipts or cheques in liquidation or compositions.

I am, Sir,
Your obedient Servant,
WILLIAM LOMAS."

To the Editor of the Accountant.

SIR,—The correspondence in your last two issues on the question of stamps and rents, is both interesting and instructive to accountants. With respect to the former, the course I have adopted (and it is founded upon authority) is, not to give stamped receipts for moneys due to a bankrupt's or liquidating debtor's estate, but to require them on all payments exceeding forty shillings out of such estates, including dividends and allocaturs for bills of costs. As to rent, if it accrues due during the occupation by the trustee, it can be distrained for, and must be paid, that is, to the extent of twelve months, but if the trustee can realise the estate before it accrues due, there is no obligation to pay the landlord the proportion of rent owing, but the landlord would have a right of proof for the loss sustained. If a trustee, after having paid rent accruing due whilst he is in possession, remains longer than a time which may be considered reasonable for the realisation of the estate, he will be taken to have adopted the tenancy, and may be held answerable for the rent. On both these points it will be seen that my views are in accordance with those of your correspondents. There are, however, two other questions which have recently cropped up in my practice to which I wish to draw attention. The first is as to whether the allocatur for a bill of costs should be for the bill as presented for taxation, or upon the amount at which the bill is taxed. The latter was all that was required under the former Acts, but now, for certain ingenious reasons, founded upon the strict reading of the rules and scale, it is held in some Courts that on presentation of the bill for taxation, an allocatur for the full amount thereof must be attached. The other question is, whether it is imperative to require bills to be taxed in liquidation cases? I have invariably insisted upon such being done, in conformity, as I considered, with the direct requirements of the rules, but I am informed that in London and other large towns, certain eminent accountants are in the habit of discharging solicitors' bills without requiring taxation. It is important there should be some uniform practice herein, and it is much to be regretted that the rules are so vague as to the consequences of non-compliance therewith in liquidation cases.

Yours truly,
H. B.

Liverpool, *September 26th*, 1875.

Talley, the solicitor who endeavoured to prevent a witness giving evidence in a case of felony, was sentenced at the Central Criminal Court, on Saturday, to twelve months' imprisonment.

COURT OF BANKRUPTCY.

September 27.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE FELLWRIGHT AND WATSON.—The debtors, Messrs. Thomas Fellwright and James Watson, skirt and costume manufacturers, carrying on business in Gresham-street, have filed a petition for liquidation. Their debts are estimated at £9,000, with assets, consisting of stock-in-trade, book debts, and various other items, £7,000, subject to realisation. It appeared that the debtor Watson, by whom the business had been conducted for about a year, had presented a petition as a sole trader; but at the first meeting the creditors declined to pass any resolution, and it became necessary to file a joint petition. Upon the application of Mr. A. H. Miller, his Honour appointed Mr. J. F. Lovering, accountant, Gresham-street, receiver and manager of the business.

September 28.

(*Before* MR. REGISTRAR BROUGHAM, *sitting as Chief Judge.*)

IN RE BAUM, SONS, & CO.—The debtors, Messrs. Peter Frederick Baum and Adolphus Saly Baum, money-changers, carrying on business at 58 Lombard-street, under the firm of Baum, Sons, and Co., have filed a petition for liquidation. Their liabilities are returned at £15,000, with assets about £3,000, consisting of bullion and cash, furniture, and bills receivable. Mr. F. Miller now applied that Mr. James Holah, accountant, 62 Moorgate-street, should be appointed receiver of the estate; and he produced an affidavit showing that it was desirable the business should be continued until the first meeting of creditors. His Honour granted the application, an interim injunction being also allowed to restrain actions by creditors.

IN RE ARTHUR RIX.—Mr. Barnard, for creditors, applied under proceedings for liquidation instituted by the debtor, an iron merchant, carrying on business at 384 Rotherhithe-street, for the appointment of a receiver of the debtor's property. Mr. R. Griffiths, for the debtor, opposed the application, stating that no actions were pending, and that the appointment would only give rise to unnecessary expense. His Honour thought there was no evidence of the property being in jeopardy, and refused the application.

September 29.

(*Before Mr. Registrar* SPRING-RICE.)

IN RE JOHN HIGH.—This was an application for the appointment of a receiver and manager of the estate. The debtor has presented a petition for liquidation, describing himself as a builder and contractor, carrying on business at the Clarence Works, Upper Clapton. Mr. E. C. Willis, in applying for the appointment of Mr. Joseph Payne, St. Clement's House, Clement's-lane, as receiver and manager of the estate, read from an affidavit which stated the fact that the debtor had called a meeting of his creditors, and at that meeting it was resolved to appoint a receiver and manager to the estate. No statement of affairs was then presented, but a list of the debtor's contracts were read, the amount being stated and the profit expected to be realised. The debtor also then informed the meeting that about twelve writs were out against him, and several judgments. His Honour granted the application. The debts are estimated at about £30,000. The value of the assets is not at present known.

September 30.

(*Before Mr. Registrar* SPRING-RICE.)

RE A. ZAWADSKI.—A first meeting was held under an adjudication against Alfred Zawadski, described as of Essex-road,

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Islington, and Camden Town, American organ manufacturer. The act of bankruptcy upon which the proceedings were founded was the departure of the debtor from his dwelling-house with the alleged intent of defeating or delaying his creditors. No accounts were filed, but proofs for about £7,000 were admitted, and a trustee appointed.

LORD MAYOR'S COURT.

Sept. 30.

(*Before the* RECORDER *and a Special Jury.*)

HUNTER v. BROUSSON.—This was an action brought to recover the value of a dishonoured bill of exchange, for £479 11s. 6d. The defendant pleaded a traverse of the endorsement and acceptance, and also never indebted.—The plaintiff, in the month of April last, succeeded to the business of a Mr. Buchanan, of Glasgow and Kames, who traded at both places, as the Kames Gunpowder Company, and thus became the holder of a dishonoured bill, which had been paid into the account of the company by their London agent, Mr. M'Allam, and was drawn by a Mr. Paterson, in the month of November, 1874, in the name of the defendant's firm as it then existed, Brousson, Wagner, and Paterson, and which was dishonoured upon being presented at the Imperial Bank, who now claimed its value.—The plaintiff, who was called, denied in cross-examination that the bill in question was one of several given by Paterson in part payment of a sum of £52,000, the proposed purchase-money for the company's business, for which he was in treaty with Mr. Buchanan, through M'Allam, in 1874. On the part of the defence it was urged that M'Allam had had notice given him that Paterson had no right to pledge the credit of the firm or to sign the name of the firm to bills of exchange or cheques, and that such a notice to an agent was a notice to the principals, and therefore they took the bill knowing that fact, and the defendants were not responsible.—Mr. Brousson, one of the defendants, who said he and his partner, Mr. Wagner, carried on business at 106 Fenchurch-street, City, as merchants, detailed the facts with relation to the partnership of the firm when the bill was drawn by his then third partner, Paterson. He said he had no authority to do so under the articles of partnership without the consent of his senior, Mr. Wagner, which had never been obtained. About £30,000 worth of these bills had been floated by Paterson for his own individual benefit, bearing the name of the firm. In cross-examination he admitted the firm had met one bill for £378 11s. 4d., not knowing of the others, and had sometimes allowed Paterson to sign cheques in the name of the firm. They were also all three present at the bank at the time of signing the signature book. Upon that the learned Judge ruled in favour of the plaintiff, and ordered a verdict for the amount claimed.

BIRMINGHAM COURT OF BANKRUPTCY.

September 28.

(*Before Mr. Registrar* CHAUNTLER.)

IN RE WILLIAM COOKE.—The debtor, described as a licensed victualler, of the Victoria Inn, Albert-road, in the parish of Aston-juxta-Birmingham, has filed his petition for liquidation, with liabilities estimated at £1,700, or thereabouts, and assets £1,000. Upon the application of Mr. Matthew J. Blewitt, of No. 40 Waterloo-street, solicitor, the Registrar appointed Mr. Spencer Dominy, accountant, receiver of the estate, and granted an interim injunction to restrain proceedings by creditors.

IN RE JAMES JEFFERY.—The debtor, described as a grocer and provision dealer, of 67 and 68 Cattell-road, Small Heath, Birmingham, has filed his petition for liquidation, with liabilities estimated at £1,500 or thereabouts, and assets £500. —Upon the application of Mr. Edwin Jaques, solicitor for the debtor, the Registrar appointed Mr. C. T. Starkey, of Cannon-street, Birmingham, public accountant, receiver of the estate, and granted an interim injunction to restrain proceedings of creditors.

The *Bankers' Magazine* furnishes the returns of the circulation of the Private and Joint-Stock Banks in England and Wales for the four weeks ending the 4th of September, 1875. These returns, combined with the circulation of the Scotch and Irish Banks for the same period, and the average circulation of the Bank of England, for the four weeks ending the 1st of September (the nearest date furnished by their returns), will give the following results of the circulation of notes in the United Kingdom when compared with the previous month:

	Sept. 4.	Aug. 7.	Increase	Decrease.
Bank of England	£28,215,954	£28,464,786	—	£248,832
Private Banks	2,373,305	2,410,897	—	37,592
Joint-Stock Banks ...	2,221,238	2,244,758	—	23,520
Total in England ...	32,810,497	33,120,441	—	309,944
Scotland	5,873,681	5,952,816	—	79,135
Ireland	6,533,661	6,507,526	26,135	—
United Kingdom ...	£45,217,839	£45,580,783	£26,135	£389,079

And as compared with the month ending the 5th of September, 1874, the above returns show an increase of £1,526,186 in the circulation of notes in England, and an increase of £2,150,701 in the circulation of the United Kingdom. On comparing the above with the fixed issues of the several banks, the following is the state of the circulation:—

The English Private Banks are below their fixed issue	£1,434,687
The English Joint-Stock Banks are below their fixed issue.........	431,755
Total below fixed issue in England.................	£1,866,442
The Scotch Banks are above their fixed issue	£3,124,410
The Irish Banks are above their fixed issue	179,167

The average stock of bullion held by the Bank of England in both departments during the month ending the 1st of September was £29,161,499, being an increase of £858,523 as compared with the previous month, and an increase of £6,546,094 when compared with the same period last year. The following are the amounts of specie held by the Scotch and Irish Banks during the month ending the 4th of September:—

Gold and silver held by the Scotch Banks	£4,189,054
Gold and silver held by the Irish Banks	2,659,838
Total..	£6,848,892

—being an increase of £38,992 as compared with the previous return, and an increase of £364,569 when compared with the corresponding period last year.

The risks to which stockbrokers are liable in delivering stock in exchange for cheques has been just exemplified in connexion with the adjustment of the fornightly settlement, and the circumstance should be made public without delay as a warning to others. It appears that £10,000 worth of Spanish, Egyptian, and Turkish stocks were delivered to a Greek, who is said to be well known at the Baltic, in exchange for his check on one of the City banks, which was returned dishonoured. On inquiries it was found that his balance at the bank was 5s. Detectives were immediately despatched to the different railway termini, and the person in question was fortunately seen by a gentleman who accompanied one of the detectives seated in a train just about to start, and he was given into custody. On examining the bonds found upon him it was discovered that he had, in addition to the £10,000 referred to, £8,000 of other securities, which it is presumed were also fraudulently obtained.—*Times*.

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CREDITORS' MEETINGS.

F. FURNISS.—A meeting of the creditors of Mr. F. Furniss, contractor, of Westminster, who failed about three months since, was held on Monday, at which Mr. R. Eaton James, accountant, was appointed trustee, in the place of one of the trade trustees, who had resigned.

J. BROWNE (MANCHESTER).—A meeting of the creditors of John de Maine Browne, of Rochdale-road, grocer, was held on the 24th September, afternoon, at the offices of Messrs. Addleshaw and Warburton, solicitors, when the statement of affairs presented by the receiver, Mr. Nicholson (Nicholson and Milne), showed liabilities, £1,380 6s. 11d., and assets, £548 18s. 3d. A composition of 4s. 6d. in the pound was accepted, and Mr. Nicholson appointed the trustee.

J. WAITE (MANCHESTER).—The statutory meeting of the creditors of Joseph Waite, of Ogden-lane, Openshaw, provision dealer, was held on the 24th September, at the offices of Messrs. Cobbett, Wheeler, and Cobbett, solicitors. It was resolved to liquidate the estate by arrangement, and Mr. Nicholson (Nicholson and Milne) was appointed the trustee.

KENDRICK & CO.—The first meeting under this failure was held at the offices of Messrs. Haydon and Vivian, accountants, 29 New City Chambers, 121 Bishopsgate-street, Within, on the 25th September. From the statement read the liabilities amount to £4,000, with assets of £686 3s. It was resolved to liquidate by arrangement, Mr. Flaxman Haydon, accountant (Haydon and Vivian), being appointed trustee, jointly with Mr. Brice Grellier (West of England and South Wales District Bank), with a committee of inspection. Mr. Edmund Kimber is the solicitor to the proceedings.

R. LONG (LIVERPOOL).—On the 27th September, a first meeting of creditors was held in the matter of Richard Long, of Tempest-chambers, Tempest-hey, in this town, carrying on business as an engineer and metal broker, under the style of "Richard Long and Co.," and as an oil merchant, under the style of the "Lancashire Lubricating Oil Company," who was adjudicated bankrupt on the 9th September inst. Mr. J. P. Harris, solicitor, represented the petitioning creditor, and Mr. Rodway (of the firm of Messrs. Barrell and Rodway, solicitors), Mr. Collins (of the firm of Messrs. Francis, Almond, and Collins, solicitors), and Mr. T. Theodore Rogers, accountant, represented the principal creditors. The statement of affairs submitted by the bankrupt, showed liabilities £1,492 7s. 2d., against assets £583 4s. 6d. Mr. Thomas Theodore Rogers, accountant, 16 Lord-street, Liverpool, was chosen trustee, with a committee of inspection.

R. MACKENZIE (DUNDEE).—A meeting of the creditors of Mr. Robert Mackenzie was held in the office of Messrs. W. and D. Myles, accountants, on the 24th September. Mr. John Gordon, chairman of the committee of inquiry, presided. There was a full attendance of creditors. The report of the arbitrator in the questions betwixt Mr. Mackenzie and Messrs. Stewart and Co., of New York, was laid before the meeting, but its terms were so vague and indefinite that none of the creditors were able to understand it. It was stated in explanation that three different letters had been written requesting explanations regarding the report. One of the answers received led to the belief that the sum of £1,000 would fall to be paid to Mr. Mackenzie. Another answer received was to the effect that Messrs. Stewart and Co. might have something to receive, and that if this were the case they would rank as creditors on Mr. Mackenzie's estate, and the third reply led to the belief that the sum of £7,000 would fall to be paid to Mr. Mackenzie by Messrs. Stewart and Co. Mr. Mackenzie, who was present, said he would find out what in reality were the terms of the report of the arbiter, and would like a week's delay to enable him to get the explanation he wished. He might say that if the adverse view of the arbiter's decision was correct, he would endeavour to pay a composition of 6s. in the pound, and that if the more favourable interpretation were the correct one he would endeavour to pay a composition of 11s. in the pound. The creditors generally were willing to grant Mr. Mackenzie the delay he asked for, and seemed to be willing to entertain favourably the offer he had made. One of the creditors, however, insisted upon action being immediately taken by the creditors, and stated that for his part he would agree to no further delay, and that if no action was to be taken by the creditors he would take immediate measures to use all diligence against Mr. Mackenzie. Mr. Mackenzie, seeing the position of affairs, thought it advisable to apply for sequestration in the afternoon, which was granted. His liabilities are between £30,000 and £40,000.

G. OATES (BRADFORD).—A meeting of the creditors of Mr. George Oates, wool merchant, of Bradford and Dewsbury, was held on the 28th of September at the Royal Hotel, Dewsbury, Mr. Guy, of the firm of Thistlethwaite and Co., Bradford, in the chair. Mr. J. D. Good, receiver, read the statement of affairs, which showed the total liabilities to be £14,674 17s. 1d., and the assets £3,002 4s. 10d. The debtor offered a composition of 4s. in the £; and, after a long discussion, the meeting was adjourned.

MULLER and Co. (BIRMINGHAM), gun stock and veneer dealers.—A meeting of creditors of this firm was held at the offices of Messrs. Beale, Marigold and Beale, solicitors, Waterloo-street, on the 28th of September. The statement of affairs showed liabilities £10,670 4s. 6d., of which £20 6s. 11d. is to be paid in full. The assets (which consist of gun stocks and veneers) were estimated to be worth £4,392 7s. 3d. It was unanimously resolved that the estate should be liquidated by arrangement. Mr. Luke Jesson Sharp, accountant, of Ann Street, Birmingham, was appointed trustee, with a committee of inspection.

J. PEACOCK (HUDDERSFIELD).—A meeting of the creditors of James Peacock, Cross Church-street, Huddersfield, draper, who had filed his petition through the failure of T. M. M'Miller, Hill-house, Huddersfield, draper, was held on Monday at Manchester. The statement read to the meeting showed that the liabilities amounted to £4,588 5s. 7d., and the net or available assets were £2,991 4s. 11d., though the total assets were set down at £3,991 4s. 11d. It was resolved that the estate should be liquidated by arrangement, that Mr. Joshua Crowther, Manchester, and Mr. Peter Kerr Chesney, Bradford, accountants, be appointed the trustees, with a committee of inspection. It was also resolved that the proceedings be transferred to the Bradford County Court, and that the committee be empowered to grant the debtor his discharge.

RE EDWARD BEVAN (BIRKENHEAD).—A meeting of the creditors of Edward Bevan, of Birkenhead, watch manufacturer, jeweller and silversmith, was held a few days ago. The statement of affairs presented by J. G. B. Mawson, public accountant, showed secured liabilities, £4,697; unsecured, £5,493 14s. 2d. The assets consisted of stock-in-trade, £2,102 5s. 6d.; book debts, £1,197 15s. 9d.; estimated to produce £500; cash in hand, £25; bills of exchange, £22 13s. 11d; furniture and fixtures, £400; other property, £26 5s. 3d., from which to deduct for rent rates and taxes, £57 13s. A composition of 7s. 6d. in the pound, payable in 4, 8, and 12 months (the last secured), was unanimously accepted.

W. WARBURTON AND CO. (MANCHESTER).—A special meeting of creditors of William Warburton, corn merchant, Hanging Ditch, Manchester, trading as Warburton and Co., now a bankrupt, was held on the 29th September, at the offices of Messrs. Cobbett, Wheeler and Cobbett, 61 Brown-street, Manchester. A statement of affairs, as presented by Mr. William Butcher, of 73 Princess-street, Manchester, public accountant, showed liabilities £4,135 3s. 1d., assets £100. An offer was made of 1s. 3d. in the pound, guaranteed, and the costs of the bank-

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ruptcy, payable in one month from this date. A resolution was passed accepting the offer, and to guarantee the discharge of the bankrupt upon payment of the said composition.

A Circular has been issued by Mr. W. T. Henley, telegraph engineer and contractor. who suspended payment in March last, offering his creditors a composition of 7s. 6d. in the pound, payable in three instalments, 12, 18, and 24 months from the 7th of October next. It may be remembered that shortly after his suspension a statement of his affairs was issued showing that he could pay nearly 50s. in the pound. The surplus realisable from securities in the hands of creditors was alone sufficient to pay all the debts shown, and leave a good £100,000 to go on with. The offer of 7s. 6d. has, therefore, excited some surprise. The committee of inspection recommend the acceptance of the offer, on the ground that forced realisation might yield less.

FAILURES.

ENGLAND.—Messrs. B. von Bartels and Co., merchants, of Bradford, have filed a petition for liquidation in the County Court. The liabilities amount to £15,000.—On the 25th of September, a petition was filed in the Dewsbury County Court on behalf of Mr. Abraham Marsden, woollen manufacturer, of Ossett, who seeks for the liquidation of his affairs by arrangement or composition. The liabilities are estimated at over £2,000.—A petition for liquidation has been filed in the Manchester County Court by Edward Barber, 9a New Brown-street, Manchester, and Moston-lane, Harpurhey, and Langford-road, Heaton Chapel, in the County of Lancaster, rope and twine manufacturer and paper maker; liabilities, £3,500.—At the Sheffield County Court, on the 23rd of September, a petition was filed on behalf of Charles Owen and Co., electro-plate and Britannia metal manufacturers. The liabilities are estimated at £2,800.—A petition by Joseph Gardner, Doncaster, potato merchant, and carrying on the business of a tanner in copartnership with Charles H. Verity, at Conisborough, under the style of the Conisborough Tanning Company, was filed on the 27th of September, in the Sheffield Bankruptcy Court. The liabilities are £6,000; assets not stated.—A petition for liquidation by arrangement or composition was filed on the 28th of September, by Mr. Edward Williamson, Scarborough, and Mr. J. Ibberson, Dewsbury, solicitors, at the Dewsbury County Court, on behalf of Thomas George Fletcher, wool merchant, Bradford-road, Dewsbury. The liabilities are estimated at £3,500. Mr. Good, of Dewsbury, accountant, has been appointed receiver.—A petition has been filed for the liquidation of the affairs of Messrs. Marsden and Stoker, iron and steel merchants, Sheffield; liabilities, £5,000.—A petition for liquidation of the affairs of Mr. W. S. Taylor, dealer in pictures and fine art property, St. James-street, Sheffield, was filed on September 29th. The liabilities are £5,500, and it is stated that the assets are sufficient to pay them in full.

SCOTLAND.—The liabilities of Messrs. Geekie and Black, Coupar Angus, are estimated at about £18,000; and as the works are reported not to belong to the firm, the estate, it is expected, will not turn out well.

AMERICA.—American advices report the failure of the St. Paul (Minn.) Lumber Company, with liabilities of £40,000. —Messrs. Alexander Pope and Co., lumber dealers, in the Dorchester district, had also suspended.—Mr. John A Robertson, lumber and planing mill, Boston, had failed, with liabilities of £8,000.—Messrs. S. L. Holt and Co., machinists, &c., Boston, had stopped.—Mr. Henry W. Nason, Montclair, N.J., had suspended; liabilities, £16,000.—Messrs. W. A. Cumming and Co., flour and grain merchants, Baltimore, had failed; liabilities, £10,000.—The large sugar refinery of Messrs. William Moller and Sons, of New York, has failed, with liabilities amounting to about £100,000. The losses will fall upon four or five houses, which are presumed to be able to sustain them. The suspension is also announced of Messrs. John J. Cohen & Sons, of Augusta, Ga., bankers and brokers, owing, it is stated, to a shrinkage in securities, purchased by them during the last two years.—Also of Mr. Harlow Chandler, wholesale grocer, Montreal, with liabilities of £40,000.--Messrs. Mallory and Butterfield, No. 41 Broadway, New York, the largest dealers in paper board in the United States, have suspended. The creditors, however, have allowed the house to continue business. —Messrs. Killert and Friendman, Montreal, had failed; liabilities, £24,000.

GERMANY.—The suspension of Hirsch and Co., of Memel, has been followed by the stoppage of Herr Hellbusch and Judell and Loll. Other firms are understood to be embarrassed.

The *National Zeitung* reports a further group of failures, viz.—Karl Teubner, of Vienna; Miesto and Co., of Leopoldstadt; and Victor Fischel, of Gumpendorf. The liabilities of the last-named are said to be very considerable.

SAVINGS-BANKS.—The annual return, recently issued, giving detailed accounts of the trustee savings-banks of the United Kingdom, is advanced to the dignity of a "Blue Book." The return fills 100 folio pages, constituting a remarkable contrast with the brief annual account of the Post Office savings-banks. At the close of the last savings-banks year, on the 20th of November, 1874, there were 474 of these (trustee) establishments in the United Kingdom, or seven fewer than at the end of the preceding year. But the number of accounts open, which was 1,463,560 in 1874, was 18,071 more than at the end of the previous year; and the amount due to depositors—namely, £41,467,171, shows an increase of as much as £941,320. In England (with Wales) the increase exceeded £740,000. In Lancashire the deposits advanced from £4,934,050 in 1873 to £5,087,621 in 1874; in Cheshire, from £1,115,950 to £1,163,736; in the West Riding of Yorkshire, from £2,282,190 to £2,353,621. In Northumberland there was an increase from £1,089,896 in 1873 to £1,158,015 in 1874; in Durham, with a much larger population, from £321,884 to £338,199; in Glamorganshire, from £426,258 to £464,715; in Devonshire, from £1,813,895 to £1,858,219. In Middlesex the increase is from £5,183,087 to £5,255,128. Dorset shows a decrease from £399,802 in 1873 to £330,713 in 1874; Wilts, a decrease from £492,983 to £491,128; and there is a decrease also in Suffolk, in Buckinghamshire, in Surrey, and in Westmoreland. In Scotland the deposits show an increase of £298,656 over the amount in 1873; Edinburgh county, an increase from £899,693 to £962,275; and Lanark, from £2,061,312 to £2,245,583. Ireland shows a decrease of £106,925, the Channel Islands an increase of £8,745. The total amount due to depositors in November, 1874, was £34,064,254 in England and Wales, £4,936,084 in Scotland, £2,017,561 in Ireland, and £449,272 in the Channel Islands. The rate of interest allowed to the depositors in England in 1874 averaged as much as £2 19s. 6d. per cent., in Scotland 1d. less, in Ireland 1s. 10d. less; but it was £3 in the Channel Islands. There were in the year as many as 1,835,763 receipts from depositors, the average amount being £4 9s., and there were but 983,608 payments to depositors, the average being £8 7s. 6d. The year's expenses of management were equal to 6s. 10d. per cent. on the capital. The number of accounts open in November, 1874, was 1,144,884 in England and Wales, 241,551 in Scotland, 55,455 in Ireland, and 21,670 in the Channel Islands,—all showing an increase except Ireland, in which the depositors were less by 3,290 than in 1873. But all these figures relate only to the trustee savings-banks, on which the Post Office savings-banks are so rapidly gaining, having less than £5,000,000 deposits in 1864, and more than £23,000,000 in 1874.

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A "CLEARING DISCOUNT ESTABLISHMENT."

An "Ex Bank Director" writes as follows to a daily contemporary:—

"Sir,—Although the proposition of 'A Bank Manager,' which appeared in your article several days ago, for the opening of an office to receive and give information regarding the leading features of the discount market, has been pooh-poohed by some as too good to be practicable, its practicableness, nevertheless, becomes every day more and more apparent. There is, in fact, no difficulty in the thing itself, for it only suggests that being done, though less in detail, for all banks, which each bank is supposed to do for itself. The only difficulty is in getting the banks to combine for such a purpose. It is taken for granted, however, that the banks that have suffered most from the Collie failures, and their shareholders, would be only too glad to see such an institution in effective operation, and that the public generally would give it a no less hearty welcome, as likely not only to save us from such catastrophes as we have seen of late, but to keep trade in a normally sound state. The elements referred to are sufficient of themselves, from the area they already occupy, to set the thing going, and banks standing aloof from it at first may before long see the advantage of joining it, every new adherent facilitating its further extension and usefulness. The policy of secrecy hitherto maintained by banks generally with regard to their own affairs evidently requires modification, for it is this which has enabled Collie to achieve the mischief he has done. If any one of the banks had known the amount of bills he had in the circle at one time, it would certainly have acted more tentatively than it did. It is proposed that the several banks should make their returns to the central office under ciphers, variable from time to time and intelligible only to the chief manager. If it is asked, 'Do you mean that he should give information when required as to the amount each firm is under acceptance?' certainly not, for two reasons—first, because Collie accepted no bills; and, secondly, because banks would thus have no difficulty in seeing into the character of each other's business. Hitherto banks have been open to information from all and parted with none, except when it suited themselves, but it is now proposed they should all contribute their proper quota of information to a general fund, in so far as they can do so without injury to themselves—namely, that they should give the extent to which each customer is liable on bills under discount, without saying whether as drawer, acceptor, or endorser. It has been objected that merchants might not like their commitments to be known out of doors. Clearly not if they were either shaky or of the Collie stamp. But all others would prefer it, as enabling them the better to understand their own position; and certainly the shares of banks having access to such information would be none the worse for it. Again, looking to the immense deposits on which banks have to pay interest, is it not natural, or inevitable almost, in the absence of such an institution, that these should get mopped up by a few cliques or coteries, instead of being more widely, as well as more usefully, employed?

"The Collie failures are said to amount to something under six millions, or about a tenth of what used to be our Government annual expenditure, and the consequent outside failures and fall in bank stocks must aggregate a considerable sum. Nor should we lose sight of what they in the same trade must have suffered when the Collies were in full operation and casting them into the shade. If the king of all this mischief escapes scot free—and for any thing we know he may now be better off than any of his victims—we surely owe it to ourselves to do something to prevent the recurrence of such disasters."

FORGED BANK NOTES.—A paper was laid before the House of Commons Select Committee of last Session on Banks of Issue, giving an account of the number and nominal value of the forged notes presented at the Bank of England in every year since 1805. Up to 1820 the number was very large. In that year 29,063 forged notes, of the nominal value of £33,682, were presented, and no less than 27,993 of them were £1 notes. The £1 notes were then called in, and the forgeries declined rapidly. In 1822 the number of forged notes presented had fallen to 3,642, and since 1829 the number has never reached 1,000 in any year. In 1873 it was but 52, of the value of £173; in 1874 it advanced again to 93, of the value of £475, one being a £200 note. In 1871 a forged £1,000 note was presented, the only one mentioned in the 69 years' list. Mr. K. D. Hodgson, M.P., a director of the Bank, stated to the committee, that in the last ten years forgery of Bank of England notes may be said to have become almost unknown; but it is beginning again, not in this country but in foreign countries. The system which the Bank of England has for many years followed, and found very successful in detecting forgeries, has been to make the note as simple as possible, to rely largely upon paper very difficult to make, and to obtain the most perfect uniformity. Even the signature of the cashier is engraved on the plate, and the examiners are able to see in a second if there is the slightest difference even in the breadth of a line in any portion of the note, showing it to be false. The public have always claimed from the Bank of England the means of stopping notes and of being able to trace them in case of robbery. No note is ever re-issued by the Bank; and the notes brought in are preserved in the library, in which may be found every note that has been presented for a certain number of years back, with a statement of the date at which it was presented, and the person from whom it was received. It would be difficult, if not impossible, to apply to £1 notes that system of record and tracing which is adopted with the notes now issued by the Bank of England. If £1 notes were issued, they would circulate among a larger and poorer class than the present holders, and would probably remain out for years. The average life of a £5 Bank of England note is not above 80 days. The forged notes have almost always been notes of small amounts. The largest number of forged £5 notes presented was in 1812, when it reached 1,049; the last year in which it exceeded 100 was in 1862; in 1873 it reached its *minimum* of seven; it was 27 in 1874.

THE NATIONAL DEBT.—The *Financier* says that in spite of the purchase of telegraphs, fortification loans, and other outlays, the debt of this country is £41,004,688 less than it was ten years ago. It is the habit to state the debt of the United Kingdom in round numbers at £800,000,000,—an amount, indeed, which was rather below the truth in 1870; but since then we have paid off £26,057,875, and the total indebtedness—whether funded, unfunded, or in the shape of terminable annuities—now amounts to £775,348,686. During the last five years the annual reduction of debt has averaged £5,211,500; and, according to Sir Stafford Northcote's provisions, it now promises to be still more considerable.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*]

Mr. Pannell (Slater and Pannell), has been appointed trustee of the estate of Woodward Mason, of Tunbridge Wells, Kent, tobacconist.

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WINDING-UP.—A petition to wind-up Whitley Partners (Limited) has been presented to the Court of Chancery.

The extraordinary charge of poisoning at Norwood was disposed of at the Central Criminal Court on Saturday, when the prisoner, Walter Thompson Hunt, described as "an accountant," was found guilty of the manslaughter of Mary Ann Hudson, by administering to her a quantity of strychnine in August last, and was sentenced by Mr. Justice Field to five years' penal servitude. The prisoner's defence was that he gave the woman strychnine intending to do her good.

FRAUDULENT DISPOSAL OF BONDS.—RESPONSIBILITY OF TRUSTEES.—An important case, arising out of the failure of the Mercantile Union Bank at Jersey, came before the Royal Court of the island this week. It was an action by Mr. Edward Nicolle to recover from Mr. Philip Nicolle Onley and Mr. Robert Philip Malet the sum of £187 10s., being three half years' dividend due on £5000. Sardinian Five per Cent Stock, of which they were trustees, conjointly with Mr. Joshua Le Bailly, formerly judge of the Royal Court and chairman of the Mercantile Union Bank, and now a convict in Pentonville Prison. The particulars of the claim are as follows:—In 1856 Mr. John Matthews, banker, died, leaving the before-mentioned bonds in trust to his two daughters, Susan and Ann Elizabeth, who were to enjoy the interest during their lifetime. By the terms of the will the trustees were to deposit the bonds in the Bank of England for safe custody, and if the bank declined to take charge of them they were to be deposited in such other place of security as the trustees jointly should deem advisible. Without consulting the other trustees, and, so far as appears, even without their knowledge, Mr. Le Bailly, in whose custody they were, placed them in the care of Glyn, Mills, and Co., that bank being the London agent for the Mercantile Bank. Afterwards the Metropolitan Bank became the London agent for the Mercantile, and on Mr. Le Bailly's request they were returned to Jersey. They were shortly afterwards remitted to the Metropolitan Bank by Mr. Le Bailly as collateral security for advances made to the Mercantile, and later, on account of the heavy debt against this bank, the Metropolitan, after due notice, sold the bonds, placing the proceeds to the credit of the Mercantile Bank, which failed in February, 1873. Mr. Le Bailly became the subject of a criminal prosecution for his transactions with these bonds, amongst other charges against him, and was sentenced to five years' penal servitude. Mr. Edward Nicolle, who married Miss Susan Matthews, one of the legatees, now sought to make the co-trustees of Mr. Le Bailly liable for the payment of the three instalments due to her previous to the failure of the Mercantile Bank, on the ground that they had wilfully neglected the trust they had undertaken, and by their negligence allowed Mr. Le Bailly to dispose of the property in question. The case was part heard, and then adjourned to a future day.

ALLEGED FRAUDULENT SALE OF A LIFE POLICY.—Thursday, the 23rd instant, was fixed for a special sitting at the Halifax County Court, before Mr. Giffard, the judge, and a jury, for the purpose of an inquiry into the circumstances of an alleged fraudulent assignment of a life policy for £500 by Mr. Robert Frederick Beswick, of the firm of Beswick and Co., accountants, Halifax, Bradford, Leeds, and other towns, to Mr. Powell, bill broker, of Leeds. The proceedings were instituted by Jno. Alderson, of St. James's-road, the trustee of the estate of the late Jacob Stead, woolstapler, Halifax, who, shortly before his death, filed a petition for liquidation with his creditors. Beswick was for a time trustee under the liquidation, and he sold a policy for £500 on Stead's life for a comparatively trifling sum to Powell, who is a relation, which transaction resulted in his being removed from the trusteeship and Alderson elected in his place. The issues which it was decided should be heard by the jury were (1) whether the deed of assignment bearing date the 2nd day of April, 1875, and expressed to be made between Robert Frederick Beswick, as trustee of the estate of Jacob Stead, on the one part, and Wm. Powell of the other part, was executed in good faith and for valuable consideration, or was fraudulent and collusive as against the creditors and estate of the said Jacob Stead. (2) Whether, at the time of the execution of the said assignment, the said Wm. Powell had notice of any breach of trust on the part of the said Robert Frederick Beswick in reference to the said assignment. Mr. West and Mr T. Atkinson, barristers, had been retained as counsel for the trustee; Mr. Shaw, barrister, for Powell; and Mr. Laurence Gane, barrister, for Mr. Beswick; but the case did not go to a hearing. Counsel had a conference with the learned judge in his private room, and shortly afterwards, on their return into court, the judge arriving subsequently, Mr. West said the case would have taken some time if it had gone to a trial, but by a compromise between himself and his learned friends on the other side a compromise had been effected. The terms were definitely settled.—The Judge: You had better have them in writing.—Mr. West. They are in writing.—Mr. Gane said he appeared for Beswick, and the terms were satisfactory.—The Judge then said he was happy to tell the jury that their services would not be required. We are informed that the arrangement decided upon was for the trustee to receive £350 out of the policy money, and each party to bear their own costs.

WHERE WE DEAL.—In the year 1874 we imported foreign and colonial merchandise, for consumption or resale, of the value of above 370 millions sterling, and we exported produce of the United Kingdom of the value of nearly 240 millions, making a total of nearly 610 millions. The bulk of this vast trade—about 500 millions of it—was with 16 countries:—with the United States, 102 millions; with France, 63 millions; with British India, above 55 millions; with Germany, nearly 45 millions; with Australia, nearly 38 millions; with Russia, nearly 30 millions; with Holland, 29 millions; with British North America, above 21 millions; with Belgium, 21 millions; with China, above 20 millions; with Brazil, nearly 15 millions; with Egypt, 14 millions; with Spain and Canary Islands, above 13 millions; with Turkey, nearly 13 millions; with Sweden, nearly 12 millions; with Italy, 10 millions. Holland and Belgium serve in part as gateways for a trade really carried on with Central Europe, and Egypt for trade with the East. The 16 countries above named do not stand in the same order in the amount of imports and exports. In 1874 we imported merchandise from the United States of the value of nearly 74 millions sterling, but exported thither our own produce to the value of not quite 28½ millions. Our imports from France exceeded 46½ millions, but our own exports thither were not very much over 16¼ millions. Our imports from British India exceeded 31 millions; our exports thither were a little over 24 millions. On the other hand, our imports from Germany were below 20 millions, but our exports thither were nearly 25 millions. Our imports from Australia were less than 19 millions, our exports thither were rather over 19 millions. Our imports from Russia reached nearly 21 millions; our exports thither not 9 millions. Our imports from and exports to Holland were nearly equal, both exceeding 14 millions. Our imports from British North America reached nearly 12 millions, our exports thither not 9½ millions. Our imports from Belgium exceeded 15 millions, our exports thither were below 6 millions. Our imports from China were nearly 12 millions, our exports thither were less than 8½ millions. Our imports from Brazil amounted to 7 millions, our exports thither were larger by nearly £700,000. Our imports from Egypt were 10¼ millions, our exports thither little more than 3¼ millions. Our imports from Spain exceeded 9 millions, our exports thither were less than half that amount. Our imports from Turkey were below 6 millions, our exports thither exceeded 7 millions. Our imports from Sweden were 8½ millions, our exports thither were less than 3½ millions. Our imports from Italy exceeded 3½ millions, our exports thither were nearly 6½ millions. Our imports from these 16 countries in 1874 amounted to nearly 309 millions sterling, and our exports thither of our own produce exceeded 191 millions, without including our exports of foreign and colonial goods.

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ALLEGED EXTENSIVE FRAUD ON STOCKBROKERS.

At Guildhall Police-court on the 30th September, Mr. Charles T. Mavrocordato, a Greek merchant, carrying on business at No. 108 Bishopsgate-street within, was charged before Mr. Alderman Ellis with obtaining by false pretences certain foreign stock, to the nominal value of £24,000.—Mr. George Lewis, jun., prosecuted; and after the case had been partially heard, Mr. Pratt, from the office of Mr. Buchanan, appeared for the defence.—Mr. George Lewis stated that he appeared on behalf of several members of the Stock Exchange to prosecute the defendant, who was a merchant in the City of London, for what he believed he would be able to show was a gross fraud upon the stockbrokers of the City. For many years the prisoner had been a merchant in the City of London, and held a very high position in the commercial world. He was in the habit of buying stock through brokers, and in some instances paying for it and taking it up, and in others paying the difference and not taking it up. He would now show that the prisoner hadj bought a quantity of stock from several brokers, in payment for which he had given a number of cheques on the Imperial Bank, which on presentation were dishonoured and marked "N. S.," which meant that there was not sufficient money there to meet them. The purchases that he made and for which he gave cheques were as follows:—Messrs. Stocken and Co., £5,000 Turkish Bonds, value £1,600; Mr. Mackintosh £5,000 Spanish, value £983 5s. 1d.; Mr. Dixon £5,000 Spanish, value £983 5s. 1d.; Messrs. Moore and Greatorex £3,000 Egyptians, value £1,800; Messrs. Messel £5,000 Turks, value £1,600; and Messrs Samuel and Cohen £1,000 Egyptians, value £740, making in all £24,000 of securities, the cash value of which was £7,540. Before the defendant could make use of the securities it was necessary that he should obtain possession of them, and for that purpose he gave his cheques to the several parties for the amount of their respective contracts. When, however, they were presented at the clearing-house, which could not be done until five o'clock, they were every one dishonoured, and upon inquiry it was found that the prisoner had kept an account at that bank since 1869, and that the balance to his credit was now £60. As soon as the fraud was discovered the police were communicated with, and Detective Serjeants Bull, Moss, Hancock and others, together with their staff of assistants, went to the various London railway stations to see if they could discover the prisoner, as they expected that he would try to leave the country. He was found in a first-class carriage at the Waterloo Station of the South-Western Railway, and when he observed the officer and another person whom he knew, he put his hat in front of his face in order to conceal himself, and when the person who knew him walked round to the other side of him, he passed his hat round his face so as to conceal it from him. The officer, however, saw the movement, and went into the carriage and stopped that manœuvre by apprehending him. When he was searched nearly the whole of the bonds were found upon him, or in his luggage, the only difference being that he had changed some Spanish for some Turkish bonds of equal value. Aristides Carridia said that he was agent to Mr. John M'Ewen Mackintosh, a stock and share broker, of Cornhill. He had known the prisoner for two or three years, and he knew that he was a member of the "Baltic." He sold to the prisoner £5,000 worth of Spanish bonds on behalf of Mr. Mackintosh, to be settled for on the 29th inst. Yesterday he took the bonds to the prisoner, who counted them out to see that they were correct, and then gave him his cheque for them for £983 5s. 1d. He had not seen him since until he was in the dock.—William Potts, detective officer, said that he and Mr. Pollak went to the Waterloo Station on Wednesday night, about a quarter-past-seven o'clock, and walked up and down the platform until the train arrived that was to start at 20 minutes to eight o'clock. They discovered the defendant in one of the first-class carriages of that train, and he evidently observed them, for he at once took off his hat and placed it before his face. Mr. Pollak said he thought he was the man, and witness told him to get into the carriage and walk round to the other side and see. He did so, and the prisoner put his hat round his face so as to prevent him recognising him. Witness observed it, and stepped into the carriage and apprehended him. Mr. Pollak then identified him. There were others in the carriage, and he asked the prisoner if he had any luggage, and he replied that he had a portmanteau and a bag. He brought them away with the prisoner, and found in them the securities he was charged with having obtained by means of the false cheques. Mr. George Lewis asked for a remand on this evidence, as he was not then prepared to go into all the cases. Mr. Alderman Ellis granted a remand for a week.

EXPORT STATISTICS.—The Statistical Abstract of the United Kingdom for 1874, shows that the declared value of the British and Irish produce exported from the United Kingdom to various foreign countries was £167,278,029, the exports to British possessions reaching a value of £72,280,092, giving a gross total of £239,558,121 against £255,164,603 for the preceding year. There had been a decrease of £1,000,000 sterling in the value in 1873, as compared with 1872; but the decrease of 1874 as compared with 1873 was £15,500,000. From 1862, when the value was £123,992,264, there had been a steadily increasing rise in the annual value up to 1873, the increase in the ten years reaching an amount of £132,000,000. The reduction in the value of the purchases made from us last year was exclusively in the foreign countries, the value of the exports to the British possessions showing a large increase. Our trade diminished chiefly with Germany, where the value fell by nearly £2,500,000; Holland, where the reduction was upwards of £2,000,000; Belgium, where it was nearly £1,500,000; France and Italy, where the fall nearly reached £1,000,000; Egypt, where it fell by nearly £3,000,000; and the United States, where the fall was nearly £5,000,000. In a few cases there was an increase in the value of the exports. Russia (northern ports) bought more than in 1873 by an amount of £148,730; Sweden and Norway by £369,764; Spain by £327,611; Greece by £16,742; and Brazil by £133,784. The purchases of our home produce made by the British possessions showed an increased value of nearly £6,000,000 sterling as compared with 1873, and the value has risen from £43,664,835 in 1860 to £72,280,092 in 1874, being nearly £29,000,000, or £2,000,000 a year, in the fourteen years. Our North American possessions bought to the value of £9,332,119; the West India Islands purchased £3,283,764 worth of goods; Australia, including New South Wales, Queensland, Tasmania, and New Zealand, bought to the amount of £19,000,000; and the purchases of our East Indian, African, and Chinese settlements reached the enormous sum of about £37,000,000. British India's purchases reached £24,080,693; the Straits Settlements, £2,701,526; Hong Kong £3,650,963; and the Cape of Good Hope and Natal £4,301,761. In the case of the foreign countries the rise in the value of their purchases has been most remarkable during the past fourteen years. Russia, which in 1860 bought to the extent of about £3,000,000, now buys nearly £8,000,000. France, whose purchases stood at £5,000,000, has trebled her custom. Spain buys more than a third as much again as in 1860. The value of the imports to the United States has risen from £21,000,000 to £28,000,000, and thus English produce still finds its best market across the Atlantic—France, our second customer, scarcely buying to half the extent. Greece, which in 1860 stood at £343,500, now buys to the value of a million; and Japan, which in that year scarcely entered into the competition, now purchases to the value of upwards of a million. The exports to the British possessions at the Antipodes have doubled in the fourteen years, having risen from £9,000,000 to £19,000,000, and the value of the exports to British India have increased in the same period from £17,000,000 to £24,000,000.

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THE SOCIETY OF ACCOUNTANTS IN ENGLAND.—The monthly meeting of the Council of the Society was held on the 29th September, at the Society's offices, 2 Cowper's court, Cornhill. Present: Messrs. John Bath (vice-president) in the chair; E. C. Foreman, Harry Brett, E. Norton Harper, E. T. Peirson, W. C. Harvey, John H. Tilly, and the secretary. James Sdeward, 133 West George-street, Glasgow, was admitted as an associate of the Society.

CONTINENTAL DEBENTURES.—In the article under the above heading in our issue of the 25th of September, our correspondent was made to say that the total amount paid by the "Imperial Austrian Treasury" in recalling the obligations of the 1860 loan, with interest and bonuses, was £3, instead of £3,713,000.

BANKERS' CLEARING HOUSE.—The following is the official return of the cheques and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, Sept. 29:—

Thursday, September 23	£10,786,000
Friday, September 24	12,011,000
Saturday, September 25	15,131,000
Monday, September 27	14,078,000
Tuesday, September 28	14,297,000
Wednesday, September 29	39,564,000
	£105,867,000

The total at the corresponding period of last year, which also comprised a Stock Exchange settlement, was £129,065,000.

On Thursday evening the revenue returns for the quarter, half-year and year ending on the 30th of September were published. The receipts during the twelve months amounted to £75,916,637, a decrease of £49,582 as compared with the return for the previous year. The half-year's receipts, however, show an increase of £994,764, and those for the quarter an increase of £400,623, as compared with the corresponding periods of 1874.

THE EXPORT COAL TRADE.—The exports of coal from the United Kingdom in August amounted to 1,534,826 tons, as compared with 1,436,421 tons in August, 1874, and 1,109,039 tons in August, 1873. In these totals the exports to Germany figure for 276,721 tons, 243,164 tons, and 181,869 tons respectively; and those to France for 249,960 tons, 202,930 tons, and 202,816 tons respectively. The exports also largely increased in August to Russia, Sweden and Norway, Holland and Spain. The aggregate exports of coal from the United Kingdom in the first eight months of this year were 9,277,298 tons, as compared with 8,910,616 tons in the corresponding period of 1874, and 8,309,571 tons in the corresponding period of 1873. In these totals the exports to Germany figured for 1,418,191 tons, 1,339,200 tons, and 1,077,680 tons, and those to France for 1,752,733 tons, 1,531,209 tons, and 1,580,710 tons respectively. The exports have increased this year to Sweden and Norway, Denmark, Germany, Holland, France, Spain, and Italy; but they have decreased to Russia, Turkey, Egypt, Brazil, Malta, and British India. The value of the coal exported from the United Kingdom in August was £992,642, as compared with £1,171,130 in August, 1874, and £1,136,216 in August, 1873; and in the eight months ending August 31 this year £6,373,195 as compared with £8,072,223 in the correspoding period of 1874, and £8,755,831 in the corresponding period of 1873.

LATE ADVERTISEMENTS.

TO CAPITALISTS.—Wanted a Partner with £10,000 for an Old-Established and prosperous Firm, to replace capital withdrawn by retiring partner.—Apply to J. Renton, Stationers' Hall Buildings, 34-40 Ludgate Hill, E.C.

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TO AUCTIONEERS, ACCOUNTANTS, &c.—A Gentleman, aged about twenty-eight, wishes for an engagement, with a view to Partnership. He is of active business habits, and his training has fitted him for the management of the financial department, or keeping of the books. He can command a moderate amount of capital.—Apply to Mr. J. Jones, Westminster Buildings, Chester.

MONEY to LEND to BORROWERS residing in town or Country, from £50 upwards repayable in one sum, from one to five years, at five per cent. interest on personal security; also on mortgage of freehold or leasehold property from 3 per cent., for a term of years to be agreed upon. No commission.
Apply to R. F. PRESTON, Esq., 120 Southampton-row, London, W.C.

THE BIRKBECK BUILDING SOCIETY'S ANNUAL RECEIPTS EXCEED THREE MILLIONS.

HOW TO PURCHASE A HOUSE FOR TWO GUINEAS PER MONTH. With immediate Possession and no Rent to pay.—Apply at the Office of the BIRKBECK BUILDING SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

HOW TO PURCHASE A PLOT OF LAND FOR FIVE SHILLINGS PER MONTH.

With Immediate Possession, either for Building or Gardening purposes.—Apply at the Office of the BIRKBECK FREEHOLD LAND SOCIETY, 29 and 30 Southampton Buildings, Chancery Lane.

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Registered according to Act of Parliament, Head Offices, No. 3 Craven-street, Charing Cross, W.C. The organisation and working system of the "Syndicate" are;—1st.—The Sale, as Auctioneers, or Agents, Ground of Rents, Freehold and Leasehold Land, Farms, Estates, Houses, Hotels-Public Honses, Inns, Beer Houses, Restaurants, Coffee Houses, Tobacconists, Drapers, and every other description of Business, Furniture, Objects of Art, or Goods of any description by Auction or Private Contract. 2nd.—The letting, or disposing of, as Auctioneers, or Agents, Land, Farms, Estates, Furnished, or Unfurnished Houses Chambers, or Offices under private contract. 3rd.—The Collection of Rents and the recovery of outstanding accounts. 4th.—The Surveys and Valuations of Land, Farms, Estates, and Houses; also Valuations of Furniture, Jewellery, and other Effects, for probate and other purposes. 5th.—The transaction of all other business usually transacted by Auctioneers, Surveyors, Land, House, Estate and Insurance Agents. 6th.—The negociations of partnerships, and from unlimited connection with capitalists, monetary advances on real and personal securities, as well as merchandize, and every other description of property intended forabsolute sale, or otherwise. 7th. Generally the carrying out of all things incidental or conducive to the above objects, and every of them; also the laying out of estates and surveys for delapidations, The "Syndicate" from their extended connection with the Trades' Protection Societies and other sources, undertake expeditiously for Clients and others to ascertain reliably the status of parties, and make inquiries of a private and confidential character. Liberal terms to Accountants in town or country introducing business.

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NEW PATENT ELASTIC STOCKINGS, KNEE CAPS, &c. for Varicose Veins, and all cases of Weakness and Swelling of the Legs, Sprains, &c. They are porous, light in texture, and inexpensive, and are drawn on like an ordinary stocking. Price from 4s. 6d., 7s, 6d., 10s, to 16s. each. Postage free.

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Annual Income (1874)	223,613	2	0
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Such a Shoe has been Invented and Patented by Mr. Yates, and is made from buffalo or other hides, rendered impervious to moisture under Patented Process. They are as durable as the iron shoe, one-third the weight, cheaper, and are neat and easily applied, and their application adds greatly to the comfort of the animal.

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This Company has been formed for purchasing and working the patent rights, titles, and interests for Great Britain, Ireland, and the Channel Islands, of this Shoe, and for manufacturing and vending the same.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 44.] SATURDAY, OCTOBER 9, 1875. [PRICE 6D.

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NOTICE OF REMOVAL.

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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the Accountant has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The Accountant thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of Cases for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to Alfred W. Gee, 62 Gracechurch-street, London, E.C.

The Accountant.
OCTOBER 9, 1875.

We are glad to see that the doctrine of the sanctity of marriage settlements is not of universal acceptance.

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But we still adhere to our former opinion, that at present some amount of consideration ought to be attached to them, and in this respect we differ from our correspondent of last week, H. B., who holds that a settlement in the case of a trader ought to be prohibited altogether. At the same time, we would go further in one direction than he does, and make no distinction whatever between trader and non-trader in this respect; we would also make all settlements of furniture void, unless registered under the Bills of Sale Act. As the law at present stands, post-nuptial settlements of furniture require registration; and many a simple-minded husband who has, even with the most innocent motives, proposed to settle his "articles of domestic use and ornament" upon his wife, has been sadly shocked to find that such a praiseworthy token of confiding affection is summarily classed among bills of sale. But there appears no sound reason why ante-nuptial settlements should not also be registered. The object of registration is sufficiently apparent. It is to give notice to creditors, and all others whom it may concern, that certain property, which has hitherto been available towards payment of their claims, is about to be withdrawn from their control, and to put them on the alert to adopt such means in the future as they may deem most advantageous for their interests. But it is surely just as important to notify to the tradesmen of a district, that the costly furniture at a house they serve is not the property of their debtor, but belongs to his wife; especially as the ordinary form of a settlement of furniture, whether before or after marriage, is so framed as to give the most absolute powers of disposal to husband and wife, and requires the trustees to interfere only so as to defeat the just claims of creditors. In our experience the settlement question arises mainly in the case of non-traders, especially of settlements of furniture. It is not only commercial men who seek the protection of the Bankruptcy Laws. The fatal vice of gambling has been fast permeating all ranks of society. The younger man bets upon horses; the elder man speculates on the Stock Exchange, or invests far beyond his means in the shares of companies of doubtful solvency. There is scarcely a man who has ever had the command of a few hundreds of capital who has not at some time or other endeavoured to increase it tenfold by measuring his limited sources of intelligence, and his scanty stores of monetary lore, against the great moneyed capitalists who can make or unmake the fortunes of nine-tenths of the stockholders of the world. There is the vice of luxury, which leads people to live beyond their means, and then calmly attribute their failure to their insufficiency of income. And these are the people who calmly shelter themselves behind their marriage settlements. A man who honestly works for his living and fails from pure misfortune,—and, notwithstanding all that has been said and written on the subject, there are many of such cases,—has seldom resorted to a settlement. His capital is too valuable to be locked up in the hands of trustees. But a skilled conveyancer can draw a settlement, bristling with apparent restrictions, full of technicalities and apparently framed in a spirit of the utmost prudence, but which will, at the same time, allow the most entire freedom in the investment of the capital. Armed with such a deed, a man may speculate, may gamble, using for that purpose even a portion of the settled property, secure that at the very worst, failure will result to him in but a trifling diminution of his ordinary comfort.

We would, then, amend the law thus. We would abolish the distinction between a trader and non-trader in the first place; and we would not stop to consider the solvency of the debtor at the time of making the settlement, in declaring it absolutely void, unless it was made by deed duly registered. But we would treat every payment made under it up to the date of the Act of Bankruptcy as valid, and we would allow the judge to consider the claims of wife and children so far as to direct a certain portion to be handed over to them, or to allow the trustees of the settlement to prove for the full amount settled and receive their dividend with the other creditors. In this case, any subsequent bankruptcy would again diminish the sum. Such a course as this would be severe, but it would be extremely effectual in its operation on the luxury of the age. The wife's property we would certainly protect in the instance of a trader; though there might be cases in which, in the case of private individuals, some portion of it might be fairly made amenable to creditors' claims. To go as far as this would be to effect almost a revolution in society, and the change will probably be due to the involuntary action of that eccentric section of politicians which profess to seek the exclusive advantage of women. It will be a curious termination of their labours, if they succeed in destroying the peculiar privilege of their clients to enjoy their own, and their

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husband's property, "free from his debts, control and engagements."

We must say a few words, in conclusion, about the leading cases that were referred to in our previous article, and in the letter of H. B. last week. The case of Hardey v. Green, which we quoted then from memory, is sufficiently startling to deserve a fuller quotation, and we cite, therefore, the marginal note of the case given by Mr. Beavan in his report (vol. 12, p. 182). "Articles were executed previous to a marriage by which the husband and wife agreed that all property, estate and effects to which the husband or wife might thereafter become entitled, should be settled to such uses as the wife should appoint; and, in default, on trusts for the husband, wife, and children. At the time, neither husband nor wife had any property, the husband was insolvent, and soon after the marriage took the benefit of the Insolvent Act. Property subsequently descended on him. Held as against his assignee that it was bound by the articles." It is true that in the case of a trader, the trustee would be entitled, even under such a clause as this, to the after-acquired property, by virtue of the 91st section of the Bankruptcy Act, 1869, which makes void "any settlement by a trader of any money or property wherein he had not at the time of his marriage any estate or interest, either vested or contingent;" and it was under this section that the case of re Clint, to which H. B. alludes, was decided. But in the case of a non-trader Hardey v. Green remains as a dangerous precedent, till it is finally overruled by some higher judicial authority than the Master of the Rolls. There is, however, one gleam of light of which trustees may be glad, and that is, that it is extremely probable that since 1869 any settlement made, whether in consideration of marriage or not, which assigns over all property, both present and future, would be, in itself, an act of bankruptcy under sec. 2 subsection 6 of the Act, and consequently void as against creditors. As far as we are aware, the point has not been actually decided by competent authority, but there can be but little doubt as to the correctness of this view. So that, to the caution to persons about to become bankrupt to take care, before they make a settlement of all they possess, to ascertain that they have sufficient power to obtain due obedience from the wives whom they literally endow with all their goods, must be added another, namely, to postpone their bankruptcy till six months after marriage, or to take care, by following the precedent of the merchant who, when pursued by wolves, saved himself by throwing out the various members of his household at judicious intervals, to leave out a few morsels of property for their creditors to fight over, and content themselves with preserving merely the greater portion of all they possess. But we are afraid that in too many instances the risk may be safely run, as an Act of Bankruptcy is of but little assistance to the creditors of a man who has learned as the first element of success to keep his own counsel.

There are few questions more distasteful to the legal mind than those which deal with points of practice, and especially those relating to the rules of the taxing masters. Those useful officers have a system of their own, embodied but tentatively in text-books, and profess an equal contempt for the opinions of counsel or the decision of judges as recorded in the multitudinous volumes of reports. It is, therefore, with some diffidence that we venture to pronounce an opinion on the two points raised last week by our correspondent "H. B." The first point is not very clearly stated, but we take it to refer, in effect, to the amount of stamp duty on the costs, whether it is to be calculated on the original or the taxed bill. If this is so, we should say that it ought to be assessed on the revised bill. The 189th rule provides that costs shall be taxed on production of an office copy of the order for taxation, and "the allocatur, being duly stamped, shall be signed and dated by the master or registrar taxing the costs." The term "allocatur" we understand to mean the certificate of approval, stating the total amount of costs allowed. Till the bill is taxed, it is merely tentative and inchoate, and cannot be used by the trustee as a voucher for money paid. To "attach an allocatur for the full amount" would be to pass a bill without any taxation at all. On the second point, we agree with "H. B." that bills of costs in liquidations ought to be taxed. The rules are express on the point. Rule 114 directs that "a trustee shall not be allowed in his accounts any sum paid by him to his attorney for his bill of costs, unless the same shall have been duly taxed." The 5th rule of 1871 directs that "all bills and charges of attorneys in matters of liquidation shall be taxed, and no payments in respect of such bills shall be allowed in the accounts of a trustee, without due proof of such taxation having been made." And the Act, in addition, contains a scale of costs to be allowed in mat-

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ters of liquidation. It is true that the creditors may, in liquidation, audit the accounts as they think fit, and the rule must therefore be probably taken to mean, not only that no untaxed bills of costs be allowed, but that every taxed bill of costs shall be allowed, and the trustee protected by the certificate of the proper officer from vexatious objections to his accounts from men who are ignorant of the principles which govern the remuneration of solicitors. It may be more economical for a trustee to make a bargain with the solicitors, especially in small estates, to do the required work for a fixed sum, and it would be hard to say that this practice is wrong in liquidation. But then the trustee must be careful to get the consent of the creditors to this arrangement, or he may find this item disallowed, or its propriety questioned. We should say, therefore, that the proper course for a trustee acting on his own responsibility, would be to have all bills of costs duly taxed; but that he might, in his discretion, dispense with this ceremony, if he chose to run the risk incurred, or was confident of the support of the majority of the creditors.

Winding-up.—A petition to wind-up the Military and Naval Supply and Perfect Guarantee Company (Limited) has been presented to the Court of Chancery.

From the 1st of April to the 30th of September the payments into the Exchequer amounted to £34,648,879, as compared with £33,654,115 in the corresponding period of 1874. The payments were £37,926,519, against £36,847,274 in 1874. The balance in the Bank of England on the 30th of September was £1,076,318, and in the Bank of Ireland, £803,109.

The quarterly revenue returns lately issued are extremely satisfactory. The apparent net increase of revenue in the quarter is £400,000, and in the first half of the financial year which has now elapsed £995,000, the real increase, making certain "rectifications," being considerably greater. The increase in Excise and Customs is especially satisfactory, amounting in the former case to £309,000 for the quarter and £406,000 for the half-year, and in the latter to £181,000 for the quarter and £305,000 for the half-year. The remark is obvious that the quiet, steady industry of the country must be going on without a check for such results to be produced. The decline of certain parts of the foreign trade, the recent shocks to credit and dislocation of a few trades, are hardly to be traced when the general results on the welfare of the community are summed up in figures like the present. The return, however, shows the exchequer balance to be very low, and largely deficient to meet the charge on the Consolidated Fund for the ensuing quarter, thus confirming what has been surmised from the amount of the public deposits in the weekly Bank return, that the Government must borrow a large sum from the Bank—probably about £3,000,000—to pay the October dividends. The advance will, of course, only be temporary, but it does not seem good finance for a country like England, with a highly flourishing revenue, to be obliged to obtain short advances in this way from time to time.—*Daily News.*

Correspondence.

RECEIVERS' AND TRUSTES' CHARGES IN COMPOSITION CASES.

To the Editor of the Accountant.

Sir,—In reply to the query put by "Trustee" in your issue of the 25th ultimo, I beg to state, that creditors are quite competent to impose the conditions upon which they will accept a composition from their debtor; but if those conditions go *beyond* a payment of so much in the pound, it is necessary that the debtor and his sureties (if there are sureties) should in writing concur therein. Debtors are very often exceedingly fair spoken and lavish in their promises *before* carrying a composition, and proportionately ungrateful afterwards. The practice I have adopted from the first, has been to require the debtors (and other parties to the arrangement) to sign their concurrence in the terms of the resolution, or the resolutions themselves, and when that has been done, I have experienced no difficulty in settling.

Yours truly,
H. B.

London, *October 1st*, 1875.

To the Editor of the Accountant.

Sir,—I have read with considerable interest the correspondence in your paper as to the power of landlords to distrain after the filing of a liquidation or bankruptcy petition, but there is one point which does not appear to have been discussed, namely, the power of landlords to distrain for rent payable in advance, the distraint not being levied until after the petition was filed. In a case in which I was recently appointed trustee, the landlord distrained for £40 rent from June to Christmas next, and his authority for so distraining, was an agreement by the debtor to pay rent six months in advance. I shall be glad to learn through the medium of your columns if such distraint can be held good in a court of law.

Yours truly,
W. C. H.

London, *October 1st*, 1875.

THE CO-OPERATIVE CREDIT BANK.

To the Editor of the Accountant.

Sir,—The balance sheet of this "bank" for the quarter ending June 30th, 1875, has only just come under my notice. Although I have had some experience as an accountant, I must say I have never seen under the heading of *Assets* such items as the following :—Interest paid to depositors, £246 5s. 2d.; discounts and interests, £383 2s. 6d.; advertisements, £922 4s. 9d.; printing, stationery, account books, &c., £266 5s.; rent of offices, salaries, postages, legal and incidental expenses, and remuneration of trustees, £996 13s.; Co-operative and Financial Review, £995 8s. 6d. Considering that the profit and loss account is annexed to the balance sheet, and that some of these items are therein placed at the debit, I, in my ignorance, should have supposed that a balance sheet setting forth the liabilities and assets would not have recapitulated items of profit and loss. It must be gratifying to the

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subscribers of "the Co-operative Credit Bank" to learn that the books are kept by a "well-known firm of accountants and auditors," and that "the above balance sheet is a true transcript of the books." Would it not, however, be as well if the firm of "accountants and auditors," for the future, either suppress the words "liabilities and assets," or at least so place their figures as to enable subscribers to see at a glance what the liabilities and assets really consist of? The securities are stated at £8,611, but there is no explanation as to what they are composed of, and how they are valued. I am not a subscriber to the "Co-operative Credit Bank." Do you know any body that is?

I am, Sir, yours obediently,

INCREDULOUS.

London, *October 6th*, 1875.

[In regard to the statements and question of our correspondent, we have made some inquiry, and understand that the system of accounting used by the Co-operative Credit Bank, as shown in the balance sheet, is the same as that adopted by leading London banks. It is scarcely likely that the auditors of the Co-operative Credit Bank would make public the particulars of the bank's investments, which would be tantamount to doing what our correspondent suggests. As to the final query of "Incredulous,"—we understand that there are many hundred subscribers to this bank.—ED. ACCOUNTANT.]

THE AUDIT OF MERCHANTS' ACCOUNTS.—A correspondent of a Liverpool paper writes as follows:—"I scarcely ever now take up a paper without finding one or more accounts of cases of embezzlement and defalcation; and frequently the amounts are large, and it is stated that the pilferings have been going on for a length of time. I cannot help thinking that many of these cases might have been entirely avoided, or at least effectually "nipped in the bud," if the employers had been in the habit of having their books audited by an accountant, say, quarterly or half-yearly, and the cash, bills, and other securities checked, to see if they corresponded with the balance shown by the cashier or book-keeper. There are numbers of merchants, provision dealers, brokers, &c., in this and other towns who have very good businesses, but never having been accustomed to book-keeping, know next to nothing about it, and leave that department entirely to some young man, probably with a salary of £100 a year, and take his word without any check, that such and such a statement, is what is shown by their books. The pilferings, at first small, gradually grow, and as the party in charge of the department sees that his employers cannot make out anything from the books themselves, he gives up the idea of repaying what he has abstracted, possibly because he does not now see any way of doing so, and goes on until his employers find out that there are hundreds, perhaps thousands, of pounds which they cannot lay their hands on. I consider it to be a duty of every master (to himself and his clerk) who cannot afford time to check his books himself to have them gone over from time to time by an auditor. It is not right to put such a temptation in the way of a young man who has probably nothing but his small salary to live upon. If accountants were employed more in this kind of work, clerks would generally contrive to have their cash, &c., right by the time the auditor was expected. Many people seem to think that there is no use in employing an accountant until they are in difficulties, but it is a great mistake. Accountants would much rather see people prospering than in difficulties."

BANKRUPTCY LAWS. No. 10.

TRUSTEE UNDER COMPOSITION.

Considerable misapprehension exists as to the status of a *Trustee* under composition. The expression is a wrong one, as is evidenced by the refusal of the Court to issue a certificate of appointment. The word "agent" would certainly convey a more correct idea of the duties to be performed. As a matter of fact, where no trustee is appointed, the debtor is bound to tender his composition as, and when due, *to each individual creditor*, and on his neglect to do so, the whole (or unliquidated balance) of the original debt revives; whereas in those cases where a "trustee" is by resolution appointed, he is selected by the *creditors* to act as their agent in the receipt and distribution of the dividends, and the debtor has but to settle the claims with the trustee, and hand over to him the means necessary to carry out the terms of the resolution come to. Where no provision is made for the remuneration of the "trustee," the debtor and his sureties concurring therein, the "trustee" would, we think, have an undoubted right to charge for his services as agent by distributing the dividends less the amount of his charges for so doing. Creditors, however, are competent to agree with the debtor as to the terms upon which they will release him, and if the debtor accepts those terms nobody is aggrieved. For the guidance of our readers, we submit a form of resolution which (subject to modification according to the circumstances of the case) will, we believe, prevent the occurrence of any misunderstanding.

1. That a composition of six shillings in the pound (free of all costs, charges, and expenses, including the charges of the trustee under this arrangement, which shall be borne and paid by the debtor as a first charge upon his assets) shall be accepted in satisfaction of the debts due to the creditors from the said Thomas Jones.

2. That such composition be payable as follows, viz.—Two shillings in the pound within one calendar month from the date of registration of these extraordinary resolutions; two shillings in the pound within two calendar months from the same date; and two shillings in the pound within four calendar months from the same date.

3. That such composition be secured in the following manner, viz.—The first instalment of two shillings in the pound by the promissory notes of the said Thomas Jones, and the second and third instalments of two shillings in the pound each by the joint and several promissory notes of the said Thomas Jones, of William Smith of——street, Southampton, in the county of Hants, ironmonger, and of Henry Jones, of 10——street, Clapham, in the county of Surrey, gentleman.

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4. That———of———in the City of London, public accountant, be appointed trustee in the matter, to receive and distribute the aforesaid promissory notes, and that such promissory notes be receivable at his office.

We concur in the terms of aforesaid resolutions,

(Creditors' signatures.)

Thomas Jones, Debtor.

William Smith, } Sureties.
Henry Jones, }

The neglect to make some such provision will give rise to disputes when the debtor is disposed to fail in good faith.

H. B. [London.]

PROFITS FROM TRADES AND PROFESSIONS.—In 1842-43, the first year of the income-tax, the profits on trades and professions were estimated at £52,787,348, and in 1873-74 at £148,853,731, and this year, £2,112,563.

THE COUNTY COURTS ACT, 1875.—A barrister writes as follows:—"Upon the 2nd day of November next, the above Statute, 38 and 39 Vict., cap. 50, which contains some very useful provisions, comes into operation. Section 4, however, as it now stands, seems to be so defective as to be of little or no practical utility until it has been amended by striking out the words 'on an *ex parte* application.' As it now stands—'A Judge of County Courts shall, whether within the district of any of his courts or not, have jurisdiction to make any order, or exercise on *ex parte* application any authority or jurisdiction in any action or proceeding pending in any of the Courts of which he is Judge, which if the same related to an action or proceeding pending in one of Her Majesty's Superior Courts might be given, made, or exercised by a Judge of such last-mentioned Courts in Chambers, and, with the consent of both parties to an action or proceeding, to hear and decide any matter at any place, either within or without any such district.' By the above enactment, except by consent, the power of the County Court Judges to exercise in relation to actions and proceedings pending in their Courts the authority and jurisdiction of a 'Judge at Chambers,' with regard to actions and proceedings pending in one of the Superior Courts—which is, I have reason to believe, what was intended to be the result of this new provision—is confined to such authority and jurisdiction as may be exercised by a Judge at Chambers on an *ex parte* application, and this, as will be seen, by reference to Chitty's 'Archibold's Practice,' 11th edition, p. 1,588, is extremely limited and of little or no general value in County Court practice; it is as follows:—'There are some cases, however, where a Judge's order may be obtained on an *ex parte* application. For instance, an order that the defendant may be held to bail, that plaintiff may sue *in formâ pauperis*, and to compel the attendance of a witness before an arbitrator, may be thus obtained. If a party obtain an order *ex parte* without summons, where the opposite party ought to have had an opportunity of showing cause, the order will be rescinded on application to the Court, and in some cases might, perhaps, be treated as a nullity.' It can scarcely be intended that all interlocutory orders of whatever nature which can now be made by a Judge at Chambers are to be made by County Court Judges in proceedings before them, on an *ex-parte* application, as this would be investing the latter with powers greater than those exerciseable by the Judges of the Superior Courts, besides often operating injuriously to the party to the action or proceeding in whose absence such orders were obtained."

COURT OF BANKRUPTCY.

October 1.

(*Before Mr. Registrar* BROUGHAM.)

IN RE ALEXANDER, PEARSE, AND COLLIE.—This was a first meeting for the proof of debt and choice of trustee to the estate. The bankrupts, Nathaniel Alexander, Brise Hugh Pearse, and Alexander Collie, were East India agents and merchants, carrying on business at 23 Great Winchester-street, under the firm of N. Alexander, Son, and Co., and were adjudicated on the petition of the London and Westminster Bank, who are unsecured creditors to the extent of £50,000 and upwards. One of the partners, Alexander Collie, was the senior partner in the firm of Alexander Collie and Co., through the stoppage of which firm the difficulties of the bankrupts were mainly brought about. Debts to the amount of £147,605 were tendered and proved, and upon the nomination of the London and Westminster Bank Mr. Harding (Harding, Whinney, and Co., accountants, 8 Old Jewry) was chosen trustee, with a committee of inspection. No statement of affairs was produced. Messrs. Travers, Smith, and Co. are the solicitors to the proceedings.

IN RE ALEXANDER LESLIE.—This was a bankruptcy arising out of that of Messrs. Collie. The debtor was described as of 32 St. Mary-axe, East India agent, trading under the firm of Leslie, Rivington, and Co. A preliminary statement of affairs returned liabilities of £46,800, stated to be in respect of the bankrupt's acceptances to the draughts of Alexander Collie and Co., discounted by that firm, and of which they had the proceeds, for purchases in cotton and grey shirtings on joint account; other debts, £321. The assets are thus given:—Book debts estimated to produce £334; cash in hand, 16s. 11d.; and office furniture, £20. It appeared that a petition for liquidation was presented in the first instance, but the proceedings under it fell to the ground, and an adjudication of bankruptcy was pronounced. At a first meeting now held debts were proved, and Mr. Hurlbatt, accountant, 8 Old Jewry, was appointed trustee, to act with a committee of inspection.

October 2.

(*Before Mr. Registrar* BROUGHAM.)

IN RE G. W. K. MEW.—The debtor, described as of Water-lane and Tudor-street, Blackfriars, wine merchant, trading in partnership with J. G. P. Brotheridge, an infant, recently presented a petition for liquidation, and the court last week appointed a receiver, and granted an interim order staying further proceedings at the suit of a judgment creditor. Mr. R. Griffiths, on behalf of the receiver and debtor, now applied for the continuance of the injunction. Mr. Keighley, in opposing the application, pointed out that the judgment had been recovered against the debtor jointly with Brotheridge, who was not before the Court. The Registrar, without at present deciding any question as to the rights of the parties, held that the injunction must be continued until after the meeting of creditors. Order accordingly.

October 6.

(*Before Mr. Registrar* SPRING-RICE.)

IN RE FREETH AND WHITLING.—This was an application to register a liquidation resolution, come to by the creditors of these debtors, who are iron manufacturers, carrying on business at 60 Gracechurch-street, the Phœnix Iron Works, Millwall, and the West Drayton Iron Works, West Drayton. The failure took place early in September, and the statement since filed shows debts £30,824, against assets £10,316. Registration was directed by his Honour. The estate will be liquidated by arrangement, Mr. R. A. M'Lean being trustee, with a committee of inspection. Messrs. Linklaters and Co. are the solicitors to the proceedings.

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IN RE E. G. PHILLIPS.—Registration of the resolution come to by the creditors was also directed in this case. The debtor, who is described as a provision merchant, of 8 London-street, and Staines, failed in August last, with debts to the amount of £38,000 odd, of which £20,947 is fully secured, and assets £11,968 5s. 4d. The estate will be liquidated by arrangement with Mr. John Young (Turquand, Youngs, and Co.) as trustee, and a committee of inspection.

October 7.

(Before Mr. REGISTRAR BROUGHAM, *sitting as Chief Judge.)*

IN RE PHILLIPS AND PHILLIPS.—The debtors, Messrs. Octavius and Maximilian Phillips, colonial brokers, carrying on business in Great Tower-street, have filed a petition for liquidation. Their liabilities are returned at £45,600, of which £41,800 appears to be due to the holders of the acceptances of the debtors to the draughts of Messrs. Shand and Co., of Rood-lane, given against security, with property, of which the value is not yet ascertained. Mr. Baker, for the debtors, and with the concurrence of some of the creditors, asked that Mr. John Weiss, accountant (Turquand, Young, and Co.), should be appointed receiver. His Honour granted the application.

IN RE R. C. POOLE.—This was another petition for liquidation, the debtor being described as of Bow-lane and West-street, Southwark, wholesale mantle manufacturer, and late proprietor of the Royal Surrey Gardens, against debts of £24,000; the assets are returned £8,000. Mr. Philip, for the debtor and three creditors, asked that a receiver and manager should be appointed to continue the business until after the first meeting of creditors. Mr. E. C. Willis, for a large body of creditors, objected to the nominee of the debtor, and asked that another appointment should be made. His Honour thought when a contest arose, the Court must have regard to the wishes of the creditors, and appointed Mr. J. F. Lovering to act as receiver and manager.

MANSION HOUSE POLICE COURT.

October 6.

EMBEZZLEMENT BY A BANK CLERK.—Mr. Thomas Hughes, 35 years of age, a clerk in the Bank of England, was brought before Mr. Alderman Owden upon a warrant, in custody of Detective Serjeant Webb, charged with embezzlement. Mr. W. D. Freshfield, solicitor to the Bank, appeared for the prosecution; Mr. Louis Lewis, solicitor, for the defence.—Mr. Windsor Ansted, a clerk in the intellers' office at the Bank, said he knew the prisoner, who was the third clerk in that department. On the 28th of September he paid the prisoner £300 in silver, and gave it him in three bags of £100 each. It was money which had been received from the London Joint-stock Bank. The prisoner signed a receipt for the money. The prisoner also received on that day £26 from Messrs. C. Mathew and Son, £27 from Messrs. Walter and Son, and £50 from Mr. T. Wylde, who were customers of the Bank of England. He likewise debited himself with £200, being money obtained by him from the treasury of the Bank. These were "cross bags," made up of various denominations of silver and gold coins. These sums together made up £603. In the ordinary course the bags would go into the Bank treasury in the evening, each bag being labelled and tied up by the prisoner. They would then be weighed by another clerk and a porter. On the 29th of September the prisoner had charge of the "blue book," and had to give out money to the different officers who required it, and count money received from bankers. On that day he received £200 from Glyn's, and £200 from the London and Westminster Bank. He also drew £300 from the treasury; that made a total of £700, for which he would have to account. In the evening he handed over bags appearing to contain that sum. — Mr. Herbert Walter Tilley, another clerk in the same office, said he remembered the 28th of September, when he received from the prisoner six bags, purporting to contain £600 in silver, and deposited them in the treasury; they were locked up in the presence of a cashier and porter.—Mr. Frederick Griffiths, also an in-telling clerk, proved that on the 29th of September, he received from the prisoner seven bags, purporting to contain £700 in silver, and deposited them in the treasury.—Other evidence was given to the effect that on the bags in question being subsequently counted there was a deficiency in all of £65 17s. 6d. The prisoner admitted that he had used the money to pay a lawyer's bill, and that he had intended to return it —Mr. Alderman Owden remanded the prisoner for the completion of the depositions. On the following day the prisoner, who reserved his defence, was committed for trial, with liberty in the mean time to give bail in two sureties, for his appearance at the Central Criminal Court, in £100 each.

LEEDS COUNTY COURT.

October 7.

EX-PARTE HOPKINSON; RE JOHN HALLIDAY, OF WHARFDALE MOUNT, BEN RHYDDING.—In this case, in which Mr. Gane, barrister, appeared for the trustee (Mr. Beswick), and Mr. West, barrister, for Messrs. Hopkinson, Brothers and Co., pianoforte dealers, his Honour (Mr. Daniel, Q.C.) delivered judgment. He said: In the month of July, 1874, the bankrupt, John Halliday, hired a pianoforte from Messrs. Hopkinson, Brothers and Co., upon the terms of an agreement to the effect that the piano was ultimately to belong to the bankrupt upon the sum of £37 4s. being paid by him in instalments. It was agreed that, in case of default in the punctual payment of any instalment, the instalments previously paid should be forfeited to Messrs. Hopkinson, who should thereupon be entitled to resume possession of the instrument, the understanding being that until the full payment of £37 4s., the pianoforte remained the absolute property of Messrs. Hopkinson. In pursuance of the agreement a pianoforte was delivered to the said John Halliday, but he had paid no instalment. He was adjudicated a bankrupt, and the pianoforte was taken possession of by Mr. S. J. Beswick, trustee of the estate, who now held the same. The question for the opinion of the court was—Is the trustee entitled to hold the pianoforte under the circumstances aforesaid, as being in the order and disposition of the bankrupt, or on the ground that the bankrupt was the reputed owner thereof; or, assuming (as is admitted) that there is a valid custom for the hiring of pianofortes, were Messrs. Hopkinson entitled to it? His answer to the question submitted to him was that the right of the trustee to the piano prevailed over that of Messrs. Hopkinson, and that they were only entitled to prove as creditors upon the estate for £37 4s., the price of the piano; and, unless some arrangement to the contrary had been made, Messrs. Hopkinson must pay the trustee the cost of this proceeding—to be taxed by the registrar.

THE NEW LAW SITTINGS.—Under the Supreme Court of Judicature Acts the Michaelmas sittings will commence on the 2nd proximo and terminate on the 21st of December. The Christmas vacation will commence on the 24th of December and terminate on the 6th of January—" The days of the commencement and termination of each sitting and vacation shall be included in such sitting and vacation."

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CREDITORS' MEETINGS.

BURY, LEECH AND CO.—A meeting of the creditors of Messrs. Bury, Leech, and Co., Australian merchants, was held on the 30th September, at the offices of Messrs. Harding, Whinney, and Co., by whom a statement of affairs was submitted, showing creditors expected to rank against the estate £35,102, with assets amounting to £16,157, a considerable portion of which is in Australia. The creditors agreed to accept a composition of 7s. 6d. in the pound.

J. KAYE (HUDDERSFIELD).—The first meeting of the creditors of John Kaye, rope and twine maker, Cross Church-street, and Alfred-street, Huddersfield, was held on the 4th inst., at the offices of Messrs. Learoyd, Learoyd, and Morrison, solicitors, Huddersfield. Mr. T. Westerby, accountant, the receiver, read a statement of the accounts which showed that the liabilities amounted to £6,184 17s. 1d., made up as follows:—Unsecured creditors, £3,436 4s. 10d,; balance due to creditors partly secured, after deducting value of security held by them, £1,806 0s. 11d.; liability on bills discounted by the debtor, £942 12s. 2d. To meet the liabilities, the assets, consisting of stock in trade, book debts, and furniture amounted to £1,703, and the debtor offered a composition of 5s. in the pound, payable in equal instalments, at two, four, and six months, the last instalment to be guaranteed. It was unanimously accepted, and Mr. Westerby was appointed trustee for the purpose of carrying out the compositional arrangement. Messrs. Learoyd, Learoyd, and Morrison were appointed to register the resolutions.

C. F. AVEY (HOLTON).—A meeting of the creditors herein took place on Monday, the 4th inst., at the rooms of the London Warehousemen's Association. The claims of secured creditors amounted to £500, and unsecured £2,813 7s. 3d.; as against assets of £2,661 17s. 11d. It was decided to liquidate the estate by arrangement, and Mr. W. L. Clifton Browne (C. Browne, Stanley and Co., public accountants, 25 Old Jewry, E.C.) was appointed trustee, with a committee of inspection.

W. EVERINGHAM (BIRKENHEAD).—At the statutory meeting of the creditors in the matter of William Everingham, of 44 Watson-street, Birkenhead, in the county of Chester, general draper, held at the offices of Messrs. Quelch and Greenaway, solicitors, Dale-street, Liverpool, on the 5th inst., liquidation was unanimously resolved upon, and Mr. T. Theodore Rogers, accountant, 16 Lord-street, Liverpool, was appointed trustee.

J. MILLS (BECCLES).—A meeting of the creditors of James Mills, of Worlingham, near Beccles, wheelwright, was held at the White Lion hotel, Beccles, on Saturday, October 2nd, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay-chambers, Great Yarmouth, public accountant, being appointed trustee with a committee of inspection. Mr. H. K. Moseley is solicitor in the proceedings.

CROWTHER & GLEDHILL (HALIFAX).—The first meeting of the creditors in this bankruptcy was held at the Halifax County Court on Monday last. Mr. C. T. Rhodes produced the statement of affairs, which he had prepared by special order of the court, and which showed nearly 20s. in the pound on the joint estate. Both assets and liabilities were only small. During the meeting complaint was made that Messrs. Foster, Roberts and Co., accountants, had written letters to the creditors containing statements which were untrue, and asking for proofs and proxies to enable them to have the "management of the estate," which, after hearing an explanation from Mr. Foster, the deputy registrar (Mr. A. W. Alexander) characterised as "a very improper proceeding;" and from the wording of the letters, "very much like a contempt of court." Mr. C. H. Leeming, solicitor, on behalf of Mr. Boocock, appeared for the petitioning creditor, and Mr. Garsed, from Mr. Jubbs, for the bankrupt Crowther.

THE PHŒNIX BESSEMER COMPANY.—A special meeting of the shareholders in the Phœnix Bessemer Company Limited was held at Sheffield on the 5th of October, to decide what should be done with the concern. When the company found themselves in difficulties, they agreed to offer the creditors a composition of 12s. in the pound. As less than £50,000 preference stock was subscribed, they were obliged to reduce the offer to 10s. in the pound, but that sum the creditors declined to accept. The shareholders were very anxious that the works should not pass out of their hands, and they now authorised the committee to make the unsecured creditors an offer of 12s. 6d. in the pound.

W. C. GREEN (UPPER NORWOOD).—An adjourned meeting was held at the offices of Messrs. Barrett and Patey, 90 London-wall, on the 5th inst. The statement of affairs showed unsecured creditors to the amount of £10,785 7s. 10d., and assets consisting principally of surplus from properties in the hands of secured creditors. The meeting was further adjourned to the 1st of November next, for the purpose of ascertaining the value of such assets, and with a view to accepting a composition.

G. E. SWIFT (SHEFFIELD).—A meeting of the creditors of Mr. G. E. Swift, steel merchant, of Sheffield, was held on the 6th instant, at the offices of Mr. Bennett, accountant. A report was presented showing liabilities amounting to £5,173 7s., and assets to £697. Liquidation by arrangement was resolved on.

W. PROCTER (MANCHESTER).—A first statutory meeting of the creditors of Mr. William Procter, of Clifton, and of No. 1 Cannon-street, Manchester, estate agent and farmer, was held on the 6th instant, at the offices of Mr. J. Best, solicitor, 64 Lower King-street, in this city. The statement of affairs read by Mr. Best disclosed liabilities £2,635, and assets estimated at about £200. Resolutions were passed to liquidate the debtor's affairs by arrangement, and granting his discharge, Mr. S. R. Freeman being appointed trustee, and Mr. Best, solicitor, to register the resolutions.

G. BURGESS & CO. (DUNDEE).—A meeting of the creditors of George Burgess and Co., of New York and Dundee, was held in Dundee on Tuesday last, when an offer of 10s. in the pound was submitted by the bankrupts. Some of the creditors declined to entertain the proposal until they had tried the legal question affecting the sale of their goods by the bankrupts shortly before stoppage. After an adjournment, the other creditors agreed to accept the offer made, subject to certain conditions, and provided that, should the estate realise more favourably, the dividend should be augmented accordingly.

FAILURES.

ENGLAND.—A petition was filed in the Sheffield Bankruptcy Court, on the 4th instant, for the liquidation of the affairs of Magnus Sanderson, brass founder, whose liabilities are £1,200. A petition was also filed for the liquidation of the affairs of Alfred Pearson, provision dealer, Sheffield, with liabilities estimated at £1,100.—A petition for liquidation has been filed in the Manchester County Court by George Frederick Heywood and John Lymer, both of 25 Piccadilly, Manchester, importers of ribbons and silk merchants, trading under the style or firm of "Heywood, Lymer, and Co." The liabilities are £22,000. —A petition has been filed in the Dewsbury County Court, by Messrs. B. Chadwick and Sons, on behalf of Mr. Matthew Johnson, woollen manufacturer and merchant, of the Scarborough Mills, Saville Town, whose liabilities are estimated at over £3,000.

SCOTLAND.—The suspension is announced of Messrs. Green Brothers, worsted spinners, Kildwick, with £13,000 liabilities, and of Messrs. P. and J. Brown, stuff manufacturers, of the

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same place, whose liabilities are estimated at £5,000.—The suspension of Messrs. Brown, Stevens, and Williamson, sugar merchants, Glasgow, is announced. Their liabilities are stated to be of a considerable amount, and several of the sugar refiners in Greenock are involved.

AMERICA.—Advices to hand from America state that Mr. B. H. Murphy, pork packer, Chicago, had gone into bankruptcy, liabilities £60,000.—The banking house of O. M. Tyler and Co., of Milwaukee, Wis., had made an assignment. The creditors of Messrs. Lee, Shephard, and Dillingham, publishers, New York, had accepted 70 cents on the dollar, payable in six, twelve, and eighteen months; they were to resume business in a few days.—The liabilities of Union, Adams, and Co., New York, are £37,000.—The failure of Messrs. Drake and Colby, produce commission merchants, 66 Pearl-street, New York, had created much interest; heavy speculations with shrinkage in values said to be the cause of their stoppage.—Messrs. W. L. Holcomb and Co., flour merchants, had also suspended; liabilities £5,000. Messrs. Foster Brothers, carpet dealers, Fulton-street, New York, had filed a petition in bankruptcy.—Messrs. Anderson Brothers, flour merchants, Brooklyn, failed; liabilities £5,000.—Messrs. Taylor and Sons, brewers in Albany, had also suspended.—Messrs. Carr and Andrew J. Cunningham, importers, of 69 Duane-street, New York, as also Mr. William C. Duryea, had made assignments, the latter with liabilities of £7,000.—Messrs. Himsicker Brothers, lumber dealers, at Germantown Railroad Junction, had failed; liabilities £22,000.—The following failures had transpired at Boston:—Alexander Pope and Son; liabilities, £12,000.—W. H. Phipps and Co., wholesale dealers in boots and shoes; liabilities estimated at from £40,000 to £60,000.—Messrs. Summerfield and White, wholesale clothiers, liabilities £6,000. —Messrs. J. D. Evans and Co., produce dealers; liabilities £5,000.—Messrs. C. E. Raddin and Co., wholesale dealers in boots and shoes.—Bernard Baer, in the tobacco leaf trade; liabilities £5,000.

The *National Zeitung* states that the firm of Hahn and Marburg, silk mercers, of Vienna, has suspended payment, with liabilities amounting to £60,000 or £70,000.

In our advertising columns it will be seen that Mr. Ferdinand Wolfskehl, of Frankfort-am-Main, announces the drawing of the following loans on the 1st instant, at Vienna:—The 70th drawing of the "Imperial Austrian" 1858 Loan, when the bonus of £4,000 was drawn by Debenture, series 1006, No. 78. The lucky possessor resides in London, and purchased the debenture a short time back of Mr. Ferdinand Wolfskehl. The 42nd drawing of the Imperial Austrian 4 per cent. 1854 Loan, and the 9th drawing of the Raab Graz 4 per cent. 1871 Loan, took place on the same date. Mr. Ferdinand Wolfskehl announces that full particulars can be had on application to his brothers, Messrs. Wolfskehl, of Lord-street, Liverpool, who will also cash or exchange them.

THE LOW RATE OF MONEY.—First, the principal cause of the low rate of money is our present position in the commercial cycle. It has sometimes been said that there are "five lean years in the Money Market, and five fat years," and though, of course, this is not the complete truth, yet there is much truth in it. There is a period of ascending price when almost every one is prosperous, followed by a period of descending price when almost every one is threatened. Towards the end of the descending period there has in this country generally been a panic. The banking reserve of the country has been suddenly called upon, and has been found unequal to meet the demands upon it. In consequence, credit has completely collapsed, and the bad effects of long falling price have been intensified and prolonged. This time, owing mainly to the improved policy of the Bank of England, that danger has been avoided. Whether other bankers showed any especial caution may be doubted; it is certain that several important banks showed the reverse of caution. But, happily, when the time of trial came the Bank of England was found with a reserve far greater than at any previous period, and therefore we escaped a panic. But we are, nevertheless, suffering from the effects of long descending price—many failures, great loss of credit, and indisposition to engage in new business, an entire absence of the sort of business which we sometimes call speculative and sometimes enterprising, and a consequent scarcity of "bills," which are the product of such business. This is the main cause of our present situation, the others are only minor and co-operative. Secondly, for a long time past the growth of first-class securities has hardly kept pace with that of the money which was to be invested in them. "Banking money" will not go in large quantities out of this country; some little of it may be invested in the best colonial securities, or in the American funded loans. But, upon the whole, we adhere to this country, because it is not certain that any foreign investments can be converted, at the day of need, readily in large quantities, and without excessive loss. The same considerations have prevented its being invested in many home securities. "Banking money" was and is greatly lent to speculators in ordinary railway shares, but it is little used to buy railway shares. Sufficient confidence is not felt in these great concerns; their name is so tainted by long adversity that their true merits are hardly seen. We confess we think it possible that a time may come when "banking money" may be put safely into ordinary railway shares. But as yet that time has not arrived. Such money is confined, as far as railways are concerned, to debenture and the best preference stocks. The borrowings of the Indian Government have been small of late years, and our own Government is repaying debt. Other new investments for such money are rare. The "Metropolitan stock" of the Board of Works is about the only one of a large amount which occurs to us. In consequence, the price of such securities has been rising for some years past; and although this was not so much felt while trade was brisk, and the rate of discount high in Lombard-street, it is of cardinal importance now, when the rate is low and that trade sluggish. Thirdly, the amount of "speculative" investments brought to the market has been less for the last few months than for a long time past. The effect of the panic of 1866, and specially of the failure of Overend, Gurney, and Co. (Limited), its most conspicuous event, was to create and diffuse very widely a disgust of limited companies. From these people turned to foreign stocks. But the effect of recent collapses and discussions has been that all but the best foreign Governments have now a difficulty in borrowing here. Not only South American Republics, which had no revenue, and never ought to have borrowed 6d., but States like Turkey and Egypt, which really have large resources, and which might have been in good credit if they had not misused the credit founded on them, cannot now borrow any thing. The whole "foreign want," so to speak, for money has for the moment stopped, for first-class States are not just now borrowing. And though it is quite true that what we call "banking money" would not have gone into such securities if they had been offered, yet their non-existence diminishes its value, because it brings into incessant competition with it other money which those investments would have occupied and removed. Fourthly, for the moment the machinery of credit in Lombard-street is somewhat impaired. The large and unlooked-for losses by bills of exchange have rendered the largest banks very cautious what they do. They compete with the best bill-brokers less than they did, and (having found the danger of inferior ones) they make use of the best more. And this tends to fill the hands of those brokers with money, and to lower the rate which they will give for it. It is to the remarkable concurrence of these causes, of unequal, although all of considerable, importance, that we must attribute the unprecedented difficulties which bankers experience in employing their funds suitably at present.—*Economist.*

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REGISTRATION OF BILLS OF EXCHANGE.

"A Collie Victim" writes as follows to the *Times*:—

"The deserved prominence you gave to a letter from a 'Bank Manager' a short time since, and the vast importance conveyed in the idea of registering bills of exchange as suggested by him, ought to have produced before this some attention from finance authorities. The registration of bills of exchange would certainly prevent great and serious frauds, as no firm or individual could then accumulate paper credit to any serious amount without its being known. Bills of exchange are, no doubt, a great and necessary convenience to the commerce of the world, but in their present form they offer too much facility to weak and risky trading, from their vague character. For instance, A buys of B goods, for which B draws on A for the amount at, say, six months, 'for value received.' Now, the point I wish to raise is this, that all bills of exchange should upon the face of them show the particular transaction to which they refer, and against which they are drawn, so that in the event of any suspicion of fraud or difficulty, the particular transaction referred to may be traced. Bills should therefore be drawn 'for value received in goods as per statement of — date.' This form of wording would fix the bills and the transactions belonging to them together definitely. It may be remembered that some of the bills of Messrs. Collie alluded in rather a vague, misleading way to particular goods, but that reference is now known from its vagueness to have been open to legal dispute. If the goods supposed to exist had been regularly invoiced, and the bills drawn against the amounts of the dated invoices, disputes could not arise in that direction, and this particular fraud could not have gone on so long without being discovered. Bills drawn against credit only should be drawn 'for value received in cash,' so that credit bills and trade bills would be distinct. No merchants doing good and substantial business would object to their bills showing the particular transactions or business against which they were drawn. Risky over-traders may object, and probably would do so with all the assurance of injured innocence, but these are the very men who do all the mischief by speculating and underselling every body. They are a class of traders bankers and discount houses should not encourage, because in the long-run they must, like the Collies, find it impossible to continue their operations, and in their certain fall would ruin hosts of innocent persons. I, therefore, hold, Sir, that the proper way to remedy this great evil of fraudulent trading would be to register bills of exchange, as suggested by your correspondent, and to see that such bills recorded the business they were drawn against. It has been said that merchants and bankers would both object to their operations being known to their competitors. This is no argument against the proposed registration. If merchants want the accommodation of discount, they are not in a position to object to registration, and if it is so necessary that their transactions should be only known to themselves, then they should be able to hold their paper until it is matured, and thus retain their own secret. The periodical losses sustained both by private and public banks in consequence of the bills drawn 'for value received' too frequently representing nothing, are a sufficient reason for their seeking more definite and collective information before they lend their cash, or the cash of their shareholders, and that information can only be had by their agreeing to compare notes through the agency of a registration office."

"DESCRIBED AS AN ACCOUNTANT."—At the Worship-street police court on Monday, James Treherne, who according to the daily papers was "described as an accountant," was charged with stealing from the person of William Gardner a silver watch, value £4. The prosecutor, a printer, of Huntingdon-street, Hoxton, said he was in a crowd in Hoxton-street and felt a hand fumbling in front of him, but until a girl named Mason told him that his watch was gone he did not notice any thing. The girl pointed out the prisoner as being the thief, and the prosecutor seized him, but the watch was not recovered. The prisoner, who was well known to the police, and had been previously convicted for a similar offence, was committed for trial.

THE HAMBURG BANK.—An event of some historical interest has just taken place in Germany in connexion with the coinage reforms. This is the absorption in the Imperial Bank of Germany of the Hamburg Giro Bank, the reference to whose course of business, as well as that of the Bank of Amsterdam, forms so interesting a chapter in Adam Smith's "Wealth of Nations." The Hamburg "valuation," which the bank established, has already been abolished, Hamburg having adopted the new Imperial marks as the standard for a long time past; but now the bank itself becomes a branch of the Imperial Bank of Germany. The officers of the old bank pass over into the service of the Imperial Bank. The bank, it is stated, was established in 1619, and now disappears from the scene, to use the language of the Berlin *Börsen Zeitung* in recording the fact, "after 257 years of fruitful activity."—*Economist*.

CHARGE OF FRAUDULENT BANKRUPTCY.—At the Mansion House on Monday, Mr. John Westwood, a commission merchant, lately trading at 3 Mincing-lane, City, attended upon an adjourned summons, charging him, under the 11th section of the Debtors' Act, 1869, with having within four months next before the presentation of a bankruptcy petition against him (he then being a trader), pawned, pledged, and disposed of, otherwise than in the ordinary way of his trade, 20 chests of tea, of the value of £100 10s. 4d., which he had obtained on credit from Mr. Frederick G. B. Wells, a tea-dealer in Seething-lane, City, and had not paid for. Mr. Besley was counsel for the prosecution; Mr. Merriman, solicitor, appeared for the defence. The facts of the case were undisputed. A traveller of the prosecutor called upon the defendant in July last for an order, and, after some discussion as to terms, the defendant agreed to purchase the tea in question at two months' credit. He accepted a bill for the amount on the 7th of July, which, in the ordinary course, became due on the 10th of September. Meanwhile the defendant had become bankrupt, and the acceptance was dishonoured. It was then found that the tea warrants, or some of them, had been given to Messrs. Martin and Co., bankers, in Lombard-street, of whom the defendant had been a customer, as security for an advance. These proceedings were subsequently instituted. Mr. Merriman, for the defence, contended that the defendant had committed no offence within the meaning of the statute, for otherwise every man who applied to his bankers for a temporary advance upon security, as even the largest and most respectable firms often had occasion to do, would be made amenable to the criminal law. Eliminating a few millionaires, no merchant in the city of London would stand that test. He argued, moreover, that such dealings on the part of a merchant like the defendant, he not being a mere retail tradesman, were clearly in the ordinary way of his trade. It was a very common thing indeed for traders in the City to obtain temporary advances on bills of lading, dock warrants, and other securities. Sir Benjamin Phillips.—Not within a few hours of their bankruptcy. Mr. Merriman, continuing, said the defendant did not stop payment until a month after the advance was made. He concluded by asserting that the defendant's dealings were of the most *bonâ fide* character, that he had not the remotest intention to defraud, and that no jury would venture to convict on the shadow of a case presented them. Sir Benjamin Phillips said the intent to defraud was purely a question for a jury to decide, and he must, therefore, commit the defendant for trial at the next Sessions of the Central Criminal Court. Meanwhile he admitted him to bail, as before, in his own recognisances in £200 and two sureties in £100 each. Bail was at once forthcoming.

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THE ALLEGED FRAUD ON STOCKBROKERS.

At Guildhall, on the 7th inst., Mr. Charles F. Mavrocordato, a merchant, formerly of 108 Bishopsgate-street Within, was charged, on remand, before Aldermen Ellis and Sir Robert W. Carden, with fraudulently obtaining by false pretences certain foreign securities of the nominal value of £25,000, with intent to defraud certain stockbrokers. Mr. George Lewis, jun., prosecuted; Mr. Blanchard Wontner appeared for the prisoner, and Mr. Mullens watched the case on behalf of a stockbroker who was a creditor. At the previous hearing, as reported in the *Accountant* of the 2nd inst., it was proved that Mr. Mavrocordato had been a merchant in the city for several years and stood in very high credit. He had been in the habit of dealing in different stocks on the Stock-Exchange, and was well known to the brokers. Previous to the 29th ult. he gave orders to various brokers to buy for him Turkish, Spanish, and Egyptian bonds, to the amount of £24,000 nominal value, but the cash value of which was £7,540. They were all to be delivered on the 29th ult., the settling day. They were delivered, and the prisoner gave checks on the Imperial Bank (Limited) for the respective amounts, but when the checks were presented at the clearing-house they were all dishonoured, there being only about £60 in the bank to his credit. The police were communicated with, and Detective Potts apprehended him at the Waterloo terminus of the South-Western Railway in a first-class carriage, about to start for Southampton. He had with him a black portmanteau and black bag, and on those being searched, nearly the whole of the bonds were discovered. In lieu of those missing were others, for which, it had been ascertained, he had exchanged them. Mr. Charles David Moss, of 13 Copthall-court, stockbroker, said that by the prisoner's orders, he, on September 28th, purchased £15,300 Spanish stock for delivery on the 29th. The price was £2,868 15s., and for that amount the prisoner offered his check, but he declined to take it, and required Bank notes for it. He then received orders from Mr. Mavrocordato to sell £4,000 Egyptian, 1873, stock, for delivery on the 29th; he did so, the price of which was £2,980. On the 29th he received from the prisoner the Egyptian stock and handed him over the Spanish stock, and on the transaction there was a balance owing to the prisoner of £101 17s. 6d., for which a check was drawn on the Alliance Bank and paid to him. The Spanish stock produced was that which he delivered to the prisoner. Mr. Lodovic Messel, stockbroker, of 34 Throgmorton-street, said that he bought £5,000 Turks for the prisoner, and had them delivered to him, and in return received a check on the Imperial Bank, drawn by the prisoner, for £1,949 19s. 6d., which included £200 differences that the prisoner owed him. He carried over £10,000 other stock which he had open for the prisoner, who was now indebted to witness £345, irrespective of the check. Levi Cohen, stockbroker, Throgmorton-street, said the prisoner purchased of him £6,000 Egyptian stock for delivery on the 29th. He delivered by his clerk only £1,000 worth of these bonds, and his clerk brought back to him a check signed by the prisoner for £750. Later in the day the prisoner sent his clerk for the other £5,000 worth, but he declined to deliver them. The prisoner now owed him between £50 and £60 for differences on other accounts. William Henry Cobden, clerk to Messrs. Moore and Greatorex, stockbrokers, said that on the 29th ult. he delivered to the prisoner £3,000 of Egyptian stock, and received a check from him for £2,402 1s. 9d. on the Imperial Bank. Mr. Greatorex said he purchased £5,000 Egyptians for the prisoner, but only delivered £3,000. The prisoner owed him in addition to the check £250 for differences. Mr. Frederick Pollack, of the firm of Stocken and Co., 75 Old Broad-street, stockbrokers, said that he purchased £5,000 5 per cent. Turkish bonds for the prisoner for delivery on the 29th ult. The value of that stock was £1,800, but he owed him some differences on that account, and the prisoner sent him a check for the two amounts, making a total of £2,060 5s. The prisoner now owed him in addition between £370 and £380. Evidence was then given by other brokers of amounts of stock purchased by them for the prisoner, for which he had given his checks. Also that he was besides indebted to them each in sums varying from £200 to £400. James Sweetland, porter at the Waterloo-road Station of the South Western Railway, said that on the 29th ult. the prisoner drove up to the station in a hansom cab about 7 37 p.m., and asked him when was the next train for Southampton, and he replied in three minutes. He took his luggage to the first-class booking office, and there the prisoner asked if there would be any saving by taking a through ticket to Havre. One of the clerks answered him, and he said he would take a ticket to Havre. He took a ticket and witness put his portmanteau and bag into a first-class carriage, and the gentleman got in after them. Mr. Moreton Stammers said he was cashier at the Imperial Bank. The prisoner had kept an account with them since 1869. On the morning of the 29th ult. the prisoner had £111 0s. 4d. standing to his credit in the books of the bank. No money was paid in on that day. At the clearing in the evening of that day the checks produced, for £7,540, were presented, but not cleared. He had some bills under discount at the bank, and in addition he had a loan against some securities. Witness produced a letter from the prisoner sent to the bank on the 29th ult., asking for the delivery to bearer of 200 shares in the Bank of Alexandria. The value of them was about £2,600. They were delivered to the prisoner's clerk. Mr. Pollack was recalled, and, having examined the stock found on the prisoner, described it. He said there were five shares of the Bank of Constantinople, 200 shares in the Bank of Alexandria, £25,500 worth of Spanish bonds, and £10,000 of Turkish stock, but no Egyptian. Evidence was given showing that the prisoner had exchanged the Egyptian stock for Spanish, and the numbers were traced. Mr. George Lewis applied for a remand, and asked that the bonds might be given up to the respective owners, as the prisoner also acquiesced in that application. Mr. Wontner supported Mr. Lewis's application, and also asked that the balance should be given up to the prisoner's friends on his behalf. Alderman Ellis said it was a great hardship upon the witnesses to be deprived of their property for a time, but there might be some legal difficulties in the way—there might be creditors, for instance, who might put in a claim for debts due to them. Mr. George Lewis contended that creditors could have no claim upon goods obtained by fraud, for although they had come into the prisoner's possession the property had never been vested in him. Besides, as a matter of fact, he could state that the prisoner had no creditors except those gentlemen whom he and Mr. Mullens represented. After an animated discussion, Alderman Ellis declined to order any of the property to be given up at present. The prisoner was then remanded until Tuesday next.

Bankers' Clearing House.—The following is the official return of the checks and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, October 6:—

Thursday, September 30	£18,269,000
Friday, October 1	18,621,000
Saturday, October 2	18,453,000
Monday, October 4	18,069,000
Tuesday, October 5	20,503,000
Wednesday, October 6	16,630,000
	£110,545,000

The total at the corresponding period of last year was £115,538,000.

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THE LORD CHANCELLOR AND THE JUDGES.—As the first sittings under the new Supreme Court of Judicature Acts will be held on the 2nd of November, on which day Michaelmas Term was wont to commence, it is expected that the Lord Chancellor will, as usual, receive the Judges and Queen's Counsel, &c., to breakfast at his residence, and afterwards proceed to Westminster-hall, where the High Court of Justice will sit in several divisions, and where Her Majesty's Court of Appeal will inaugurate the new sittings.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 45.] SATURDAY, OCTOBER 16, 1875. [PRICE 6D.

THE BANKRUPTCY ACT, 1869.

IN THE COUNTY COURT OF YORKSHIRE, HOLDEN AT HALIFAX.

A DIVIDEND of Five Shillings in the Pound has been declared in the matter of the special resolution for liquidation by arrangement of the affairs of RICHARD CRABTREE PATCHETT, of Crown Street, in Halifax, in the County of York, Wine and Spirit Merchant, and will be paid by the undersigned Christopher Tate Rhodes, Accountant, Agent, and Valuer, one of the Trustees, at his Offices at Ward's End, Southgate, Halifax, aforesaid, (to those creditors only who have proved their debts) on Friday, the 22nd day of October, 1875, between the hours of Three and Six o'clock in the afternoon.

Dated this Ninth day of October, 1875.

CHRISTOPHER TATE RHODES, } *Trustees.*
CHARLES WILLIAM CHEESMAN, }

FRANCIS JUBB,
Barum Top, Halifax, Solicitor acting in the Bankruptcy.

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ACCOUNTANTS' DIARY
AND
DIRECTORY for 1876

Will be published in December next.

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NOTICE OF REMOVAL.

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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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The Accountant.

OCTOBER 16, 1875.

The question of the validity of marriage settlements is in itself so important, and so full of interest, that we

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make an apology for reverting briefly to the points raised in the letter of "H. B." In the case of Colombine v. Penhall, it was stated that a general assignment of all present and future property was in itself an act of bankruptcy, though the settlement was held void on the general ground of fraud, independently of any question under the bankruptcy laws, and the first proposition was therefore not judicially decided. In Colombine v. Penhall, the settlor, being at that time in utterly insolvent circumstances, married his mistress; and previously to the marriage settled the whole of his property upon her, and a child he had by her. It was inferred from various circumstances, though not conclusively proved, that she was aware of his embarrassments, and this fact, no doubt, had considerable effect on the decision of the judge. As Vice-Chancellor Malins said, in a subsequent case, "a marriage got up for the purpose of defrauding a man's creditors, when the intended wife is a party to the fraud, will not be supported. When the settlor has satisfied his creditors, then he may give away the property if he pleases." But the difficulty in all these cases is the proof of the collusion. It is curious, that in the two principal cases on the subject, the husband and wife had been previously cohabiting together; and it might safely be presumed that the wife had full knowledge of the husband's embarrassments, and was fully aware that the settlement was mainly intended to defeat the claims of the creditors. In the case of an ordinary marriage, proof must necessarily be very difficult, especially as the Courts would lean rather to the defensive than the assailing side. But admitting that any fraudulent connivance on the part of the wife would vitiate the settlement, there is a kindred question arises. As a rule, settlements are not mere matters of barter between husband and wife, but the friends have a good deal to do with them. Supposing the settlement is made fraudulently, with the privity of the father or any responsible adviser acting on behalf of the future wife, she ignorantly or carelessly leaving all matters to their control,—at present the verdict of the Court would be wholly in her favour, and it is difficult to lay down positively that this should be otherwise. It seems clear, therefore, that it is only in very exceptional cases that the validity of a marriage settlement could be impeached with any chance of success.

We cannot help thinking that the reforms we advocate will some day be carried into effect. As regards settlements of the husband's property, they may be limited in their operation in the way we suggested, of simply giving the trustees a right of proof for the sum settled, at any rate, for a space of some years, and subject to certain considerations as to the provision made for the wife. It is perfectly just that a woman should not be left dependent on the testamentary caprices of her husband, but should be protected against any neglect or deliberate malice on his part. But this principle cannot be made to operate to the detriment of creditors; and where a settlement of the *husband's* property is made giving the first life-interest to the wife, it is more or less suspicious in proportion to the amount of property thus placed out of the husband's control. So long as a wife takes her husband "for richer or poorer, for better or worse," she must be contented to abide by her bargain, and to follow the fortunes of her husband. Whatever may be the ultimate manner in which this is to be brought about, we have no hesitation in saying that such a reform is imperatively wanted, and we shall be glad if "H. B.," or any of our readers, can furnish us with any statistics of liquidations or other proceedings in which the marriage settlement has been used as a convenient lever to bring about an unsatisfactory result. With regard to the wife's property, the general current of feeling seems setting so strongly in the direction of its inviolability by any claim of the husband, that future legislation will probably tend more and more to separate the interests of husband and wife. But though we would free the wife's property from any claim on behalf of the business creditors of the husband, we should be inclined to make it liable to the claims of domestic creditors, and even to go so far as, by a process analogous to "marshalling," to make it primarily responsible for such claims. Take an instance which has actually occurred within our own experience, and which can easily be paralleled from the experience of most of our readers. A private individual becomes bankrupt. His debts are mainly due to his tradesmen, for the food, clothing and maintenance of his family. The wife has property settled to her separate use; the extravagant living is discontinued, and the family live upon the wife's money, while the creditors are foiled. Now, surely, in such a case as this the wife's property may fairly be made responsible. But how many cases are there in which bankruptcy proceedings have been taken against a wife? The failure has been as much owing to her as to her husband; the credit has

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been given to them jointly, and they ought both to be made responsible. A system of registration of all settlements would be the best safeguard. It is not so much the increased dividend which would be produced, or the increased security to the creditor, which would be the beneficial change, as the check which would be placed upon unrestrained luxury and extravagance. Let it be once clearly understood by all classes of the community that family arrangements and settlements would not protect wrong-doers against the consequences of their default, and a marvellous change would very speedily take place. As instruments useful in checking speculation, inculcating prudence, and promoting the acceptance of the Duke of Wellington's theory as to high interest and bad security, settlements are of the highest social advantage; but they are too often used as instruments of fraud, and mere covers to reckless extravagance; and, as such, the more their absolute inviolability is restricted the better.

A further perusal of the 180th rule, table A, and the remarkably worded foot-note to table C, combined with a consideration of the practice at the Liverpool County Court, leaves us still in uncertainty as to the meaning of the Act. It seems an absurdity to affix a stamp to a bill of costs far exceeding the *ad-valorem* duty properly payable, and to refuse to make any abatement; and yet this absurdity seems countenanced by the wording of the Treasury order directing that "the stamp shall be affixed in respect of every fee before the proceeding is had in respect of which the fee is payable." Leaving out this order, and translating the rules as to taxation into plain English, what is meant is this:—Every bill shall be taxed, and the certificate of the amount allowed, duly signed and stamped with an *ad-valorem* stamp. But the words of table A seem to countenance the stricter view:—"Every allocatur for costs, where such *bill of costs*," not "such costs" simply, is the phrase used. The question as to the stamp duty on resolutions seems concluded by the same literal mode of interpretation:—"Every special resolution presented to a registrar for registration" must be stamped before presentation; and the act of presenting is, we suppose, what is meant by "having the proceeding," to use the clumsy and involved diction of the Treasury minute; though it might be plausibly contended, that as the Act obviously contemplates registration as a mere formal act, the proceeding in question would be the actual registration, and not the presentation. At any rate, in the first instance we are inclined to think that the solicitor should only be allowed his payment for the stamp in proportion, not to what it has been, but what it ought to have been, as its excess must be owing to his overcharges. The amount of duty is not very large; but the principle of allowing these petty attempts to pick up small sums of money is one which might well be reconsidered, and authoritatively declared in the Act, if it is to be finally upheld, and not left to the uncertain practice of individual officials.

What is a month? Most people would decide in favour of a calendar month, and so, apparently, does Registrar Spring-Rice in restraining a creditor for taking proceedings against a compounding debtor who had tendered his composition one day within his time, if month meant calendar month, but was too late if lunar months were referred to. This was probably what the creditors, excepting always the dissentient, meant too; but it is curious to notice how varied the rule is for computing exactly which is meant. Originally, the term month when used in any statute or any legal proceeding, meant a lunar month, unless a calendar month was expressly specified. As regards the statute law, this interpretation was reversed by the 13th Vict. c. 21, which directed that the word "month" should in future acts *primâ facie* mean calendar month. In law and equity proceedings "month" was "used to denote lunar months, except when a twelvemonth" was the phrase, in which case it was taken as equivalent to a year; and in cases of presentation to livings, where, to prevent lapse, calendar month was understood. In cases of bills of exchange, and, indeed, in commercial transactions, a calendar month, subject to any customs of trade, is the understanding, except in contracts for stock, where the word means "lunar." There is yet one final observation. The 57th order of that Supreme Court of Judicature Act which is to do so much for us, declares that where under the Act "time is limited by months, not expressed to be lunar months, such time shall be computed by calendar months." It seems probable, therefore, that Registrar Spring-Rice's view was correct. At the same time, it might be as well for debtors not to make quite such close computations on another occasion, and to show their gratitude to their creditors by

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not insisting on taking those "days of grace" which mark the difference between calendar and lunar months.

Accountants' Diary and Directory.—We are glad to note that Mr. Alfred C. Harper is preparing to continue the useful and praiseworthy work which he set on foot last year, viz. the publication of an annual Diary and Directory for Accountants. The form and matter of last year's Diary afford ample assurance of the value and general utility of the publication. Mr. Harper will be glad to be informed of any alteration of address, or of additions to the ranks of the profession.

Correspondence.

To the Editor of the Accountant.

Sir,—I have read your further observations in the *Accountant* of Saturday last upon marriage settlements, and agree with you that both ante- and post-nuptial settlements should be registered. If they were, it would tend to diminish the frauds constantly practised on creditors. They would thereby be put on their guard against giving credit to persons with the appearance of wealth, which really had been vested by them in trustees for the benefit of their intended wives. Trader and non-trader ought to be treated alike, for there is no reason why one should have greater facilities of obtaining credit than the other. The case of *re Clint*, referred to in my letter, was decided since the present Act came into operation, but had reference to a settlement executed previously, and therefore was exempt from the provisions of the Act, and decided in accordance with the law as it previously existed. The suggestion you make, that a settlement in consideration of marriage might be held to be a fraudulent transfer of property under sub-section 6 of section 2 of the Act, and therefore an act of bankruptcy, can scarcely, I think, be of any avail. Where is the fraud on the part of the woman, if she gives for the property conveyed to her the highest consideration known to the law? She is not supposed to know the circumstances of her intended husband; and the transaction, therefore, so far as she is concerned, is *bonâ fide*. If, as in the case of a fraudulent preference, it can be shown that she is cognisant of her intended husband's position, and colludes with him by means of the settlement to defraud creditors, then, no doubt, it would be held to be fraudulent. But how difficult it is to prove, in the case of a fraudulent preference where two parties only are interested, that the one favouring the other had made such communications as to place the latter in the light of a conspirator to defraud! The transaction is between the two, and what earthly motive could they have in admitting their own fraud! The last decision on fraudulent preference, makes the old bankruptcy doctrine a nullity! It is a subject well worthy of discussion in the *Accountant*. The point of practice to which I referred in a second letter, is dealt with by you in a separate article, but as I am writing, it may not be out of place to refer thereto shortly, especially as you appear to think I have not clearly stated the case. What is insisted upon in Liverpool is, that when a bill of costs is presented for taxation, it shall have affixed thereto an allocatur stamp for its full amount; and that if reduced on taxation to one-third the amount, as is frequently the case, there is no rebate of the stamp duty. Thus, for instance, if some member of the honourable and liberal profession brought in a bill for £1,000, and it was reduced to £50, the poor creditor would have to pay stamp duty on the £1,000. This, I understand, is done in conformity with the absurd terms of the scale, which prescribes that every allocatur for costs, where such bill of costs shall exceed a certain sum, shall bear the requisite stamp duty; and a subsequent memorandum at the foot of the scale provides that the stamp shall be affixed before the proceeding is had in respect of which the fee is payable. This is absurd, but it is carried out in the same manner with respect to resolutions for liquidation in compositions presented for registration. All the stamp duty has to be paid on lodging the proceedings, although, as too frequently is the case, from some technical defect, they are refused registration, and become abortive. Another absurd imposition of stamp duty seems to me to be, the imposing of a 5s. stamp on the adjournment of a public examination, or witness summons, both one and the same proceeding upon which duty has been paid. In case of public examination being appointed, no stamp is required; *ergo*, why on an adjournment?

Yours,
H. B.

Liverpool, *Oct.* 10*th*, 1875.

A correspondent has forwarded us some particulars of a fraud of which he has been the victim, with the double object of awaking the post-office authorities to the necessity of discovering, if possible, the offender, and of warning the public of the danger to which they are exposed. The circumstances are these:—On the 3rd of July a firm at New York posted to a correspondent a draught drawn by the Merchants Bank of Canada, payable on demand to order. The letter was opened in transit, the draught was endorsed by the payee's name being forged, and was paid by the agency of the Merchants Bank of Canada in London. The firm's correspondent is much surprised that the 16 and 17 Vict., cap. 59, sec. 19, holds the bank blameless. We may remark, however, that similar forged endorsements have frequently before given rise to litigation, but it has always been decided that it is impossible for a bank to verify a strange signature when endorsed upon a draught or order drawn on a banker payable on demand. In this case the chief responsibility seems to rest with the post-office, which never accepts any.

Alleged Fraud by a Merchant.—Telo Stitterd Hare, general merchant, was charged at the Liverpool Police Court, on the 8th instant, with defrauding the Rochdale Co-operative Manufacturing Society Limited of £1,978. The defendant in December last received an order from Mr. Clarke, manager of the society, to purchase cotton of a particular sort. In June last Hare sent in an invoice for 200 bales ex steamship Ganges, and on the strength of his representations Mr. Clarke accepted bills of exchange to the above amount. The defendant was afterwards repeatedly pressed to give a delivery order, but he made various excuses, and on being requested to return the acceptances he said he had discounted them, and that the cotton had been stopped by his creditors. It was alleged that the invoice in question was wholly fictitious, no such cotton having been bought from the gentleman therein named or shipped by the steamer represented. The defendant, who reserved his defence, was committed for trial at the sessions, bail being accepted in two sureties of £500 each and himself in £1,000.

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COURT OF BANKRUPTCY.

October 9.

(*Before the* Hon. W. C. Spring-Rice, *sitting as Chief Judge.*)

In re Collie and Collie.—A question arose under this bankruptcy in regard to the jurisdiction of this Court to compel the attendance for examination of a person domiciled in Scotland. The proposed witness appeared by counsel, and, acting under legal advice, objected to be examined on the ground that he resided out of the jurisdiction. The matter was argued in chambers by Mr. J. Linklater for the trustee, and Mr. G. W. Lawrence for the person summoned. The proceedings resulted in an order being made for a peremptory summons to issue, the sitting to be adjourned in the interval.

An application was made in the liquidation petition of W. Stephenson, who had been a wine merchant in Water street, City, and latterly a commercial traveller. Mr. Holberry, barrister, appeared to restrain by injunction an action pending in the Queen's Bench, by a creditor named Speechey, for £100, brought under peculiar circumstances. The debtor offered a composition of one shilling in the pound, in two months after the registration of the resolutions, at a meeting of his creditors under the petition. The first offer was in May, and a resolution passed, but the second meeting was the 11th of June. On the 10th of August the debtor was on his way to pay the creditor the composition, and met him in the street, and on telling him he refused to take it, and forthwith an action was commenced to recover the original debt of £100, the creditor considering that the 10th of August was too late, and that the time had expired for its payment. The action was still pending, and the present application was to restrain the creditor from litigation. Mr. Clare, on the part of Mr. Sparling, submitted that the two months, being reckoned as lunar months, had expired when the debtor met his creditor in the street; no tender had been made of the money, and he ridiculed the idea that for so small a sum as one shilling in the pound a creditor was to be deprived of his legal rights. Mr. Registrar Spring-Rice was of opinion that calendar months were to be reckoned, and as the interview took place on the 10th of August, and as the second meeting was on the 11th of June, it was within the period mentioned. As to there being no tender, the debtor said he had the money in his pocket, and the creditor said he would not take it. He restrained the action, and directed the creditor to pay costs. Order accordingly.

October 11.

(*Before Mr. Registrar* Brougham.)

In re C. T. Mavrocordato.—In this case notice had been given of an application that immediate adjudication might be made. The debtor, Charles Themistocle Mavrocordato, is the person against whom a criminal charge has been preferred; and he is described as a merchant and dealer in stocks and shares, of 108 Bishopsgate-street Within. The petitioning creditors are Messrs. Cohen and Samuel, stock and share brokers, Angel-court, the act of bankruptcy upon which the petition is based being the debtor's departure from his place of business with intent to defeat and delay his creditors. Mr. Lewis, jun., appeared in support of the application, and, no cause being shown, his Honour made an immediate adjudication. The first meeting for proof of debts and the appointment of a trustee will be held on the 9th of November, at 11 o'clock.

October 12.

(*Before Mr. Registrar* Brougham.)

Wilson and Armstrong.—An application was made on behalf of the separate creditors of these debtors for an order restraining Mr. J. Lindsay, of Castle-street, Edinburgh, the trustee under the sequestration proceedings in Scotland of the estate of William Armstrong, from interfering or dealing with his separate estate, and from further proceedings in relation to the same until the further order of the court. Mr. F. O. Crump appeared in support of the application, and Mr. Finlay Knight against it. Mr. Crump read the affidavit of Mr. Emanuel, jeweller, Bond-street, which stated that the debtors, George Wilson and Walter Armstrong, were woollen warehousemen, of 69 Aldermanbury, also carrying on business at Hawick, Roxburghshire, Scotland, in partnership with Charles, John, and George Murray Armstrong, as manufacturers, and failed on the 12th of July last for upwards of £500,000. On the 19th Mr. Henry Chatteris, accountant, Gresham Buildings, was appointed receiver and manager of the estate. The first meeting of the separate estate was held on the 10th of August, and adjourned for six months. Subsequently to the adjournment, Mr. William Armstrong applied for and obtained sequestration of his estate in Scotland, and Mr. Lindsay was appointed trustee under those proceedings. It also appeared that William Armstrong, in addition, carried on a separate business as an underwriter at Lloyd's, and as such had incurred liabilities to the extent of £3,000. The larger portion of those creditors were resident in England, where the greater portion of the assets were, and the application was supported by sixty-two creditors, who were anxious that the debtor's estate should be administered in this country, more especially as William Armstrong had submitted to the jurisdiction of the court by filing a petition here prior to the institution of any proceedings in Scotland. The learned counsel contended that the liquidation proceedings having been instituted prior to the sequestration, the receiver ought to have taken possession of the whole of the estate, both joint and separate, for the general polling of creditors. The learned Registrar, without calling on Mr. Knight, said that he thought the motion was wholly misconceived. There was no evidence that the trustee in Scotland intended to interfere in any way, or that the receiver was not doing his duty. It seemed to him that there was no ground for the application, and he should dismiss it with costs. If it should be found that the receiver was in way neglecting his duty, the court could then be applied to. Application dismissed with costs.

October 13th.

(*Before Mr. Registrar* Brougham.)

In re Fothergill and Hankey.—The Aberdare Iron Works.—This was an application to register the resolutions passed by the creditors to liquidate by arrangement under this heavy failure, and appointing Mr. Turquand, public accountant, trustee, to collect and distribute the assets. Mr. Hollams appeared on the part of the debtors, and Mr. Travers Smith watched the case for the London and Westminster Bank. By the balance-sheet appended to the proceedings it appeared that the total liabilities amount to £898,687 18s. 1d., and the assets to £103,851 14s. 6d.; but in addition to this there is the property in the Aberdare and Plymouth Ironworks, including stock, stores, cottages, freehold, and railways, which had been valued as a going concern at £1,290,665, but which was subject to mortgages and charges to the amount of £317,180 10s. It appeared that 56 creditors for debts, amounting in the aggregate to £8,000, had not been served with the notice of the first meeting, but His Honour, taking into consideration the large amount of liabilities, and the fact that no opposition was now made, and that the amount did not affect the majority, allowed registration of the resolutions to take place, and also consented to an order being made, permitting the trustee to pay the sum of £129 due to workmen for wages.

In re W. F. P. Dadson.—The debtor in this case was a retired captain in the Royal Marine Light Infantry, who carried on business as a banker and money lender at 301 Strand, under the style of the Clarendon Bank. The balance-sheet showed liabilities of £8,568 0s. 5d., against assets to the

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amount of £2,599 16s. 8d. At the meeting of the creditors an offer of a composition of 8s. 6d. in the pound was accepted, but the resolution was objected to by Mr. Baker, of the firm of Lawrence, Plews, Boyer, and Baker, on the ground that the debtor at the first meeting refused to answer certain questions. Mr. Winslow, Q.C., and Mr. Beaumont appeared for the trustee, Mr. H. J. Warham. Several witnesses were examined as to what took place at the meeting, and it appeared that, after answering several questions respecting his estate, he refused to answer any thing relating to the proof of his mother and sister, it appearing that he had misappropriated trust-money; and, acting under the advice of his solicitor, he absolutely declined to disclose the amount coming to him under his father's will, on the ground that his answers might subject him to criminal proceedings. Mr. Winslow, in reply, stated that the fullest disclosures had been made to a committee of creditors appointed at the first meeting, in which the whole matter had been gone into and the deeds produced. A report had been made by the committee to the shareholders, in which the acceptance of the composition had been recommended, but the North Kent Bank, for whom Mr. Baker appeared, and who were creditors for a considerable amount, were not satisfied. The learned counsel contended that after the searching investigation which had been made, the debtor was justified in refusing to answer questions which he was apprehensive might lead to his being proceeded against criminally. The learned Registrar, in giving judgment, stated that had the debtor simply refused to answer the specific question referred to, he might have been justified in doing so, but he had refused to answer any question respecting the proof of his mother and sister, and all other questions, after reference was made to them. He had therefore denied to his creditors the information which they had a right to demand, and the registration of the resolutions must be refused. Mr. Baker stated that there were also other points of objection on the proofs in the event of his Honour's decision being reversed on appeal, and the learned Registrar took a note to that effect.

In re J. H. Thornber.—This was an application to register a liquidation resolution come to by the creditors of this debtor, a tailor and clothier at 1 Fenchurch-street, and 120 and 149 Cheapside, who lately failed for £3,087, the assets being stated at £1,366. The resolution passed was for the liquidation of the estate by arrangement with a trustee and committee of inspection. Mr. Bagley, instructed by Mr. A. H. Miller, opposed registration on the ground of mis-description in the style of the firm, it appearing that the debtor carried on business under the firm of Dombey and Son, which was omitted from the petition. The debtor, in examination, said he had used the name of Dombey and Son to obtain notoriety, but that all his bills were made out in his own name, and all his credit was obtained in that name. After hearing Mr. Rooks in support of the registration, his Honour decided that he should refuse registration, but that, inasmuch as it had not been shown that any creditor had been deceived by the omission, leave was given to apply to the court to amend the petition and to call a new first meeting.

COURT OF BANKRUPTCY, DUBLIN.

October 11.

(*Before* Judge Harrison.)

In Re Alex. M'Donald.—The bankrupt had been a draper, carrying on business at 25 Merchant's-quay, in this city. This was the first public sitting, and there was also a meeting to consider an offer of composition. A question of some importance arose in reference to the appointment of a trade assignee. It appeared that one of the proofs on which the appointment was sought to be made was sworn before a commissioner in England. It was contended by Mr J. A. Rynd (instructed by Mr. J. G. Rynd), on behalf of creditors, that a commissioner in England to administer oaths for English courts had no power to take affidavits for the Irish Court of Bankruptcy. Counsel relied on the 366th section of the Irish Bankruptcy Act of 1857. Mr. Carton (instructed by Mr. Larkin), for other creditors, argued, on the other hand, that such commissioner had the power, under the combined operation of the Irish Chancery Act, 1867, with the Bankruptcy Act referred to. Judge Harrison thought the point a very important one to the practitioners of the court, and suggested the point should be fully argued before the court. Subsequently, however, his lordship having referred to the statutes bearing on the subject, decided that the proof so sworn was valid. Mr. Davoren, for creditors, proposed another assignee, but his lordship adjourned the appointment of the assignee till next court day.

LIVERPOOL COUNTY COURT.

October 8.

(*Before* Mr. J. F. Collier, *Judge*.)

In re Henry Peplow Forwood.—This was a bankruptcy which took place in February, 1874, the bankrupt being a cotton broker, trading under the firm of Zigamalo and Forwood. The creditors in the course of the bankruptcy passed a resolution to accept a composition of 3s. 4d. in the pound, and that sum having been paid by the trustee, the court was now asked to annul the bankruptcy. Mr. Sampson, for the trustee, assenting, the court made the desired order.

In re George Murray Quayle.—This was a sitting for the public examination of the bankrupt, a cotton broker, in Exchange-buildings. His accounts disclosed liabilities £6,182, against assets, consisting of debts outstanding, £1,360, estimated to produce £438, and office furniture £25. Mr. Sampson, for Mr. Chalmer, the trustee, said that the bankrupt had supplied all the information required with respect to his estate, and therefore the public examination could be passed. The bankrupt accordingly passed.

In re Maurice Williams.—This bankrupt, a well-known cotton broker in Liverpool, appeared on his public examination upon a statement of accounts, showing unsecured debts £5,586, those partly secured £25,000, the securities being valued at £20,015, and other liabilities £846. Mr. Rutherford, (from the office of Miller, Peel, and Hughes) represented Mr. Bolland, the trustee, and stated that his investigation of the debtor's affairs had not been concluded, and he desired the sitting for public examination to be adjourned. Mr. Sampson, for the bankrupt, consenting, an adjournment was taken to 5th of November.

In re John Morgan Hughes.—This was also a public examination sitting, the bankrupt being a cotton broker in Tithebarn-street. The total liabilities were £1,143. Mr. Bellringer, for Mr. Bolland, trustee, said that arrangements were pending under which the creditors were to receive a composition of 5s. in the pound and annul the bankruptcy. Under those circumstances he applied for an adjournment of the public examination, which was taken to the 5th of November.

In re John Whitfield.—This bankrupt was a cartowner in Collingwood-street. His public examination had been repeatedly adjourned in consequence of unsatisfactory accounts. Mr. Nordon, for Mr. F. L. Jones, a creditor, said that the trustee, Mr. Bolland, had obtained from the bankrupt extra accounts, which his client had examined, and although numerous errors had been discovered, the trustee did not think any advantage would accrue to the creditors by keeping the matter open. He (Mr. Nordon) wished, however, to disabuse the mind of the bankrupt as well as others similarly situated of the idea that by passing his public examination he became free to recommence trade. Such was far from being the case. The passing of the examination did not liberate the bankrupt, but left him amenable to the

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trustee until he had obtained his discharge. His Honour agreed, and said that if such an impression were abroad the sooner it was dispelled the better. The bankrupt thereupon was allowed to pass his public examination.

MANCHESTER COUNTY COURT.

October 12.

(*Before* MR. J. A. RUSSELL, Q.C., *Judge*.)

RE FRED. J. HARTE.—In this case, an application was made by Mr. Taylor, instructed by Messrs. Grundy and Kershaw, on behalf of Mr. and Mrs. Royle and the Yorkshire Banking Company, for an order that the provisions of the composition made by the debtor might be enforced, or that, in default, the debtor might be adjudicated a bankrupt. The debtor, Fred. J. Harte, formerly carried on business as a wholesale stationer in Piccadilly, in this city, as under the firm of Harte and Co., but now residing at Lytham. In November, 1864, he entered into a composition with his creditors, whereby he agreed to pay them 5s. in the pound, by two instalments of 2s. 6d. each, at three and six months, to be secured by Mrs. Royle postponing her right to prove until after the receipt of the dividend by the other creditors. The time of payment of the composition had long since expired, but the debtor had failed to pay all his creditors. The judge made an order adjudicating Harte a bankrupt, ordering the costs to be paid out of the bankrupt's estate.

RE BURGHARDT AND KREUELS.—Mr. Storer applied to the Court on behalf of Mr. E. R. Trevour, trustee to Thomas Burghardt, one of the firm of Burghardt and Kreuels, Greek-street, merchants, who are now in liquidation, for an order to declare void as against him, the trustee of Burghardt's separate estate, a certain bill of sale of April 3rd, 1875, made between Thomas Burghardt and Robert Aders, merchant, Whalley Range, by which Mr. Burghardt assigned his household furniture at Bowdon to Mr. Aders, as security for £700 advanced by Mr. Aders to Mr. Burghardt. The judge amended the declaration by making Mr. Aders the plaintiff. Mr. Jordan, who appeared for Mr. Aders, gave a detailed history of the case. He said the bankrupt's petition was filed on April 6th. The present proceedings, however, were in respect of the separate estate of Burghardt. Many years ago Mr. Aders was in partnership with Mr. Burghardt, and they separated in 1851, Mr. Burghardt going into partnership with his present partner, and Mr. Aders with other persons. On the 10th of March, Mr. Burghardt called at the warehouse of Mr. Aders and asked him for a loan, which he said he wanted for private purposes. Mr. Aders looked upon £700—the amount required—as no very great thing, and having a great regard for his former partner, agreed to lend him the money, and had a cheque drawn out for that sum, which was given to Mr. Burghardt, and that gentleman obtained the money. It was a loan, but for a very short period of time, and a few days after Mr. Aders, meeting Mr. Burghardt, and the money not having been returned, he asked him for it. The truth was, however, that Mr. Burghardt had not got the money, and he told Mr. Aders that he could not pay it. Mr. Aders, a little annoyed that the money was not forthcoming, saw his solicitors, Messrs. Page and Rowley, and ultimately Mr. Page was instructed to issue a writ against Mr. Burghardt. Mr. Burghardt was seen about the matter, and he agreed to give a bill of sale on his furniture at Green Bank, Bowdon, to secure the loan of £700, and the bill of sale was accordingly given on the 3rd April. A day or two after that Mr. Aders heard rumours of an unpleasant character as to the solvency of the firm of Burghardt and Kreuels, and thereupon he consulted Mr. Page again, told him what he had heard, and requested him to take the necessary steps to enforce his security. Accordingly, on the 5th April, Mr. Page, acting under instructions, put a man named John B. Mercer, a person regularly employed in such matters, in possession, and he remained there. The next day the petition was filed by the firm of Burghardt and Kreuels. Mr. Jordan urged that the goods had been taken out of the order and disposition of the bankrupt, because they were taken possession of on a previous day for Mr. Aders, and if these facts were true he contended that there was no question to try. Mr. Aders, Mr. Mercer, and other witnesses were examined in support of this view of the case. Mr. Storer gave his version of the case, which was that so early as December, 1873, the partnership estate of Burghardt and Kreuels was insolvent to the extent of £9,000. The partnership continued to trade, and in December, 1874, they were further insolvent to the extent of £18,000. In the month of February, 1875, they were insolvent to the extent of £21,000, and on the 6th April, when the petition was filed, and the 3rd April, the date on which the bill of sale was given, they owed creditors £31,216. They had nominal assets of the value of £5,281. His Honour would therefore perceive that as regarded the partnership property Mr. Burghardt had no interest whatever in it. On the day on which the bill of sale was given, Mr. Burghardt was indebted to his separate creditors in the sum of £7,463, and he had no assets whatever, excepting any surplus which might arise upon the disposal of the security held by Mr. Aders. It therefore followed that Mr. Burghardt assigned the whole of his estate to Mr. Aders for a past debt, and that therefore the bill of sale was in itself an act of bankruptcy, and as such was void as against the trustee. After hearing Mr. Trevor, the trustee, the Judge gave a verdict for Mr. Aders, the plaintiff, with costs.

RE MATTHIAS ROBINSON.—Mr. Nuttall appeared to support an application for the discharge of Matthias Robinson from the city gaol, where he had been committed for contempt for not having filed his statement of affairs. Mr. Nuttall stated, in support of his application, that the debtor's statement had now been filed, together with an affidavit of the debtor offering to submit himself for examination, and that he had disclosed the whole of his estate. Mr. W. R. Minor, on behalf of the trustee, contended that before the bankrupt could be released, he should be brought up for examination upon his statement of affairs, as the trustee wished to question him upon his book debts. The Registrar thought that, strictly speaking, the proper course would have been to have had the bankrupt in attendance, and that his solicitor should have had him brought up under a *habeas corpus* or otherwise. Mr. Nuttall, however, pointed out that, according to the form of the order as given by the Act, the release of a bankrupt committed for contempt under the 19th section was to be ordered upon an affidavit showing that he had cleared his contempt, and he (Mr. Nuttall) contended, therefore, that there was no necessity for the debtor to be in attendance in the present case, but that every thing had been done to entitle the bankrupt to his release. The Registrar said that he thought that the bankrupt had cleared his contempt, and there were no reasons that he should be kept longer in custody. He should therefore make an order for his release. If, however, he refused to attend upon the trustee, and give him all the assistance he could to realise the estate, the trustee could then make another application to have him committed.

NOTTINGHAM COUNTY COURT.

October 13.

(*Before Mr.* E. PATCHITT, *Registrar*.)

RE ROBERT JESSOP WOOD.—Mr. Thorpe appeared on behalf of the bankrupt, and Mr. Wright for Lloyd's Banking Company. This being the first meeting under the petition, the proofs of debt were produced, to none of which was there any objection. These having been passed, Mr. Wright, as the representative of the largest creditors, nominated Mr. W. Marriott, of Nottingham, as the trustee, which was agreed to. He then proposed Mr. Taylor, of Raleigh-street, Mr. H. J.

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Brown, of Portland-road, and Mr. J. Thornton, of St. Peter's Chambers, all of Nottingham, as the committee of inspection. This being agreed to, the Joint Stock Banking Company were selected as the bankers, and the further proceedings were adjourned.

RE JONATHAN BURTON, of Nottingham, lace manufacturer.—Mr. Acton appeared for the debtor, Mr. Lees, jun., and Mr. Cranch for creditors. This was a meeting for the purpose of considering objections filed with the registrar, requesting him not to register certain resolutions passed at a meeting of the creditors; and also for the purpose of considering objections which had been taken by the trustee to the proofs of the creditors for whom Mr. Lees and Mr. Cranch appeared, viz. Mr. Lees and Mr. Richard Burton. Mr. Lees submitted proofs of debt for £367, and Mr. Cranch for £2,690. The objections taken by Mr. Lees were, first that in the petition filed by the debtor he had not inserted the whole of the places where he resided and carried on business during the time the debts incurred in his statement were contracted, and also that he had not made a full disclosure of his estate. The court was occupied for some considerable time with the arguments of the gentlemen on either side, but eventually the matter was adjourned until November 8th, in order that Mr. Lees might furnish the trustee with particulars of his client's claim. Mr. Cranch's claim was also ordered to stand adjourned for the same time.

RE THOMAS ALDRIDGE, of Fiskerton, farmer.—Mr. Fraser appeared for the trustee, and Mr. Pratt, of Newark, for the debtor.—The bankrupt was called by Mr. Fraser, and stated that he was a tenant of some land at Fiskerton, but not tenant in connection with Mr. May. He had had many dealings with Mr. May, principally cattle dealing. He bought and sold some cattle for him, and settled at the time. They never had any account between them. He had some memorandum books, but they did not contain any profit and loss account. They had carried on business like that for years; some weeks they had no dealings whatever. He never alleged that Mr. May owed him £200, nor any other amount. He was indebted to May, but did not know to what extent. He believed May had filed proofs against his estate. He bought some cattle at May's sale, some four or five years ago. He had also sold some that May had bought, and was going to pay him with a cheque the morning the Southwell Bank stopped payment. He received the money; he believed there were 14 or 16 bullocks, which sold for £20 each, and were sold to Mr. Mathers, living near Norwich. Mr. May never sent him a bill for the amount of that sale, nor did he apply for payment. He had never applied to him from about 1864 to 1874, nor had he paid interest on the loan of that money. He paid the £320 he received for the bullocks into the bank; they had from £700 to £800 of his money in the bank. There were four rooms in the house at Fiskerton where he resided, and in the petition he had filed he returned his furniture at £30. He did not know if that was its proper value, but there had been two valuers to see it. There were two bedrooms, two rooms under, a kitchen, with a room over that, and cellar, but one of the bedrooms was not furnished. He had never valued his furniture at all. He had never sold any furniture out of his house. None of it had gone to the house of Mr. Moore, but he sold him a cow for £14. He knew a Mr. Cullen, and had dealt with him, but he had not had any of his furniture. He had a horse and cart, but was obliged to sell it soon after Christmas. He never had a barometer in his house, nor did he sell one to a Mrs. Mitchley. He did not occupy any fields near Fiskerton station, but he looked after some beasts and sheep for Mr. Houseley, who occupied the fields. Mr. Houseley did not pay him anything for his services, but that gentleman had a mortgage upon his house; he lent him £300 upon it, and the money had since been paid away; £100 to Mr. Smith, of Edinburgh; £75 to a man at Thurgarton; £50 to Mr. Young, of Rolleston. He had owed Mr. Hart £57 for some time, and he had paid that. The Southwell bank commenced an action against him to recover a large sum. They brought an action to recover £3,247. The bank people beat him, as he had no money to carry on the case. They had filed a proof against him for a large sum of money. Mr. Patchitt here interposed, and said he did not see how all this came before the court. This matter really ought to have been taken before the trustee at his own chambers, and if he was not satisfied he could report to the court at the next meeting. The court was not to sit there and hear all that general evidence. He was quite sure if the judge had been present he would not have allowed it to proceed so far.—Mr. Fraser said it was a public examination.—Mr. Patchitt said it was to hear any dispute that might arise, not evidence as he was going on with.—Mr. Fraser then applied that the bankrupt should be ordered to produce a cash account for the last twelve months, and also to make out a statement of his dealings with May; and the Registrar ordered him to make out these, to be produced at the next meeting to be held on the 8th Nov.

MANSION HOUSE.

October 14.

CHARGE OF FRAUD AGAINST A MERCHANT. — Léon Skalski, 58 years of age, a merchant, lately trading in Queen Victoria-street, City, was charged before Mr. Alderman Besley, upon a warrant, with unlawfully obtaining by false pretences a quantity of cloth of the value of £140 odd, with intent to defraud. The prosecutor was Mr. Robert Cadenhead, a woollen merchant, carrying on business at No. 12 Size-lane, Cannon-street, and in October 1874 the prisoner, whom he had known four months, was indebted to him on a bill of exchange for £99 15s. for goods supplied. The acceptance became due on the 3rd of that month, and upon that, or the previous day, the prisoner called upon him and engaged to meet the bill next day. He went on to say that he wanted some Scotch Tweeds and black cloth, and he asked the prosecutor to supply him. Mr. Cadenhead promised, in the event of the bill being paid, to let him have the goods. The prisoner assured him that he had sufficient funds at his bankers, the City and County Bank, to meet the acceptance, and, believing that statement, the prosecutor allowed him to buy on credit twelve pieces of woollen cloth, worth £142 14s. 2d. The bill was dishonoured, the goods still remained unpaid for, and the prisoner, according to the prosecutor's statement, absconded. He was not arrested until the 6th instant. The case for the prosecution had not been completed when the Court rose, and Mr. Alderman Besley remanded the prisoner for a week, and refused an application by Mr. Merriman, his solicitor, to admit him to bail.

ALLEGED FRAUDS BY A BANKRUPT.—At the Bradford West Riding Court, on Tuesday, Jabez Bolton, of the firm of Cooper and Bolton, manufacturers, of Yeadon, near Leeds, a bankrupt, was charged with various offences against the Debtors Act, namely, with omitting to make a full disclosure to the trustee of his property, with concealing part of his property, with fraudulently removing a part of his property, and with quitting England, with property belonging to his creditors. The prisoner became bankrupt in October 1873, and subsequently left England and went to Norway. The evidence went to show that the prisoner had failed to render a true account of various sums of money due or paid to the estate; and it was found by the trustee that he had received a number of sums of money, including some lodge funds, of which he had either rendered no account or an erroneous account. The prisoner was committed for trial at the assizes.

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CREDITORS' MEETINGS.

G. E. SWIFT (SHEFFIELD). A meeting of the creditors of Mr. G. E. Swift, steel merchant, of Sheffield, was held on the 7th instant. A report was presented showing liabilities amounting to £5173 7s., and assets to £697. Liquidation by arrangement was resolved on.

R. MACKENZIE (DUNDEE). A meeting of the creditors of Mr. Robert Mackenzie under this sequestration was held in Lamb's Hotel, on the 7th instant. It was unanimously agreed to elect Mr. David Myles, accountant, as trustee. In terms of the statute Mr. Mackenzie submitted a statement of his affairs. The assets were given at £7439 16s. 3d., preferable debts, £150, and ordinary debts £33,740 6s. 7d., showing an apparent dividend of 4s. 4d. per £. Reference was made to the claim against Messrs. A. T. Stewart and Co., New York. It was stated that the award by Mr. Fox in the arbitration between Mr. Mackenzie and the firm amounted to £6300, but the exact effect of it on the bankrupt estate had not been ascertained. Interim protection was granted to the bankrupt, and the next step in the procedure will be his examination.

GEIKIE AND BLACK (DUNDEE).—A meeting of the creditors of Messrs. Geikie and Black, manufacturers, Coupar-Angus, was held at Dundee on the 8th inst. A statement of the affairs was submitted, showing the assets to amount to £14,612 14s. 10d.; preferable debts, £450; and liabilities, £51,439 18s. 9d.—showing an apparent dividend of 5s. 6d. in the pound.

J. TYSOE (SALFORD).—A meeting has been held of the creditors of Mr. John Tysoe, Victoria Mill, Hope-street, Salford, cotton spinner and doubler, trading as Charles Tysoe and Sons, and also carrying on business in the Albert Mill, Hope-street, as a cotton spinner and doubler, in co-partnership with John Henry Tysoe, trading as John Tysoe, Son, and Co. The liabilities were stated to be £57,000, and the assets £60,500. It was resolved to liquidate the estate by arrangement, and Mr. John Adamson, accountant, was appointed trustee, with a committee of inspection.

J. WILLIS & SON (BRADFORD).—A special meeting of the creditors of Messrs. John Willis and Son, brassfounders and ironmongers, Millbank, Bradford, was held on the 12th inst., at the offices of Messrs Wood and Killick, solicitors, in that town, to consider an offer made by friends of the debtors to purchase the joint estate for a sum equal to 10s. in the pound, payable in two equal instalments of three and six months. The trustee was authorised to accept the offer, and the discharge of the debtors was granted.

O. DAYION (Manchester).—A special general meeting of the creditors of Mr. Ovanes Dayion, late of Lloyd's House, Albert square, Manchester, merchant, trading as Agop, Dayian and Co., was held on the 13th instant at the offices of Messrs. Grundy and Kershaw, solicitors, Booth-street, when the debtor's offer to pay 1s. 6d. in the pound within seven days on all provable debts, with costs, and to hand his acceptances for each creditor for sums equal to 9d. in the pound, payable in twelve months, was accepted. It was also resolved that these engagements being fulfilled, the debtor's order of discharge be granted.

N. PROCTER (MANCHESTER).—The second statutory meeting of the creditors of Nemin Procter, commission agent, was held on the 13th inst., at the offices of Mr. George Whitt, accountant, 8 King-street, when the resolutions passed at the first meeting, accepting a composition of 2s. in the pound, were confirmed. Mr. Whitt was appointed trustee, Mr. Dawson, solicitor, Ridgfield, to register the resolutions.

T. O. CONDLIFF (LIVERPOOL). A general meeting of the creditors of Mr. Thos. Oakes Condliff, wine and spirit merchant, was held on the 13th instant at the offices of Messrs. Williams and Quiggin, solicitors. The statement of accounts submitted to the meeting showed liabilities £2,315 17s. 11d. and assets £860 12s. 7d. Liquidation by arrangement was resolved upon, and Mr. Thomas H. Sheen (Sheen and Broadhurst) was appointed trustee, with three of the principal creditors as a committee of inspection. Messrs. Williams and Quiggin were intrusted with the registration of the resolutions.

FAILURES.

ENGLAND.—A petition has been filed in the Huddersfield County Court by Thos. Hirst Smith, of Providence Mill, Marsh, Huddersfield, cloth finisher, for liquidation of his affairs, the liabilities are stated at £2,500. Messrs. Laycock, Dyson, and Laycock, are the debtor's solicitors, and Mr. J. Westerby, accountant, is the receiver.—A petition for liquidation has been filed by Mr. George Alfred Jeffery, of Great George-street, Liverpool. His debts amount to £16,681, the creditors being 188 in number. Mr. Gibson was appointed receiver. —Mr. John S. Galatti, Blomfield-street, London-wall, a Greek merchant of twelve years' standing, has failed for about £150,000. The assets are said to be considerable. The books are in the hands of Messrs. Turquand. —John Hirst, of Lower Low Westwood Mills, Golcar, trading under the style or firm of Thomas Hirst and Son, has filed a petition in the Huddersfield County Court, with liabilities estimated at £7,600. Messrs. Hesp, Fenton, and Owen are the debtor's solicitors, and Mr. Henry Wilde, accountant, has been appointed the receiver.—In connection with the fortnightly settlement on the Stock Exchange, the failure was announced of Mr. Henry S. Strachan, of 33 Throgmorton-street, City, stockbroker. The books have been placed in the hands of Messrs. Price, Waterhouse, and Co.—On Thursday a letter was received by the chairman of the Sheffield Stock Exchange from Charles Edward Smith and Sons, sharebrokers, stating their inability to meet their engagements. The liabilities are said to be heavy.

AMERICA.—American advices to hand report the suspension of Messrs. Glass, Neely, and Co., of the Keystone Iron Works, Pittsburgh, Pa., with liabilities of £60,000.—The Fourth National Bank, Chicago, had stopped.—Messrs. Levinger and Co., a large lager beer firm, had suspended.—The failure is also reported of Messrs. Shepard, Hall, and Co., extensive lumber dealers, with liabilities estimated at £300,000, including £200,000 due to the Boston banks.—Messrs. Languedoc, Trotter, and Fournier, wholesale butchers, Montreal, had stopped with liabilities of £24,000.—Mr. S. A. Cohen, clothing house, had stopped.—The Jagger Iron Co., Albany, New York, whose blast works cost £130,000, were having their affairs investigated.—Messrs. Janeway and Co. the well-known paper-hangers, New Brunswick, had made an assignment.—Messrs. Strauss and Lehman, New York, in the dry goods trade, have suspended, with liabilities amounting to half a million.—The Third Avenue Savings Bank, in New York city, has suspended payment, and been placed in the hands of a receiver. It has 1,500,000 dollars liabilities, and assets nominally worth as much, though it will be difficult to realise them. There are 5,000 depositors, chiefly small tradesmen and mechanics.

A telegram from Berlin, according to *Galignani*, announces that the famous financier, Strausberg, is a bankrupt.

WINDING-UP.—A petition has been presented to the Court of Chancery for the winding-up of the Volunteer Co-operative and General Equipment Company (Limited).

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INFORMALITY IN LIQUIDATION PROCEEDINGS.

The following is from a Liverpool paper:—"At the County Court a case came before the learned judge, Mr. Collier, which affords but one of many illustrations of delay and unnecessary expense to creditors through proceedings in liquidation being conducted in an informal and slovenly manner. It appeared that on the 23rd day of August last, Joseph Holden, of Kirkdale-road, builder, presented a petition for the liquidation of his affairs by arrangement, and at the first meeting of creditors, held on the 14th September, a liquidation was determined upon and a trustee chosen. The proofs and proxies, with the resolution of the creditors, purporting to be signed by the statutory number and majority in value, were in due course lodged with the registrar for registration, but he found that many of the proofs and proxies were so informal as not to be admissible, and that, deducting the amount represented by those proofs and proxies from the lists of assents to the resolutions, they had not been passed by the requisite majority in number and value of the creditors, and therefore he refused registration. From his decision an appeal was now made to the judge, Mr. Hodgson Bremner, instructed by Mr. Harris, appearing in support of the registration. Mr. Bremner took the objections of the registrar *seriatim*. The first was that a proxy at the foot of one of the proofs had a line through it, and was apparently cancelled. This, it was submitted, was an inadvertent act of the commissioner before whom the proof was sworn, and he, the commissioner, on being examined, admitted the mistake, and stated that it was done without authority. His Honour remarked that he was bound to regard the document as presented for registration. As so presented the proxy was struck out, and he was unaware of any authority he possessed to make valid that which was clearly invalid. If, as argued, a mistake had been committed, there had been sufficient time afforded prior to the meeting of creditors to have made the necessary correction. The second objection was to a defective jurat to a proof, the date when it was sworn having been omitted. A third objection was to a proof to which there was no jurat. Mr. Bremner argued that these latter objections were not matters of substance, and that so long as the court was satisfied of the intention of the creditor to claim a debt, and take part in the proceedings, the formality in question ought not to be allowed to prevail. His Honour, after hearing the learned counsel at great length, said that although the points raised appeared trivial, they were important as precedents for future guidance in the court, and he would consider them further, and on Monday he stated that as he was satisfied the proxy in question was struck out inadvertently and without authority, he should allow it to stand, but as to the other objections they would be sustained. With this intimation he remitted the matter to the registrar to deal with the case on its merits, and added that he considered the registrar was perfectly justified in taking the objections which had been discussed."

THE ALLEGED FRAUDS UPON STOCK-BROKERS.

Mr. Charles Themistocles Mavrocordato was brought up for final examination before Mr. Alderman Ellis, at the Guildhall Police-court, on Tuesday, charged with obtaining, by means of false pretences, different foreign stocks, amounting to the nominal value of £24,000, but the cash value of which was £7,540, with intent to defraud the various stockbrokers with whom he had transactions. Mr. George Lewis, jun., prosecuted; Mr. Mullens appeared for a creditor; and Mr. Blanchard Wontner for the prisoner. The evidence previously given, and which has already appeared in our columns, having been read over to the witnesses, and re-sworn to, Mr. Lewis called formal evidence to complete the case. Mr. Solomon R. Cavaliero, a foreign bill-broker, of Finsbury-circus, said that the prisoner asked him to buy him 40,000f. worth of bills on Paris, payable at sight. He told him that since the failure of Messrs. Maua and Co., the French bankers had decided not to sell bills at short dates, except for cash; and if he had to purchase them for the prisoner he must trouble him for the money. The prisoner then said, "Don't trouble yourself, I will get them through another channel." Joseph Duson, ticket clerk at the Waterloo Station of the South-Western Railway, said on the 29th September, he issued two and a-half first-class tickets to Havre by the 7.40 train. Mr. Lewis said that would complete the evidence with regard to the charge of obtaining the securities by false pretences; and he now proposed to charge him under the 12th section of the Bankruptcy Act with endeavouring to leave England within four months of his bankruptcy, with a large sum of money belonging to his creditors, with intent to defeat and delay his creditors. The prisoner had been adjudicated a bankrupt on the 11th instant, and therefore his attempting to leave the country on September 29th, was certainly within the four months. After some discussion as to the course to be pursued, it was decided that a new witness should be called to prove the adjudication of the prisoner as a bankrupt, and the evidence of such witnesses as had been examined and were necessary to this charge should be read over to them, and this was done. Richard Sparks, clerk in the London Court of Bankruptcy, proved that, on the 6th instant, Messrs. Samuel and Cohen presented a petition in bankruptcy against Charles Themistocles Mavrocordato, merchant and dealer in stocks and shares, of No. 108 Bishopsgate-street, Within. The adjudication took place on the 11th inst. The act of bankruptcy alleged was that, with intent to defeat and delay his creditors, on the 29th September he absented himself from his place of business. Mr. Wontner opposed the committal of the prisoner on the last charge, because notice had been served on him to attend the Bankruptcy Court while he was in prison, and was totally powerless to attend and give any explanation to the court. Mr. Lewis said that it did not require his personal attendance, as his solicitor could attend for him. Mr. Alderman Ellis said he would commit on this case also. The witnesses having had their evidence read over to them, were re-sworn to it, and the prisoner having reserved his defence, Mr. Alderman Ellis committed him for trial on both charges, and refused to make any order for the property found on the prisoner to be given up to either party.

Mr. E. J. Wilson, the Secretary of the Estate Exchange, Tokenhouse-yard, has published the following return of landed estates, &c. registered at the Exchange as sold by public auction and by private contract from the 1st of January to the 30th of September, as compared with the corresponding period in the three preceding years:—January 1 to September 30, 1872, £8,000,581; ditto, 1873, £7,591,885; ditto, 1874, £8,783,904; ditto, 1875, £9,766,135.

BANKERS' CLEARING HOUSE.—The following is the official return of the checks and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, October 13:—

Thursday, October 7	£11,910,000
Friday, October 8	14,063,000
Saturday, October 9	16,049,000
Monday, October 11	13,401,000
Tuesday, October 12	15,377,000
Wednesday, October 13	40,423,000
	£111,223,000

The total at the corresponding period of last year, which did not comprise a Stock Exchange settlement, was £103,196,000.

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*]

Mr. William Edwards, the accountant, has been appointed by Mr. Registrar Spring-Rice, receiver and manager of the estate of Augustus Ahlborn, of No. 74 Regent-street and elsewhere, Court dressmaker. The liabilities are said to be over £100,000, and the assets considerable.

John Pattinson (of the firm of Harry Brett, Milford, Pattinson and, Co.), of 150 Leadenhall-street, London, E.C., and 12 Vigo-street, Regent-street, W., has been appointed trustee of the estate of Benjamin Francis Hallowell Carew, of 41 St. George's-road, Pimlico, in the County of Middlesex, of no trade or occupation, a bankrupt.

Vice-Chancellor Bacon has appointed Frederick Whinney (of the firm of Harding, Whinney, and Co.), liquidator of the European and South American Telegraph Company, Limited, in the place of Mr. H. W. Crace.

PROPERTY AND INCOME TAX.—The gross receipts for the year 1874-5 are estimated at £4,401,692 2s. 11¾d., and the net at £4,315,132 3s. 3¾d., the remaining £86,559 19s. 8d. being absorbed in allowance, &c.

ALLEGED FRAUD BY A BANKRUPT.—William Bland, manufacturer, of Idle, a bankrupt, was on Thursday, at Bradford, committed by the West Riding magistrates for trial, with the option of offering bail, on several charges against the Debtors Act, viz. with having failed to disclose to the trustee all his property, with not delivering it up, with concealing it, and with removing it. A petition against the prisoner was filed on the 27th August, and on subsequent occasions he consigned, as was shown, goods of the value of £150 or £200 to persons in Liverpool and Melbourne, and also received £80, refusing to render any account of these transactions.

The Bank of England raised its *minimum* rate of discount on Thursday 14th instant from 2½ to 3½ per cent. This step was abundantly justified by the return published in the afternoon for the bygone week, which shows, as we stated yesterday, that much gold has been withdrawn for the Provinces in addition to the large sum exported. The decrease in bullion has altogether been £1,329,954, and it is almost exclusively to this large withdrawal that we owe the advance in the rate of discount. There has been a heavy demand for discount during the week, it is true, but the quiet prevailing to-day proves it to have latterly been precautionary, in anticipation of an advance in the price of accommodation. The payment of the October dividends has, in fact, had the effect of increasing the volume of unemployed money, both at the Bank and in the open market. But, although loanable capital is still very abundant, the other banks and discount houses have followed the Bank of England, and 3½ per cent. is the general charge for advances. Few bills have, however, been offering to day, and the pressure of the past few days is likely to produce a lull for a little time. It looks still as if the advance of 1 per cent. would produce no effect where it is wanted, for more gold has gone away to-day, and should the overflow continue the rate will not likely remain long where it is. The reserve is now down to rather less than £11,000,000 and the proportion of reserve to liabilities has fallen to 35·25 per cent., so that small withdrawals of gold will now have a much more direct effect on the action of the Bank than they had some weeks ago.—*Times.*

ENGLISH LOSSES FROM THE TURKISH DEFAULT.—Estimating approximately the amount lost by British investors in the Turkish loans, the *Times* says:—"All the tribute loans are probably held almost exclusively in this country, and perhaps about from half to two-thirds of most of the other loans supposed till now to be secured on special hypothecations. The General Debt and the 1873 Loan are less held here, and, indeed, the 1873 Loan has never reached the small holders to any extent. Now, as the interest and sinking fund charges on all the loans, exclusive of the general debt and the 1873 Six per Cent. stock amount to between five and six millions, it follows, if the 1854, 1858, and 1871 loans are all held here, and say a full half of the remainder, that about £2,200,000 has to come annually, exclusive of sinking fund payments, to investors in this country as their share of the sum paid by Turkey on her debt. Some of the 1873 loan must be added to this as being held in some shape, and we also hold a part of the general debt, while the financiers here are interested in operations and profits of the floating debt, and some may hold Roumalian Railway bonds. Adding all together, it seems probable that something like £3,500,000 will represent approximately what has come every year to England from Turkey as interest only. If the half of this is now to be lost, the incomes of a large section of the English public will have been diminished by £1,750,000—say at least £1,500,000—a very formidable loss; and if the sinking fund charges are added, that will make an additional half million or so which will cease to arrive in the shape of drawings."

THE INCORPORATED LAW SOCIETY.—The second annual provincial meeting of the Incorporated Law Society of the United Kingdom was opened on Wednesday in the Town Hall, Liverpool. Mr. G. B. Gregory, M.P., president of the society, in the chair. Nearly 300 members were present. The president, in opening the proceedings, adverted to the objects of the association, and observed, with respect to the general question of the education of articled clerks, that it was absolutely necessary that any gentleman entering the profession should have a fair and liberal education. It might be a question whether the term of service under articles should not be reduced. He saw great difficulties in the way of carrying out any scheme for uniting the education of the two branches of the profession. He advocated the granting of further facilities for passing from one branch of the profession to the other. During last Session some important Acts bearing upon the interests of the profession were passed. One affected procedure in County Courts, facilitating appeals from those courts, and giving County Courts powers that Superior Courts had with reference to actions upon bills of exchange and other bills of that description. The President also referred to the Land Transfer and Titles and Judicature Acts, pointing out with regard to the latter that a good deal yet remained to be done in respect to the completion of the scheme. What he believed the general body of solicitors desired was a strong Court of Appeal, and that its sittings should be continuous. He thought that their exertions should be directed to these points. The reading and discussion of papers occupied the rest of the day, and in the evening the members of the conference were entertained at a banquet by the Incorporated Law Society of Liverpool.

The receipts on account of revenue from the 1st of April, 1875, when there was a balance of £6,265,322 to the 9th instant were £35,717,293, against £34,867,467 in the corresponding period of the preceding financial year, which began with a balance of £7,442,854. The net expenditure was £42,390,841, against £41,582,924 to the same date in the previous year. The Treasury balances on the 10th instant amounted to £1,413,993, and at the same date in 1874 to £1,656,280.

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ALLEGED FRAUDULENT BANK TRANSACTION IN JERSEY.—An action for the sum of £5000, arising out of singular circumstances, came on for hearing before the Jersey Royal Court, on Tuesday. The virtual defendants were his Excellency Major General Norcott, C.B., (bailiff), and the twelve judges of the Royal Court, the whole of whom constitute the impôt assembly, or excise board. The plaintiff was Mr. Philip Gosset, manager of the Jersey Banking Company, the nominal defendant being Mr. Joshua M. Nicolle, the treasurer of the impôt assembly. The action arose out of the failure of the Mercantile Union Bank. The case of the plaintiff was that the impôt assembly had advertised for the loan of money to carry on public works, issuing debentures for the same, bearing interest at the rate of 4 per cent. He offered Mr. Nicolle the sum of £5,000, and, after some consultation between them, it was arranged that they should together proceed to the Mercantile Union Bank, at which Mr. Nicolle kept his account for the impôt assembly. They went there on the 29th of February, 1873, and after consultation between Mr. Gosset and Mr. Armstrong, the manager of the Mercantile Bank, the latter informed Mr. Nicolle that the sum of £5,000 had been placed to his account for the credit of the impôt assembly. Mr. Nicolle thereupon gave to Mr. Gosset an acknowledgment for the said amount and a promise to let him lands under the seal of the impôt assembly. Three days after the Union Mercantile Bank suspended payment, and the impôt assembly at once repudiated the arrangement made by the treasurer, Mr. Nicolle, on the alleged ground of fraud. As they had persistently refused to ratify the act of their treasurer, the plaintiff brought this action. The defendants pleaded that the transaction was a pure fraud, effected for the purpose of benefiting the plaintiff in his private capacity, and as manager of the Jersey Banking Company. Mr. Gosset and Mr. Armstrong were said to be brothers-in-law, and by their relationship, and also by his position as bank manager, plaintiff was alleged to have known well what was the state of the Mercantile Bank at the time, and that he took advantage of that knowledge to carry out this attempted fraud. It was alleged on the part of the defendant that no money whatever passed between Mr. Gosset and Mr. Armstrong at the time of the pretended transference of the £5000, and that the whole affair was a plan to benefit the plaintiff and his bank at the public expense, both being creditors of the Mercantile Bank at the time. Several witnesses were called to give evidence, their depositions being taken in writing. The case was only partly heard, and was adjourned till a future day.

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VOL. I.—NEW SERIES.—No. 46.] SATURDAY, OCTOBER 23, 1875. [PRICE 6D.

THE

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AND

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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

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In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

OCTOBER 23, 1875.

The rights of a trustee over the foreign property of a debtor seem to be somewhat obscure under the

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present practice, and the decision of Registrar Brougham in the application Re Wilson and Armstrong (reported last week) does not tend to make it any lighter. Messrs. Wilson and Armstrong, who were carrying on business as woollen warehousemen both in London and in Scotland, a country which, though for national purposes a part of our nation, is nevertheless in a judicial point of view a foreign country, failed on the 12th of July last, and on the 19th, Mr. Chatteris was appointed receiver and manager of the estate. Subsequently to this a sequestration was obtained by Mr. Armstrong of his estate in Scotland, and a trustee duly appointed. The majority of the creditors were decidedly in favour of having the estate wholly administered in England, and an application to that effect was made to the Court of Bankruptcy. The registrar, however, held that there was no evidence that the Scotch trustee was not doing his duty, and on this ground he refused to restrain him from proceeding to interfere any further with the Scotch assets.

We wish that such a question as this could be satisfactorily settled once for all. At present the Act seems to have introduced uncertainty where none existed before. The statute 6 George IV. c. 16, sec. 63, enables the commissioners to assign a bankrupt's property wheresoever the same might be found or known; and as by the Act, all property of the debtor vests at once in the trustees, and has done so ever since the Act of 1841, it follows that all property, wherever situate, whether in England or in a foreign country, vests at once in the trustees,—subject, of course, with regard to property abroad, to the laws of the State in which it might happen to be situated. On this question a case was decided which has never, so far as we are aware, been questioned, and which has been followed on more than one occasion, which conclusively lays down the rule of practice to be followed. In the *Bank of Scotland v. Cuthbert*, it was decided that "a commission of bankrupt vested in the assignees under it all the property of the bankrupt, wheresoever situated, precluding creditors in Scotland from attaching by sequestration the debtor's property remaining or situate in that country, and from administering it in a course of distribution under such process of sequestration," and that though the commission had no operative effect upon heritable property in Scotland, it imposed a legal obligation on the debtor to execute proper assurances for the purpose of vesting it in his assignees. The case we are referring to bears a very strong resemblance to the case above cited, as our readers will see by comparing our report of last week with the following short summary of the facts of the *Bank of Scotland v. Cuthbert*. Four traders were carrying on their business in partnership in both London and Scotland, two of the partners, indeed, residing and carrying on business on their own account in Edinburgh. The firm became bankrupt in London at the instance of the London partners, and it was held by the Scotch Court of Session, that the issuing of the commission of bankruptcy in London, vested the whole of the property of the bankrupts every where in the assignees, and was a complete bar to the proceedings under a sequestration, both as regards the partnership property and the separate estate of the debtors. It was held, too, that a Scotch sequestration would have just the same effect as regarded proceedings in bankruptcy,—the preference would be given to the court in which the earliest steps were taken; and further, that the certificate of the London Court of Bankruptcy operated as a valid discharge of all debts contracted in Scotland.

The Bankruptcy Act of 1861 authorised the assignees or trustees of debtors who have been adjudged bankrupt in any colony or dependency to obtain an order for adjudication in an English Court, upon simple production of a certified copy of the first order of adjudication. The present Act apparently omits this clause. In no respect, however, is the doctrine stated above altered, and the rules now stand as they are stated by Story in "The Conflict of Laws," namely that "An assignment under the bankrupt law of a foreign country passes all the personal property of the bankrupt locally situate, and debts owing, in England," and that "in England the same doctrine holds under assignments by her own bankrupt laws, as to personal property and debts of the bankrupt in foreign countries."

If we apply these rules to the case before us, we shall find that the following consequences will result. Firstly—by the proceedings in England the whole of the property of the debtors in Scotland would vest in their trustee, and, therefore, there would be no assets upon which a Scottish sequestration would operate; secondly—the sequestration ought to have been stayed, upon the production of proper evidence of the English proceedings; and lastly, the zeal or integrity of the Scotch trustee ought not to have been held to justify his pro-

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ceeding to take upon himself the duties of his English colleague. It will be observed that Mr. Chatteris was not appointed trustee, but receiver and manager only. But a receiver, unless his powers are expressly restricted, is ordered to "collect, get in, and receive the property of the debtor, and to take immediate possession of such property;" and these words seem to cover property of every description. Any how, there seems a strange inconsistency in allowing proceedings to be carried on in two countries simultaneously, of course at a very considerable increase of expense. It is clear that the court which first takes seisin, so to say, of the matter, has the entire control of the business. It is clear also that the appointment of a trustee vests immediately all the debtor's property in him. Whether the interest of a receiver is co-extensive with that of a trustee or not, is for our present purpose immaterial. Either the whole of Messrs. Wilson's property vested in Mr. Chatteris, or it did not. In the former case, there was nothing left for the Scotch trustee to claim, and he had no business to interfere; in the latter case, the Scotch trustee takes every thing, and the London registrar would have no right to sit in judgment on his proceedings. At any rate, there seems a confusion here which it would be as well to have cleared up on the highest authority. There is one final observation as to the right of the court of bankruptcy to restrain by injunction. The extent of the jurisdiction conferred upon the court by the Act is most unrestricted. It has power to restrain proceedings in other courts, and to decide in the most ample manner questions of all kinds which had hitherto belonged to the exclusive cognisance of other courts. It is scarcely surprising that the Judges of the other courts have set their faces as far as they can against too great an extension of this jurisdiction; and it has been laid down that there is no power given over any property, or the owners of any property, which is not vested in the trustee. If, therefore, the appointment of a manager and receiver does not vest all property in him, the court cannot interfere to restrain the Scotch trustee from acting. If it did, then we conceive that it was bound to interfere. The Court of Chancery has interfered to stay proceedings in Scotland, and it is expressly provided in the 73rd and 74th sections of the Act, that an order made in an English court may be enforced in a Scotch one. But it might be as well for the creditors to come to a common understanding, and settle their respective priorities. Bankruptcy is an expensive business enough as it is, when carried on in one court only, and must be still more expensive when carried on in two. It seems evident that the debtor's property must have vested either in Mr. Chatteris or Mr. Lindsay, and according to the actual fact future proceedings ought to be governed. If the creditors like to authorise the appointment of joint receivers, they can do so openly; but at present they had better unite to decide the question of priority, otherwise they will find some knotty points are still left open.

Insurance Risks and the Indian Tour.—So many insurances have been effected on the life of the Prince of Wales by speculative persons, that the proposed Indian tour sent a twinge of alarm through the insurance offices. The *Lancet* affirms that the Prince undergoes no greater risks by visiting India than if he remained at home, and that the Indian climate from November to February is as healthy as that of England, if not more so. The *Lancet* adds this further assurance, that experienced members of the royal suite, and especially Dr. Fayrer, who has had extensive professional practice in India, may be trusted to utilise their intimate knowledge of the country and its diseases in order that the Prince may avoid malarious localities and other places where any source of danger might be apprehended. Some anxiety would be justified if, by any inducement, the Prince were to remain in India beyond what is considered the healthy season.

A Defaulting Cashier.—In March last Edward John Parry, a cashier in the employ of Messrs. Duncan, Ewing, and Co. timber merchants, Liverpool, absconded, his defalcations being said to amount to about £20,000. Parry was traced to Jamaica, and was detained by the authorities while Detective Maxwell, of the Liverpool police force, went there to bring him back. Maxwell duly arrived at his destination, received his prisoner, and returned to England. He landed at Plymouth, and instead of taking his prisoner to the Bridewell, he accompanied him to an hotel. There Maxwell fell asleep in the smoke room, and while he slept his prisoner escaped. On Monday morning Maxwell arrived in Liverpool, and was immediately put under arrest. He is now in Bridewell under a charge of neglect of duty. Nothing has been heard of the prisoner, for whose apprehension a reward of £100 has been offered.

Marine Assurances.—A Parliamentary paper has just been issued containing a copy of replies to questions from the English Government, concerning the law of foreign countries on the subject of marine insurance. The answers are from France, Austria, Sweden, Norway, Denmark, Holland, Belgium, Italy, Germany, and the United States. The replies, except those from France and Belgium, are in the English language. With regard to the United States, it is stated, "policies are sued upon in the Common Law Courts almost invariably, although the Admiralty Courts have occasionally taken jurisdiction of such cases. That the latter Courts have not been more frequently resorted to, has no doubt been owing very much to doubts as to their jurisdiction; but it indicates also that the Common Law Courts have given satisfaction. In the latter Courts the trial is by jury." The English Government sent 24 questions to the foreign countries touching their law on marine insurance.

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COURT OF BANKRUPTCY.

October 15.

(*Before Mr. Registrar* Spring-Rice.)

In re William John Coe.—This debtor, who is a jeweller and silversmith, of 37 Old Bond-street, has petitioned the court, estimating his liabilities at £9,000, against assets £6,500, stock, book debts, &c. Upon the application of Mr. George Lewis, jun., his Honour appointed Mr. J. G. Bennett, accountant, Great Marlborough-street, receiver of the estate, and granted an interim restraining order against a suing creditor, staying him from further proceedings at law for a week.

In re W. H. and J. R. Carter.—These debtors, who are the proprietors of the St. Helena-gardens, Rotherhithe, have filed a petition for liquidation on the statutory ground of inability to pay their debts, which are estimated at £6,000, with assets to the amount of £1,420. Mr. Hastings, from the firm of Nash, Field, and Matthews, now applied to the Court for the appointment of a receiver, and also for an interim injunction restraining eleven creditors from proceeding further with actions-at-law. His Honour granted the application, and appointed Mr. Julius Goodliffe, public accountant, Palmerston-buildings, receiver to the estate.

(*Before Mr. Registrar* Brougham.)

In re Thomas Standring.—This was a meeting held under this bankruptcy for the proof of debts and choice of trustee to the estate. The bankrupt, who has absconded, was a stockbroker, of Copthall-chambers, Copthall-court. Debts to the amount of upwards of £10,000 were proved, and Mr. T. W. Gilbert, Clement's-inn, accountant, was appointed trustee, with a committee of inspection. Mr. W. Patton is the solicitor to the proceedings.

In re J. Westwood and G. K. Hebden.—Mr. S. W. Baggs, (Baggs, Josolyne, and Clarke) was appointed trustee to the estate of these bankrupts, who are described as commission merchants, of 3 Mincing-lane. The statement of affairs shows liabilities £2,395 18s., against assets £222 17s. Debts to the amount of £2000 were proved against the estate.

October 16th.

(*Before the* Hon. W. C. Spring-Rice, *sitting as Chief Judge.*)

In re Henry Druitt and Co.—The debtors, Messrs. Henry Druitt and Charles Druitt, West Indian and South American merchants, carrying on business at 118 Fenchurch-street, have filed a petition for liquidation by arrangement. Their liabilities are returned at £80,000, of which £45,000 are secured, with assets, consisting of bills of exchange and book debts, of the estimated value of £5,000. Mr. Robson, for the petitioners, now asked that Mr. Henry Bishop, accountant, should be appointed receiver. The affidavits showed that the firm had been in the habit of receiving consignments of produce from the West Indies and South America, and it was anticipated that outstanding debts to a considerable amount would shortly be paid. His Honour appointed Mr. Bishop to act as receiver, and, as the majority of the creditors reside abroad, granted an extension for three months of the time allowed for the first meeting of creditors.

In re Ernest A. Smith.—On the application of Mr. Downing, his Honour appointed Mr. Winton, public accountant, to the office of receiver and manager to the estate of this debtor, who is an umbrella manufacturer, carrying on business at Queen Victoria-street, and also issued an injunction restraining suing creditors from proceedings at law. The liabilities are estimated at £11,000, against assets to the amount of £2,900, including £600 book debts.

A notice was issued on the 16th October, to the effect that on and after the 27th inst., the business of the Court at Basinghall-street and its various offices will be transacted at 33 and 34 Lincoln's-inn-fields.

October 19.

(*Before* Mr. Registrar Brougham, *sitting as Chief Judge.*)

In re Jacob L. Solomon.—The debtor, a dealer in works of art, carrying on business in Duke-street, Manchester-square, has filed a petition for liquidation by arrangement, and a majority of the creditors have appointed a receiver. A preliminary statement of affairs returns debts of £9,000, with assets, consisting principally of works of art, of which the value is not yet known. It appeared that after the presentation of the petition the Sheriff of Middlesex caused a levy to be made at the suit of two judgment creditors, and that he was still in possession of the premises. Mr. Brough, on behalf of the petitioner and receiver, now asked that an interim injunction should be granted to restrain further proceedings under the executions. His Honour granted the application.

(*Before Mr. Registrar* Spring-Rice.)

In re Charles Carnie.—The bankrupt, a merchant, of 25 New Broad-street, had been adjudicated upon the petition of the London and Westminster Bank, creditors for £1,600, upon a bill of exchange drawn by Messrs. Collie and accepted by the bankrupt. A first meeting was now held, when proofs amounting to £40,000 were admitted, and a trustee was nominated; but the creditors being unprepared to appoint a committee of inspection, an adjournment became necessary.

October 20.

(*Before the Hon.* W. C. Spring-Rice, *sitting as Chief Judge.*)

In re Oliph Leigh Spencer.—This was an application to register the resolution of the creditors to wind-up the estate of this debtor, who traded as a merchant at 28 Lisle-street, Leicester-square. The registration was opposed by Mr. Roberts, from the firm of Messrs. Wild, Barber, and Brown, who objected to the proof of Mr. L. Lewis, for three sums of £100, £90, and £65, on the ground that it was admitted that the debts were released. Before going into the objection the learned Registrar took one in limine to the proof because it did not state the time when the debt was contracted, and therefore, so far as voting purposes were concerned, it must be expunged. Mr. Debenham asked for an adjournment to give him an opportunity of examining the creditor, but his Honour refused to do so, observing that it was but common sense that a creditor should attend to prove his debt. The proof in question affecting the majority, the objection proved fatal to the registration, which was accordingly refused.

In re F. S. Hemming.—The debtor in this case was described as a gentleman, formerly residing at Lee, in Kent, and now of Belsize-terrace. He had embarked in building speculations, which had resulted in his filing a petition for liquidation. The accounts filed showed an indebtedness to the amount of £3,072, but the assets, consisting of the mortgaged property, were put down at over £3,300, including £2,067 surplus securities. A question now arose as to the right of the Plumstead Board of Works, to whom the debtor was liable for a sum of £38 5s. for paving, to vote as a creditor. No notice had been given of the first meeting to that body, and Mr. Richardson contended that no notice was required, the Board of Works being in the position of secured creditors; which was contested by Mr. Weitland, who contended that a charge for paving by the local board was not in the category of a parochial rate. It was admitted that if the Local Board of Works stood in the position of creditors, the statutory majority for the resolution was not obtained. His Honour eventually adjourned the case in order that the creditors might have an opportunity of ascertaining the wishes of the Plumstead Board of Works.

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October 21.

(*Before the Hon.* W. C. SPRING-RICE.)

IN RE DAVID E. POWER.—This was a first meeting. The bankrupt was described as of 45 Abingdon-villas, Kensington, and his statement of affairs showed debts of £3,800, with assets £156. Several proofs having been admitted, Mr. R. Rabbidge, accountant, King-street, Cheapside, was appointed trustee, with a committee of inspection.

IN RE W. F. PORTLOCK DADSON.—This debtor, who is described as a banker and money lender, carrying on business in partnership at 301 Strand, as the Clarendon Bank, a retired captain in the Royal Marine Light Infantry, had presented a petition for liquidation, and at the meeting of the creditors resolutions were come to accepting a composition of 8s. 6d. in the pound, payable in three instalments. Last week an application was made to the court to register the resolution, but registration was refused on the ground that the debtor had declined to answer questions in relation to the proofs of his mother and sister. Mr. A. J. Shepheard now applied to his Honour for leave to hold a new first meeting, or, in the alternative, to file a fresh petition. He said his Honour would no doubt remember the circumstances of the case, as the application to register had come before him. He had been unable to attend on the registration, and therefore could not state the whole circumstances of the case. The fact was that the debtor had acted on his advice in not answering questions, but they were only in relation to two of the proofs; other questions he had answered. It was important that the matter should not go into bankruptcy, because on that taking place the debtor's interest, amounting to £420 a year under a marriage settlement, would cease, and also his salary of £70 a year as a member of her Majesty's Guard of the Honourable Corps of Gentlemen-at-Arms. The resolution for composition was supported by a considerable majority of the creditors, who preferred that to bankruptcy. Mr. Plews, on behalf of the North Kent Bank, opposed the application, and said he did so because his clients thought that more would be got out of bankruptcy. In fact, he believed that there was amply sufficient to pay 20s. in the pound, and the debtor did not make any better proposition now than he did before. His Honour said he was not disposed to act in opposition to the majority of the creditors, who seemed to prefer a composition. The fact as to the non-answering of the questions had been made more clear to him than on the previous occasion, and the refusal to register was upon an almost technical ground. He did not think that the description of the debtor was sufficient, inasmuch as his partners were not disclosed. He should, therefore, refuse to grant a new first meeting, but would give leave to file a new petition.

CITY OF LONDON COURT.

October 20.

(*Before Mr. Commissioner* KERR.)

BROOKS V. M'SHEEHAN.—The plaintiff, an accountant in the City, sought to recover £5 commission for obtaining a policy of assurance upon the life of Mr. George Augustus Hamilton Chichester, against the lives of Lord Edward Chichester and the Marquis of Donegall. The defendant pleaded a denial of his liability.—Mr. Mayhew appeared for the plaintiff; Mr. Chapman represented the defendant.—It appeared from the evidence on behalf of the plaintiff that in June last a Mr. Dyson had for sale a post-obit bond on the lives of the three above-named gentlemen, and consulted the plaintiff. He introduced the matter to the defendant, with whom the bond was left on the 15th of June, when the latter, who was represented as a gentleman of property, said he would consider the question of purchase, but would not definitely entertain it unless the life of Mr. George Augustus Hamilton Chichester was insured; but if that were carried out and the post-obit bond was purchased, he (the defendant) would "not mind parting with £5," and further, did not object to the plaintiff's estimated expenditure of one guinea in champagne on the occasion of bringing Mr. Chichester to town for the purpose of making the proposal to the assurance company. The defendant subsequently returned the bond to Dyson, but the plaintiff alleged that although he obtained an acceptance from the Emperor Assurance Society for the insurance of Mr. Chichester's life for £500, against the lives of Lord Edward Chichester and the Marquis of Donegall, the defendant failed to satisfy the plaintiff's claim.—Mr. Chapman, on behalf of the defendant, contended that the plaintiff must be non-suited. The defendant promised that if the bond were purchased in a short time after the introduction of the matter to him, and the life of Mr. Chichester were insured, he would entertain the matter, as time was of the essence of the bargain. As a consideration for the introduction he would have no objection to giving the plaintiff £5 for his trouble. In the interim between the introduction on the part of the plaintiff and the return of the bond to Dyson, he ascertained that Mr. Chichester's life had been proposed for insurance in the Albion Assurance Office, and had been rejected, whereupon the defendant refused to entertain the matter. Subsequently to that time the plaintiff obtained an acceptance by the Emperor Assurance Society, but he (Mr. Chapman) contended that if any contract existed between the parties the plaintiff had been too late in the fulfilment of his part of it.—The defendant was called, and corroborated the statement made by his solicitor.—His Honour ruled that the plaintiff had not made out a case to his satisfaction, and non-suited him.

SALFORD COUNTY COURT.

October 20.

(*Before* MR. J. A. RUSSELL, Q.C., *Judge.*)

The right of a bankruptcy registrar to refuse to register the resolutions of a creditors' meeting came before the Judge. The question arose in the case of Joseph Jackson, commission agent, Lower Broughton, who filed a petition in August last, and at the meeting of creditors resolutions were passed to liquidate the debtor's affairs by arrangement, appointing a trustee, and giving the bankrupt his discharge. Mr. Cobbett, solicitor, who appeared for himself and another creditor, objected to the registering of the resolutions, and the deputy-registrar (Mr. Lister) refused to register them. An application was yesterday made to the Judge by Mr. Best, solicitor, to vary the order made by the deputy-registrar. The creditors, he said, were of opinion that it was to their advantage that the estate should be liquidated by arrangement.—Mr. Cobbett opposed the application. He contended that the majority of the creditors could not bind the minority for the benefit of the debtor. The policy of the last act of Parliament was that the resolution of the majority must be for the benefit of the whole body of the creditors. In this case the debts were £973, and the assets £39; but the assets were swallowed up by the proceedings previous to the application to the deputy-registrar to register the resolutions, and the action of the majority of the creditors was for the benefit entirely of the debtor.—The Judge agreed with Mr. Cobbett that the result of the creditors' meeting ought to be for the benefit of the creditors; and remarking that here the assets were so small that practically there would be no dividend, dismissed the appeal with costs.

The receipts on account of revenue from the 1st April, 1875, when there was a balance of £6,265,322, to the 16th instant, were £37,894,687, against £36,973,467 in the corresponding period of the preceding financial year, which began with a balance of £7,442,854. The net expenditure was £43,965,543, against £43,566,073 to the same date in the previous year. The Treasury balances on the 16th instant amounted to £1,590,685, and at the same date in 1874 to £1,350,131.

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HALIFAX COUNTY COURT.

October 13th.

(Before Mr. GIFFARD, *Judge.)*

EAST NORFOLK TRAMWAY COMPANY.—This was an action brought by the East Norfolk Tramway Company against William Alfred Pardoe, designer, Crown-street, Halifax, for the recovery of £11 13s. 9d., an amount alleged to be due on calls for two shares. Mr. Jubb appeared for the company and Mr. Storey for the defendant. It appeared from the evidence that the defendant applied for and became an allotee of two shares, upon which he had paid an allotment and a call to the amount of £6, and the action was brought in respect to calls which he had not paid. Mr. Jubb said he would call the registrar to the company to prove that the defendant was a registered shareholder, and that he had paid the first allotment and the first call. The judge said there was a decision of the supreme court to the effect that a call was due when it was made. Henry Kinduck, secretary to the company, produced the register and the number of the defendant's shares. The amount already paid by the defendant was £2 on application and £4 on allotment. The rules and regulations stated that £1 per share should be paid on application, and £2 on allotment. A resolution approved by the company was also read to the effect that every shareholder should be liable to pay the amount of call at the time appointed by the company, and another resolution of the Board that seven days' notice would be necessary previous to the demanding of a call. The company was formed in 1871, and the defendant paid the first call on the 8th September, 1873. The second call was made on 16th April, 1874. Mr. Storey demanded the minute-book, but the secretary said he had not brought a second book, and in consequence of that he would only be able to prove one call. Mr. Storey said he apprehended that the reason why only one minute-book was forthcoming was that there was not another. The secretary alleged that he had forgotten the other book. In answer to Mr. Storey, he further stated that about £200 had been actually subscribed in shares, and that 200 shares had been alloted. The defence was that the company had been formed for a specific object, and that object had not been carried out. In 1873 the only money the company could boast of was £404. It had been stated that a dividend had been declared, and the company had no right to declare a dividend. His Honour returned a verdict for £4, and £3 for travelling expenses on behalf of a witness who was not called.

A BRIGHOUSE BANKRUPTCY CASE.—Mr. Boocock, in the case of Alfred Clarke, who lately carried on business at Brighouse as a plumber, asked on behalf of the largest creditor, Mr. Edward Foster, that the bankrupt should be ordered to file an account of his receipts and payments within the dates of his two petitions. About twelve months ago, the bankrupt filed a petition in the court, and the costs of that were not yet paid. The bankrupt owed £400, and in that was included what was owing to his friends and his brother. His (Mr. Boocock's) client had lost £80 in four months, and could get no explanation as to where the goods were. Mr. Rayner (Messrs. Tennant and Rayner) appeared for the trustee, who he said was perfectly satisfied with what the bankrupt had done. The bankrupt did not wish to do any business with Mr. Foster, but the goods were thrust upon him. The judge said Mr. Boocock ought to have all reasonable accounts, and after some conversation it was decided that the case should be formally adjourned for a month, and in the mean time it might be settled.

SHARP PRACTICE.—RE HANSON, PICKLES, AND CO.—EX PARTE NORTH.—EXTRAORDINARY APPLICATION IN BANKRUPTCY.—This case was again before his Honour, when a long argument took place respecting costs in a certain motion in which the trustees, Messrs. C. T. Rhodes and J. I. Learoyd, were concerned. Mr. England appeared for the creditor on whose behalf the motion was made, and the trustees were represented by Mr. West, barrister, of Leeds, who was instructed by Mr. Godfrey Rhodes. Mr. England said the motion originally was to commit the two trustees to prison for contempt in the disobedience of an order of the court directing them to pay a sum of money. But the trustees had sent a cheque for the amount of his Honour's order, and the motion now came before the court on a question of costs. This was a material question, as his client was a poor man, and he hoped his Honour would make an order granting the costs. On the 28th of September an order was made by consent that the trustees should within seven days of the "service" of the order pay £30 to the creditor. No time was lost on the part of the creditor, and on the 29th of September an office copy of the order was sent by request to the solicitor to the trustees. Mr. West: My friend is quite out of order in saying that that was done at the request of Mr. Rhodes. Mr. England said that on the 28th of September the order was made that the trustees should pay the money; the order was sent to the solicitor of the trustees, whose clerk wrote in reply, "I am in the receipt of copy of order. The trustees' cheque shall be sent to you to-morrow." That was the 29th. On the 2nd of October a letter was written to the effect that the trustees had not sent the cheque. On the 7th of October they wrote to ask if the order was to be enforced, and stating that that was the third letter which had been written since the order was made. On the 8th of October, the solicitor to the trustees wrote that one of them was away from home, but on his return he had no doubt that the cheque would be sent. The solicitor also stated that there had been no necessity to write three letters. The solicitor to the trustees was right as to one of the trustees being away, but it was not stated when he would return. There was no reason why the matter should have stood over from the 28th of September, and he asked for costs because, as he had stated, his client was a poor man. Mr. West opposed the motion, and said he should ask for costs against it, and he must take up a little time in relating the facts of the case, inasmuch as Mr. England had put it on account of the poverty of his client. His client was a poor man, and could not afford to wait for this money, but there was fortunately his examination on the file of the court, and from that examination the facts appeared to be these: That one of the partners in Hanson, Pickles and Co., was leaving the firm, and he was paid by the remaining partners £209 in promissory notes or bills. Mr. North, knowing, as he told them, that the partners were in difficulties, and that the first bill had not been met, said, "I bought these promissory notes out and out for the sum of £20." This poor man, one of the bills being dishonoured, and two others being likely to share the same fate, could pay £20 for them. The man's poverty was hardly the subject of that strong remark which Mr. England had made. The trustees naturally rejected his proof of £209. The matter came before his Honour, and they had it that his Honour said it was a very suspicious case indeed, and should be tried by a jury; but in order to save costs there was an agreement between the solicitors that £30 should be taken by Mr. North without costs, the money to be paid in seven days. Now there was a motion seeking to commit the two trustees to prison. He (the learned counsel) always understood the rule to be that an order of which process of imprisonment was to follow must be personally served upon the person against whom the order was made, and he should ask his friend, before he continued with his motion, to show that he personally served that order of the 28th upon the two trustees. It had been admitted that such had not been done, but that a copy of the order was sent to the solicitor to the trustees. He (the learned counsel) should show that that never came to the notice of the trustees. The solicitor was not the proper person to receive the order. The order itself stated that the money was to be paid within seven days "after

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service." There had been no "service" or "acceptance of service" as his friend alleged, up to that time. There was merely an acknowledgment by the solicitor's clerk that *they* had *received* the copy order, and promising the trustees' cheque the day after, but on inquiry, it was found that one of the trustees was away and an intimation sent to that effect, and that a cheque would be forwarded on his return, but neither he nor his principal had requested the order to be sent to *them*. He ought to say that the solicitor himself was away. Mr. Learoyd was on the Continent, and he said, "I do not know when he will come back." On the 8th of October, before this notice of motion was filed, the managing clerk of Messrs. Norris, Foster, and England called upon Mr. C. T. Rhodes, and asked for payment. The whole of the affidavit of Mr. Rhodes on this point was read; the salient features of the affidavit were that Robert Edward Evans called at his office, produced a document signed by Charles North appointing him one of the proxies, and to demand £30. Mr. Evans said if the money was not paid he should file the document in the court on the following morning, but said nothing about any intended application to the court. The trustee did not dispute his authority to receive the amount, but said his co-trustee was out of town, and when he came back the cheque should be sent. That they did not know up to that moment that the money was ordered to be paid within seven days—that Mr. Learoyd was away when the matter was before the court—that he could not give him a cheque himself alone, because the resolutions required all acts to be done jointly. Mr. Rhodes, in his affidavit, further stated that he called at the office of his co-trustee immediately afterwards, and was informed that he would be there on the following day. He left a message with Mr. Learoyd's clerk that immediately on his return Mr. Learoyd should draw a cheque for £30, he (Mr. Rhodes) would sign it, and it should be sent to the office of Messrs. Norris, Foster, and England. Mr. Rhodes wrote to these gentlemen to the effect that he could not get a cheque that day because his co-trustee was out of town, and all things must be done jointly between the two trustees. There was nothing there, continued the learned counsel, like a refusal to pay, quite the contrary; but Messrs. Norris, Foster, and England, instead of acknowledging the letter, filed the notice of motion, though a cheque was signed in the course of the day, and would have been paid that day, even had the notice not been filed. The cheque was signed within seventeen hours of the trustees' personally knowing that the money was to be paid.—This was proved by the sworn evidence on the file.—Mr. England denied that the cheque was sent on the 9th. Mr. West said it was signed and sent on the 9th, and there was an affidavit that it was received on the 11th, Sunday intermitting. On a matter of form this motion must fail on the ground that there was no personal service, and he must ask for costs, the usual result when motions failed. A long argument ensued, in the course of which his Honour said there had been some sharp practice on the side whence the application came, and expressed his abhorrence of it. Ultimately the motion was dismissed, and the judge ordered the trustees' costs to be paid by the applicant.

At the Sheffield Town Hall, last week, Mr. Clegg, on behalf of the directors of the Sheffield Loan and Investment Company, made an application to the stipendiary for a warrant for the apprehension of Mr. C. Colgrave, the secretary of the company, who is described as an accountant, carrying on business in Sheffield. On the evening of the 30th September, he received a cheque from the directors amounting to £448 15s., with which he was to meet some applications for loans. The cheque was cashed on the following day by Colgrave, who left the town, and was now in a foreign country. The stipendiary granted the application.

PROSECUTION OF BANK DIRECTORS.

On Monday, at the Justice-room of the Mansion House, Mr. John Axtell Deacon Cox, of 31 St. John's Wood-park; Mr. Henry James Godden, of 168 Fenchurch-street; Mr. James Hole, of Great College-street, Westminster; Mr. Alfred Marsh, of 85 Gracechurch-street; Mr. W. Archer Redmond, M.P., of 12 Cambridge-terrace, Hyde-park; Mr. W. Jones, of Woodberry-lodge, Stamford-hill; and Mr. William Russell Crowe, of 35 Lombard-street, appeared before the Lord Mayor on a summons, at the instance of Mr. Charles Oldacre Pulley, farmer, of Latchington, near Maldon, charging them with having in January and February last, being respectively directors and the manager of a public company, called the City and County Bank (Limited), incorporated under the Companies' Acts, 1862 and 1867, unlawfully made, circulated, and published, or concurred in making, circulating and publishing, a certain written statement and account—namely, the prospectus and a report and balance-sheet of that company—well-knowing it to be false in certain material particulars, with intent thereby to induce Mr. Pulley to become a shareholder in the concern.

Mr. George Lewis, jun., solicitor, conducted the prosecution; Mr. Poland acted as counsel for the defendants Messrs. Godden and Marsh; Mr. Straight for Mr. Hole; Mr. Kemp for Mr. Crowe; Mr. Digby Seymour, Q.C., and Mr. Thomas for Mr. Jones; Mr. Plunkett, solicitor, for Mr. Redmond, M.P.; and Mr. W. H. Roberts, solicitor, for Mr. Cox.

The hearing excited great interest, and the court was much crowded.

Mr. George Lewis, in opening the case for the prosecution, said, addressing the Lord Mayor, that he appeared on behalf of Mr. Pulley, a farmer living near Maldon, in Essex, to support a charge which had been made upon sworn information duly filed. That charge practically was that the defendants, being either directors, managing directors, or sub-manager of a bank in the City, were parties to the issuing of a false prospectus, reports, and balance-sheet of that concern with a view of deceiving the public and inducing them to take shares in the bank. So far as the gentlemen who had surrendered were concerned, it was but fair to state that they were persons of position and of the highest possible character, and the court, therefore, started with the assumption of the infinite improbability that they would commit such an act of deceit as that charged against them. Up to that transaction all the defendants, as he had every reason to believe, had borne an irreproachable character. The facts of the case were very simple, and he thought it would not be contested for a moment that a false prospectus, false reports, and false balance-sheets had been issued. The real question, so far as he could anticipate, would be who was responsible for the acts which were the subject of the present inquiry. (Mr. Digby Seymour, Q.C., interposing, asked that it might not be taken for granted that that was the only question.) Mr. Lewis, proceeding, said the City and County Bank was started in 1872, and took over another bank or building society with which the defendant Mr. Jones was connected. Its nominal capital was £500,000, but from its formation to its stoppage a very small portion of that sum had only been taken up. It had offices in Abchurch-lane, next door to its bankers, Messrs. Brown, Jansen and Co. To that firm it had ever been and still was largely indebted. In January, 1874, the attention of the prosecutor, Mr. Pulley, was called to a prospectus of the bank, issued by the directors through Messrs. Brown, Janson and Co., which represented the concern to be in active and successful operation, its business enabling the directors to declare dividends of 5 and 6 per cent. respectively in the two preceding half years, and to have

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been carrying on a successful trade. By those representations he was induced to take 100 shares of the nominal value of £500, upon which he paid up £250. The next report and balance-sheet issued, for the half-year ending the 30th of June, 1874, represented the bank not only as perfectly solvent, but also as having earned a gross profit of £2,751 odd. So far, however, from that being a correct representation, he found that in the assets, under the terms "Bills discounted, advances on security, current and other accounts," were included bad debts and overdrawn accounts amounting to upwards of £20,000, no sum at all, in reality, having been written off for bad debts. Moreover, the item of "Cash on hand and at bankers of £18,225" was, he submitted, entirely fictitious, it having been created by means of a fictitious loan on the 30th of June of £15,000, which was written off again on the 1st of July, and the debit balance against the bank thus disappeared by such means, bnt re-appeared on the 1st of July. In fact, it was a mere ledger entry, and no money passed. The same process was, he said, observable in the balance-sheet of December 1874, and the banker's pass-book produced showed no entry of any loan. The complaint of the prosecutor against the defendants was that the bad debts and overdraughts had increased to £35,000, but appeared in the item "Bills discounted," &c., as good assets, and by such means the bank was represented to have made a gross profit for the half-year of £4576 odd. He argued that if the bad debts had been written off, the bank was practically insolvent, and in fact had made a loss, instead of a profit. As an illustration of that, he stated that if the larger London banks had not written off the losses by the Collie failures, they could have continued to show their usual profits, and pay their accustomed dividends. He drew attention to the details of what was called the bad debt account, showing that over-draughts of 1873-74 and dishonoured bills against which dividends had been received had been treated as good assets, and in some instances the half-year's profit increased by charging interest on some of these accounts. Mr. Pulley, the prosecutor, upon all these representations, took altogether 200 shares, in respect of which he paid £400, and was now liable for the uncalled portion of £600. Mr. Lewis added that, so far as Mr. Pulley's inquiries were concerned, the defendants were gentlemen of high character, and that if they could explain the circumstances to the Lord Mayor's satisfaction, no one would be more pleased than the complainant, who had undertaken the prosecution from no feeling of retaliation, but in the public interest, and, until explained, he considered he was bound to call upon the defendants to abide by his Lordship's decision. Subsequent to the last balance-sheet a further prospectus was issued, inviting applications for 7,300 shares, and attention was called in it to the circumstance that the bank from its formation had paid dividends of 5, 6 and 7 per cent. The business was represented as profitable, and the bank as in active and successful operation. This occurred in February 1875, and a great number of shares were taken up; but on the 12th of May the bank suddenly stopped payment, and its affairs had since been ordered to be liquidated by the Court of Chancery.

Mr. F. W. Lewis, from the office of the Registrar of Joint Stock Companies, produced the memorandum and articles of association of the City and County Bank (Limited), which, he said, was registered on the 20th of April, 1872. The paid-up capital was represented to consist of 11,736 shares, on which a call of £2 10s. per share had been paid, making £22,182 odd, and the unpaid calls £7,157 18s. Among the shareholders was the name of Mr. Charles Pulley, of Latchington, farmer, for 100 shares. Replying to Mr. Digby Seymour and Mr. Straight, witness said by the articles the directors were entitled to £500 a year each. In September, 1874, the defendant Mr. Hole appeared to have 200 shares; the defendants Messrs. Cox, Godden, and Marsh, 200 each; Mr. Redmond, 300, and Mr. Jones, 605. Up to September, 1874, when he transferred some, Mr. William Russell Crowe held 18, having previously held 79.

Mr. Pulley, the prosecutor, was called as a witness. He said,—I am a farmer at Latchington, near Maldon. My attention was first called to the City and County Bank in January, 1874, by the receipt of its prospectus. In consequence of that I applied for 100 shares, and paid £250 in all in respect of them to Brown, Jansen, and Co. In June, 1874, I received a copy of the balance-sheet of the bank for the half-year ending June. I had attended the meeting at which the balance-sheet was passed, the defendant, Mr. Godden, being in the chair. The report was adopted, and the balance-sheet passed unanimously; I being present, and thinking every thing was straightforward. In January 1875, I received the balance-sheet for January 1874, and in February my dividend of 7 per cent. I afterwards saw the prospectus asking the public to take up a further issue of shares, in consequence of which I applied for 100 more shares, through Mr. Field, my stockbroker, and paid the calls, amounting to £150. I am now the holder of 200 shares. I took the new shares in February, 1875. If I had known the balance represented to be in hand was not a true statement, I should certainly not have taken the shares. I believed the statement in the prospectus and balance-sheet to be correct. I am the prosecutor in this case. The bank stopped payment on the 12th of May, 1875.

Mr. Poland, and other legal gentlemen representing the defendants, intimated to the Lord Mayor that they would reserve the cross-examination of the witness to a future occasion.

Mr. Arthur William Blunt, managing clerk to Messrs. Hart Brothers, public accountants, of 57 Moorgate-street, deposed that Mr. Hart was appointed the official liquidator on the petition to wind-up the affairs of the bank, and in that character the books came into his possession, where they remained about three months. Mr. Price was now the official liquidator, and the books were now in his possession. Witness in that capacity had access to the books. The balance-sheet made up to December, 1874, showed the cash at the bankers to be £9,019 18s. 8d. Messrs. Brown, Jansen, and Co. were the bankers, as appeared by the books. Looking to the ledger under date of the 30th of December, 1874, the state of the account between the bank and Messrs. Brown, Jansen and Co., showed that the latter were creditors for £9,456 on that day. From July, 1874, Messrs. Brown, Jansen, and Co. always appeared to be creditors. They were on the 2nd of July, 1874, creditors for £5,673 15s. The bankers' pass-book showed that on the 30th of December, 1874, there was a balance to the credit of the account of £9,882. On the 31st of December there was placed to the credit of the bank in the ledger an entry of £13,151, including the loan account with Brown, Jansen, and Co., amounting to £10,400. On the same day £2,087 1s. 8d. was paid out. There remained in the hands of Brown, Jansen, and Co. £1,647 3s. 5d., and the balance, £9,456 0s. 2d., disappeared. Referring to the bankers' pass book, he found no such sum as £10,400 credited to the City and County Bank, nor could he trace any such money to have passed through the account. On the 31st of December, according to the pass book, the bank had overdrawn to the amount of £8,791. On the 1st of January, 1875, the balance of £1,647 3s. 5d. was carried down in the ledger. There were payments in on that day of £1,486 18s. 1d., and payments out of £12,392 14s. 11d., including the sum of £10,400. Messrs. Brown, Jansen, and Co. were then creditors to the amount of £9,708 13s. 5d. There was no entry in the pass book of a payment out on the 31st of December of £10,400. Messrs. Brown, Jansen, and Co. continued creditors to the stoppage of the bank, when the balance due to them was £7,186 2s. 6d. On the 29th of June, 1874, that firm were creditors for £3,864 16s. 4d. On the 30th of June, according to the cash book, there was a payment in to the credit of the bank of £18,407. In that was included a loan of £15,000 made by Messrs. Brown, Jansen, and Co. On the 1st and 2nd of July there appeared to have been payments in to the amount of £745 13s., and payments out of £2,737 8s. 7d., and

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£16,831 6s. 11d., including in the latter item the loan of £15,000. On the 2nd of July Messrs. Brown, Jansen and Co. became creditors again for £5,763 15s. The account of that firm in the bank books was never in credit, except on the day when the balance-sheets were made up. On the 30th of June, 1874, the loan of £15,000 was entered in the pass book, and on the 1st of July it was paid off with £2 1s. 1d. interest. On the 31st of December, 1874, the bank books showed that the amount of over-draughted accounts and dishonoured bills of customers was £35,460 19s. 8d. That sum was included as assets in one of the balance-sheets in the amount of £98,682 2s. 1d., described as "bills discounted, advances on security, current and other accounts."

At this stage of the examination—the witness not having concluded the evidence he had to give—the Lord Mayor adjourned the further hearing of the case until Monday, the 1st of November, admitting in the mean time the defendants, Messrs. Cox, Godden, Hole, Marsh and Redmond to bail, on their own recognisances, each in £1,000; Mr. Jones on his own recognisances in £1,000, and two sureties in £500 each; and Mr. Crowe on his own recognisances of £500, and two sureties in £250 each.

Mr. Roberts, solicitor, acting for Mr. Cox, assured the Lord Mayor his client had a complete answer to the charge.

Mr. Digby Seymour, speaking on behalf of Mr. Jones, said he was sure when the matter came to be thoroughly investigated it would vanish into thin air.

The Court then adjourned.

In the above report a witness, Mr. F. W. Lewis, is reported to have said that "by the articles the directors were entitled to £500 a year each." This, we are requested by Mr. J. Pettengill to state, is not correct. The "total remuneration of the directors collectively, as fixed by the articles of association, was £500 in each year, so long as the dividends paid by the company did not exceed 5 per cent. per annum, and was to increase at the rate of £500 per annum for every 1 per cent. per annum declared and paid as dividend, until the directors' remuneration in any one year reached £2,000. For two years before the order to wind-up the bank was made, the directors were entitled to take £1,500 each year as their remuneration."

MESSRS. COLLIE.

Mr. William Collie on Monday surrendered to his bail at Guildhall before Sir Thomas White to answer the charge which had been made against him and his brother, Mr. Alexander Collie, of having conspired together to defraud the London and Westminster Bank of over £300,000 by means of false pretences.

Sir Henry James and Mr. Poland, instructed by Messrs. Travers, Smith and Co., prosecuted; and Mr. Serjeant Ballantine and Mr. Pollard, instructed by Messrs. Hollams, Son and Coward, appeared for the defendant.

Sir Henry James said that six weeks had elapsed since the last adjournment of this case, and probably it would be felt by the court and every one connected with it, that the time had come when those who appeared for the prosecution should state what course they proposed to pursue in relation to it. When the directors of the London and Westminster Bank instituted this prosecution, they had, as they still had, but one desire, which was that the allegations put forward on the part of the prosecution should be heard and determined by a jury. As the court was aware, since this prosecution had commenced Alexander Collie had absconded, and his bail had been forfeited; and that having occurred, those who were the legal advisers of the London and Westminster Bank had thrown upon them the responsibility of determining what would be the best course to take in order that the ends of justice should not be defeated. Not only had he and his learned friend Mr. Poland had to consider this matter, but they had also had the able judgment and great experience of Mr. Hardinge Giffard. They perceived, of course, it was very advantageous to co-conspirators to be tried separately, and it had been felt, therefore, that if the trial of William Collie was proceeded with in the absence of Alexander Collie, there would be a substantial benefit accruing to both the defendants in being thus tried separately. Now, of course, the absconding of Alexander Collie was a matter which ought not to cast any obstacle in the way of the prosecution, and as far as the prosecution could defeat the act of his absconding, they were determined to do so, and therefore they had come to the conclusion that it would not be advisable, in order that the ends of justice might be carried to their proper limits, to allow the prosecution of William Collie to come to an end until all hopes of arresting Alexander should be abandoned. How far those hopes were likely to be realised there were many reasons for not stating at present. He would only mention that the directors trusted before long there would be an opportunity of trying both the defendants together. It was thought the practical course to be taken should be either now to remand the defendant for an indefinite period until he should receive notice to attend, or to remand him for a definite period, say two months, if that should meet his learned friend's views on the subject. He had only to add that, however much the absconding of Alexander Collie had defeated the ends of justice, and, looking back upon the matter now, however much one might regret that he was allowed to go at large on bail at all, this being a common-law conspiracy, he was entitled to bail; and, speaking with the utmost deference to the court, it was not a matter of discretion left to any one, for they were entitled to it by right. Whether the course taken by the Bank in not going on with the prosecution against William Collie at the present time was the most advisable or not, it was one the responsibility of which rested with the legal advisers of the London and Westminster Bank, and not upon the directors individually.

Mr. Serjeant Ballantine said he cordially concurred in some of the remarks made by his learned friend, especially that relating to bail. He never imagined for one moment that the bench had power to refuse bail in cases of the present description, and he considered that Messrs. Collie only obtained that which was a legal and a constitutional right in being admitted to bail. After the observations of his learned friend, he did not propose to refer at any length to the question as to whether William Collie was so implicated in those proceedings that his connexion with Alexander Collie would in any way make him criminally responsible; at the same time, when his learned friend said—and his position at the bar made every thing he said of importance and authority—that the ends of justice might be frustrated by this matter being terminated at the present moment, he, on the part of William Collie, would offer no objection to a further postponement. He concurred with Sir Henry James that the postponement should be for two months. It was not uncustomary, and he thought not improper on the present occasion, to beg that persons would withhold their judgment. It was not the fault of William Collie that this matter was postponed to an indefinite time. He did not by any means like those cut and dried observations that there was an answer to the charge; but if the trial ever did come on, he was prepared to answer the charge, having had materials supplied to him which gave him great confidence and hope that he would be able to successfully answer it.

Sir Thomas White quite concurred in the observations made by the learned counsel, and he believed that the course suggested was the only one and the best to adopt in order to attain the ends of justice. He wished to know what was to be done with regard to bail.

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Mr. Serjeant Ballantine said that would be arranged between Mr. Travers Smith and Mr. Hollams.

Sir Henry James said the bail was perfectly satisfactory.

The bail were then taken, and they were Mr. George Yule, 93 Bishopsgate-street, City, and Mr. Charles Snell Paris, No. 10 St. James's-street, Westminster. The amount was fixed, the same as before—the two sureties in £2,000, and the defendant in £4,000.

The case was then adjourned until Monday, the 13th of December next.

CREDITORS' MEETINGS.

A. Cohn (London).—At a meeting of the creditors of Mr. Albert Cohn, of London and Leeds, the liabilities were stated at £69,620 6s. 1d., and assets at £27,853 8s. 1d. It was unanimously resolved to accept a composition of 7s. in the pound, at two, four, six, and eight months. Messrs. Lovering and Co., accountants, and Messrs. Rooks, Kenrick, and Co., and Messrs. Sampson and Burrice, solicitors, represented the various interests.

F. Day (Sheffield).—A meeting of the creditors of Francis Day, accountant and coal merchant, formerly a partner in the Cardigan Iron and Steel Company Limited, and also the treasurer in the Burngreave Funding Societies, was held at Sheffield on Monday. Mr. Wm. Smith, president of the Chamber of Commerce, was voted to the chair. The statement of accounts showed that the total liabilities amounted to £9,898; and of this amount the unsecured creditors were £5,208 7s. 1d., and creditors partly secured came to £1,307 10s. The assets were put down at £2,292 7s. 6d. A considerable portion of this sum is for book debts, many of which, it is believed, will not go into the estate, but will belong to the Burngreave Funding Societies. The debtor was submitted to a very long examination as to his connection with the societies, which are now in an insolvent condition. He declined to pledge himself as to their position until he had concluded a statement of their affairs, on which he was now engaged. He admitted that he had banked the societies' money with his own, and had also paid it away with his own. It was stated that from £3,000 to £4,000 of the societies' money was still unaccounted for, although it had been received by him. He explained that much of it had been lost upon bad loans, and said he believed he should be able to show that the societies were indebted to him and not the reverse. A proposition that the estate should be wound-up in bankruptcy was advocated by the chairman and several other gentlemen, on the ground that the particulars revealed at the meeting showed that further investigation of the debtor's conduct was needed. An amendment that the estate should be wound up by liquidation was carried by a large majority.

J. Whittaker (Manchester).—At the second meeting of the creditors of Mr. John Whittaker, of Barnes Green, Blackley, near Manchester, trading there as "Bradshaw and Whittaker," as a builder and contractor, held on Monday at the offices of Messrs. Hinde, Milne, and Sudlow, 7 Mount-street, Manchester, the resolutions passed at the first meeting, accepting a composition of 10s. in the pound by three equal instalments, at three, six, and nine months, and appointing Mr. H. G. Nicholson, of 100 King-street, in this city, public accountant, the trustee, and Messrs. Hinde, Milne, and Sudlow, the solicitors, were confirmed, the latter being intrusted to register the resolutions.

J. S. Stower (Liverpool).—A meeting of creditors under the failure of Mr, John Stevens Stower, of Harrington-street, Liverpool, oilman, was held at the offices of Messrs. Gibson and Bolland, South John street, Liverpool, on the 20th instant. The statement of accounts showed liabilities £1,675, and assets, after deducting preferential claims, £1,393. A proposal on the part of the debtor of 10s. in the pound, in four and eight months, unsecured, was refused, and after some discussion it was determined to liquidate the estate by arrangement and appoint Mr. Bolland trustee, with power to dispose of the estate for 10s. in the pound, provided it was paid in three and six months. It was further resolved that the debtor should have his discharge on the trustee certifying that he had made a full and true disclosure of his estate.

B. von Bartels and Co. (Bradford).—A meeting of the creditors of B. Von Bartels and Co., stuff merchants, of Bradford, was held on the 20th instant, at the Victoria Hotel. The statement of affairs showed liabilities £8,225; assets not known. It was resolved to liquidate by arrangement, Mr. H. Dickin, of Bradford, being appointed trustee.

Baum, Sons and Co.—At a meeting of creditors of Messrs. Baum, Sons and Co., of Lombard-street, money changers, held on Wednesday, the statement of affairs showed liabilities to rank £18,087 0s. 3d., and general assets £2,966 16s. 4d. The composition offered of 3s. 4d. in the pound was not accepted, and it was resolved to liquidate by arrangement, Mr. James Waddell being appointed trustee, with a committee of creditors.

Heywood, Lymer, and Co. (Manchester).—The creditors of George Frederick Heywood and John Lymer, trading as Heywood, Lymer, and Co., of 25 Piccadilly, Manchester, importers of ribbons, and silk merchants, held a meeting on the 20th instant, at the offices of Messrs. Sale, Seddon, and Sale, solicitors, when the following statement, prepared by Mr. David Smith, accountant, Brown-street, was submitted:—

LIABILITIES.

	£	s.	d.	£	s.	d.
To creditors unsecured				£23,011	14	10
Creditors fully secured	£34	2	9			
Value of securities	111	18	0			
Surplus	£77	15	3			
Creditors for rent, &c.				32	18	4
On bills discounted, £5,646 1s. 1d., of which it is expected will rank against the estate				500	0	0
				£23,544	13	2

ASSETS.

	£	s.	d.
Stock at warehouse	£8,014	5	0
Book debts, £5,339 2s. 5d., estimated to realise	4,761	12	3
Cash in hand	255	17	11
Bills of exchange, estimated to produce	216	11	10
Furniture at warehouse, estimated at	60	0	0
Surplus, per contra	77	15	3
	£13,386	2	3

After a discussion the meeting was adjourned, and in the mean time the receiver, Mr. Smith, to act under four of the principal creditors, who were appointed a committee.

FAILURES.

England.—Messrs. E. L. Aves and Co., of 134 Leadenhall-street, provision and wine merchants, have filed a petition for liquidation, the liabilities being estimated at £17,000; assets at present unascertained. Mr. William Cornish Cooper, of 7 Gresham-street, E.C., public accountant, has been appointed receiver and manager by the creditors.—The suspension is announced of Messrs. E. Smyth and Co., of 98 Queen Victoria-street, E.C., umbrella manufacturers, with liabilities of over £11,000; assets not ascertained. The books are in the hands of Messrs. Minton, Boyes, and Child.—A petition for liquidation has been filed in the Manchester County Court by Frederick William Ewen, of

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22 Dale-street, Manchester, merchant and agent, trading under the style or firm of F. W. Ewen and Co., and of 232 Oldham-road, Manchester, and Barlow Moor, Didsbury, near Manchester, retail draper. The liabilities are stated at £10,000.—Messrs. Roger Bolton and John Kay Bolton, drysalters, 4 Glover's-court, Preston, and 23 Argyle-street, Liverpool, have filed a petition for the liquidation of their affairs. Their joint liabilities are stated to be £13,115 17s. 4d.; and the private liabilities of Mr. R. Bolton £145 18s. 7d., and those of Mr. J. K. Bolton £69 18s. As yet there is no estimate of the amount of assets. Mr. Henry Davies, accountant, Preston, is appointed receiver, pending the meeting of creditors.—Mr. James Blakoe, of the Beach Hotel, Blackpool, has also filed a petition for the liquidation of his affairs, stating his indebtedness at £3,525 19s. 2d.—A petition for the liquidation of the affairs of Mr. G. Wright, engineer and machinist, Masborough, was filed in the Sheffield Bankruptcy Court on Monday. The liabilities are £8,840, and the assets about £1,000.—Messrs. J. and W. Dudgeon, engineers, of the Sun Engine Works, Millwall, and the Iron Ship-yard, Cubitt-town, have suspended payment. It is understood that the liabilities are considerable, and the firm has never recovered the loss on the Brazilian ironclad Independencia, which was wrecked in launching. The books are in the hands of Messrs. Robert Fletcher and Co., of Moorgate-street, and Mr. W. R. Preston is the solicitor.—On the 14th instant, at the Huddersfield County Court, a petition for liquidation was filed on behalf of Thomas Hirst, trading as a woollen manufacturer, under the firm of Thomas Hirst and Son, Lower Low Westwood Mill, Golcar. The liabilities are estimated at £7000. Mr. H. Wilde, accountant, Huddersfield, has been appointed receiver.—The failure is reported of Mr. Alexander J. Halcomb, of Felixstowe, who was formerly proprietor of a cloth and sack manufactory. His liabilities amount to about £30,000.—The suspension is announced, owing, it is stated, to the non-receipt of remittances from abroad, of Mr. M. B. Messulam, of 21 Cooper-street, Manchester, merchant. His books have been placed in the hands of Messrs. Broome, Murray and Co., accountants, and the liabilities are expected to amount to £10,000.—A petition for liquidation has been filed in the Manchester County Court by Messrs. Grundy and Kershaw, solicitors, on behalf of Mr. Marco Dente, trading as M. Dente and Brothers, 22 Ridgefield, merchant. Liabilities estimated at £7,000.—The failure is reported of Mr. George Demetrius Neroutsos, trading at 7 East India Avenue, Leadenhall-street, London, as G. D. Neroutsos and Co., and 10 Dickinson-street, Manchester, as Neroutsos and Co., merchants. The liabilities are stated to be about £30,000, which will fall chiefly among grey cloth agents and calico printers. Rumour ascribes the failure in some measure to the Turkish financial collapse.

AMERICA.—American advices report the suspension of Messrs. J. and G. Robson, of Winona, Minnesota, in the lumber trade; liabilities, £27,000.—Messrs. Charles Clayton and Co., commission merchants, San Francisco, had asked for an extension; liabilities about £40,000.—Mr. E. Mann, in the boot and shoe trade, Milford, Massachusetts, had gone into bankruptcy; liabilities, £20,000.—Mr. George Brigham, in the same trade, Westboro', Massachusetts, had failed; liabilities, £28,000.—A meeting of the creditors of Dow, Hunt, and Co., importers of fancy goods, Boston, had been held; liabilities, £7,000.—Messrs. Holmes and Blanchard, iron-founders, Boston, had failed. Mr. E. G. Norris, New Jersey, in the clothing trade, had made an assignment with liabilities of £23,000. No arrangement had been made in the affairs of Messrs. E. D. Jewitt and Co., St. John, N.B.

AUSTRIA.—A telegram from Vienna announces the suspension of Messrs. Jonas Fraelbeck and Sons, in the wool trade.

APPOINTMENTS.

[The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.]

His Honour the Vice-Chancellor Sir James Bacon has appointed Mr. John Luttman (of the firm of Luttman, Boddington, and Co.) provisional official liquidator of the British, Colonial, and Foreign Property Insurance Corporation (Limited).

Mr. J. Yalden, of No. 70 Cheapside, has been appointed trustee of the estate of Joseph Ashton and Sons, hat manufacturers, Cornwall-road, Stamford-street.

ANSWERS TO CORRESPONDENTS.

R. R. R.—We have looked further into your point, and see no reason to change the opinion we expressed before.

C. L.—There is no objection to what you propose.

The Bank rate was advanced on Thursday from 3½ to 4 per cent.

A SINECURIST.—The recently issued Finance Accounts for the year ended the 31st of March contain for the last time a statement of the compensations paid for a lengthened period to the late Rev. Thomas Thurlow. To the 26th of September, 1874, he received £2,977 4s. 4d. as Keeper of the Hanaper of the Court of Chancery, and it is added in a note, "This annuitant received also up to the time of his decease the following annual allowances, viz. £291 7s. 3d., compensation as late Prothonotary Court of Pleas, Durham, and £7,352 14s. 6d. as Patentee of Bankrupts, London.

LIGHT SOVEREIGNS.—The Bank of England clip every light sovereign that comes into the Bank. The weighing of every sovereign is accomplished quickly; they weigh 3,000 in an hour with one machine. Mr. Palmer, the Deputy-Governor, informed the House of Commons Select Committee of last Session on banks of issue that last year the Bank of England weighed coin to the amount of £23,100,000, and rejected £840,000, or about 3·6 per cent., as being light gold. For this last amount the bank paid the value, making a deduction for the deficiency of weight, which is generally about 3d. or 4d. per light sovereign. It was stated to the Committee that boxes of correctly weighed gold sent by the Bank of England to Scotland, frequently came back without having been opened, and Mr. Palmer stated that there is then some reduction for light weight. He explained this by adding that the mere shaking of the sovereigns on the journey will make a slight difference. There is a point at which every sovereign becomes light, and many sovereigns turn that point on the journey. Mr. Hodgson, M.P., a Bank director, stated that in a box of 5,000 sovereigns the number which would be found to have turned the point would generally be about eight if they have not been disturbed; and he added, "You are aware that the sovereign which is in your pocket at 8 o'clock in the morning is not the same sovereign at 12 o'clock at night." After this rather alarming announcement it is satisfactory to find Mr. Hodgson stating also that the charge for light weight on the eight deficient sovereigns would be about 2d. per coin, making only 16d. on the box of £5000; so that, says he, "it really amounts to nothing."

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Three members of the firm of Duncan, Sherman, and Co., have been arrested on a charge of fraud. The complainants, a firm named Roebling, state that, having faith in the solvency of the defendants, they purchased of the defendants a sight draft for the sum of £293 on the Union Bank of London. The draft was dishonoured, and within six days afterwards the defendants declared themselves hopelessly insolvent. They state further that three months previous to the failure, William Butler Duncan conveyed his real estate to his father, but that the deeds were not removed until the day after the failure. They charge that the firm knew of their insolvency when they sold them the bill of exchange, as they well knew they had exhausted every avenue of relief, and also in not at once recording the conveyance of the real estate to old Mr. Duncan. The defendants were released on bail.

OBTAINING MONEY BY FALSE CHEQUES.—At the Clerkenwell Police Court on Monday, William Adams, aged 34, described as "an accountant," of 16 Junction-road, Upper Holloway, James Henderson, aged 20, a student-at-law, of 26 Barnsbury-road, Islington, and Edward Wood, aged 36, described as "an accountant," and late a schoolmaster, of 295 Essex-road, Islington, were charged with being concerned together in obtaining by means of false cheques several sums of money.—Mr. Fenton prosecuted; and Mr. Ricketts, Mr. P. Ogle, and Mr. Gilbert defended. It was stated by Police-serjeant Tyler, 27 Y, and Detective Webb, Y, that if a remand was granted numerous cases would be brought against the prisoners. The false pretence that it was alleged was used was that the prisoner Adams got cheques cashed which, when presented, were marked "N. S.," and that he had received them as money for salary from the other prisoners.—Mr. Barstow remanded the prisoners for a week, and consented to take bail—one surety in the sum of £50 for each. The necessary bail not being forthcoming, the prisoners were removed in custody.

LATE ADVERTISEMENTS.

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Meetings of Creditors attended and the proceedings reported.
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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

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The Accountant.

OCTOBER 30, 1875.

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one aspect, is that of the issue of circular notes. A traveller, intending to roam from place to place, from Jerusalem to Madagascar, deposits as much money as he will require with his bankers, and receives documents which are readily taken in exchange, which will be cashed by any banker quite as readily as those designated, and which are valueless to any one without his properly authenticated signature. An ordinary cheque would only be cashed after a tedious delay, and possibly at a considerable discount, as its value depends upon two elements, the identity of the drawer, and the amount of his balance.

The value of an extension of the plan would be very great. There are many occasions on which persons who object to carrying about large sums of money would find it useful to have these cheques, which would form a complete answer to those doubts as to solvency which even the most courteous of tradesmen at times insinuate. The guaranteed cheques would become of almost universal acceptance. They might be issued in blank, limited, like the Cheque Bank cheques, to certain amounts, and left with clerks or servants ready to be filled up to meet any sudden claim. The banks would gain by knowing, when a cheque was once presented, that any difference between the amounts for which it might, or for which it had been filled up, would remain in their hands for some time, and, in fact, the principle of guaranteed cheques would be most useful, when treated as an adjunct to the business of an established bank.

The weakness of the Cheque Bank system lay in the efforts of its promoters to extend the blessing of a banking account too far. As a substitute for post-office orders their cheques were useful to persons who had to transmit sums which those who kept a banking account would naturally pay by crossed cheque. But, as a means of making ordinary remittances, their superior cheapness was counterbalanced by the simplicity by which a post-office order was cashed. A post-office order is readily convertible into the due quotient of pounds, shillings, and pence, by application at the proper office, or it may be carried about till the money is wanted. A Cheque Bank cheque was only useful when some one could be found to cash it, and it may be questioned whether in practice a stranger would not have to pay a premium for such accommodation far exceeding the commission paid for a money order.

As a means of paying small debts and wages, the Cheque Bank cheques must necessarily prove failures. To give a workman a document which he can only get cashed by a friend who has a banking account, is a palpable absurdity on its face. It was these defects that have led to the collapse. The directors, in a somewhat lachrymose statement, attribute their failure to the want of sympathy of the public, who persisted in passing away the cheques as soon as they got them. It was fondly anticipated that these cheques would pass from hand to hand like bank notes, and, by remaining as currency for some time, enable the bank to make a nice profit out of the interest accruing on their deposits. As a matter of fact, the persons who dealt with the bank were, as it must have been foreseen they would be, persons of small incomes, who could not keep a regular banking account, and hence belonging to the very class who would be the most anxious to change notes for cash. If the Cheque Bank determine to continue their operations, we would recommend them to organise some plan by which their cheques might be conveniently changed into cash. But we very much doubt if an institution which depends for its customers solely upon the poorer classes, can ever do much, unless it offers some attraction to those who keep balances with it. And now one or two enterprising banks have taken up the idea, and by the aid of multifarious country branches are working it with good prospect of success in conjunction with their ordinary business. If they fail, no one else can well expect to succeed; if they prosper, we fear the originator of the Cheque Bank must be content with the fame of having pointed out the road for others to travel.

The great evil of the present system is, the enormous costs incident to the realisation of estates under the supervision of the court. A case in a recent issue of a legal contemporary affords but one of many illustrations which daily occur of the cumbrous and expensive routine to be undergone in the solution of what ought to be a very simple question. It appears from the report of the case which was heard by Judge Daniel in the Bradford County Court, that in April last a trader, being apprehensive of failure and desirous of emulating the example of the unjust steward mentioned in Scripture, thought to make friends of some of his creditors by returning goods he had bought from them, and he accordingly, on the 24th of April, returned to one creditor sixteen sheets of mungo which had cost

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£185. On the 1st of May the debtor filed his petition for liquidation, and in ordinary course trustees were chosen. They, on the 8th June, moved the court for the return of the mungo, or its value. The question was argued at length, and the judge, not wishing to enforce his own views too strongly, they being in favour of the trustees, offered the respondent an issue to be tried by a jury, which, of course, he accepted. On the 22nd of June the case came before a jury, who found for the trustees. On the 6th of July the trustees moved for an order on the motion, in accordance with the finding of the jury; but it was opposed by the respondent, on the ground that he intended to apply for a new trial. The Judge adjourned the motion in order that the respondent might have an opportunity to move the court for a new trial, and on the 20th July the matter was argued at length, but the Judge refused the application, and remitted the case to the Registrar, to ascertain the precise value of the goods in dispute at a particular time. Now, without anticipating an appeal, which is more than probable, seeing the litigiousness already displayed, we should like to know how much of this precious mungo will reach the hands of the trustees?

It is true, the costs follow the result of the decision; but what if the case goes up on appeal, and is reversed? The much maligned trustee has to stand the brunt of such a contingency, and in the event of non-success is denounced for wasting the estate in litigation, and often left personally liable for costs. Why, we would ask, should there be such an exhaustive course of procedure in the court below, as in the case cited, so long as any decision arrived at is not conclusive? The decision of the County Court is not regarded as an authority, and in reality is of little value, except as a medium of obtaining the judgment of the Court of Appeal. Instead of taking such pains to ventilate their views upon nice points of law as is observable in the case cited, it would tend materially to economise time and minimise expense if the County Court Judges limited their functions to a more summary disposal of the cases upon which they have to adjudicate.

There are many theorists who place superstitious reliance on a name. It has been imagined that to give a child the name of a hero will make it bold and self-reliant; while pious mothers have been known to name their children after archbishops, with a view to their ulterior promotion in the Church. But Mr. Thornber, who started in business under the imposing title of "Dombey and Son," can hardly have sufficiently considered the consequences of attaching to himself the name of that eminent firm. We will not do him the unkindness of imagining that his notion was a mere vulgar desire to attract notoriety, in much the same way as enterprising tradesmen seek to draw custom by gaudy placards and lavish expenditure of gas; but we will give Mr. Thornber credit for having sought to emulate the fame of the eminent, but unpleasant merchant prince whose name he adopted, and to pay a graceful compliment to the great historian of his doings. But the bad fortune which overtook his prototype befell Mr. Thornber, and the firm of Dombey and Son figures for the second time among the dismal list of commercial failures. Not only that, but still further disaster ensued. Mr. Thornber, with true magnanimity, filed his petition in his own name; but the Registrar considered that in trading under so well-known a name, he might have incurred liabilities to persons who would not recognise their debtor under his own proper designation, and refused to register the resolutions. It is only fair to Mr. Thornber to add that his estate has yielded a much better dividend than Mr. Dombey's, and that he will soon be able to start again. It might, however, be as well for him to choose the name of some successful merchant; and possibly, if he traded under the name of "Gills and Cuttle," he might find some of his old investments turn out wonderfully.

We direct attention to an extract from a Liverpool paper, which we quoted a fortnight since, headed "Informality in liquidation proceedings." It appears that on a resolution of the creditors of a debtor being submitted for registration, it was found that so many of the proofs and proxies were informal that it was impossible to proceed. As regards the inadvertent striking out of a proxy by the Commissioner before whom the proof was sworn, the Judge was undoubtedly right in holding that the debtor must not be made to suffer for the carelessness of an official; but the number of invalid proxies is a suggestive commentary on the many assertions that have been made that any body can be a trustee. As a matter of fact, it is curious to notice what difficulty the average Englishman finds in filling up a form. However plain the

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directions may be upon a paper, there will always be a large percentage of mistakes. The intelligent men are seldom embarrassed; the dull ones can seldom understand any explanation. But it is all the more necessary that proofs and proxies should be rigidly scrutinised before they are actually used, and the trustee should look to their formality, so as to obviate the expense necessarily consequent upon a refusal to register. What would have been the result if one of these intelligent creditors had been chosen trustee we fail to imagine.

A Model Friendly Society.—Mr. W. Cole, the first enrolled benefit member of the Calne District Friendly Society, writes:—" The Calne District Friendly Society was established in the year 1835, and completed the 40th year of its existence on the 30th of April last. The formation of this valuable society was largely due to the efforts of the late Earl of Kerry, the eldest son of the third Marquis of Lansdowne, and uncle of the present marquis, in conjunction with the late Canon Guthrie, his Lordship's former preceptor, and then the newly-appointed vicar of Calne. In order to ascertain whether the then existing clubs in the town and neighbourhood could be remodelled, so as to make them in reality what they professed to be, his Lordship obtained from several of them a statement of the ages of their members, with an account of their financial condition, and had it submitted to a competent actuary. The reply his Lordship received was,—' They are hopelessly insolvent, and it would be useless to attempt to help them.' After carefully calculated tables of rates of payments, with such other information as was thought necessary, had been procured, the society was formed, his Lordship accepting the office of President. This society does not have recourse to feasting, drinking, music, or any other kind of display. As stated by the late Canon Guthrie, at the last annual meeting he attended shortly before his death,—' its appeals were to the sense and not to the nonsense of men, and those appeals were found to succeed.' The late Mr. John Tidd-Pratt was present at two of its annual meetings a few years before his death, and after having examined its tables of payments with the books, and showing the manner in which its operations were carried on, congratulated the members on the position their society had attained, and pronounced it a ' model society —a society not to be surpassed.' At the end of last April the number of members was 360, 85 of whom assure for annuities commencing when their sick pay ceases, either at the age of 60 or 65. The society has received since its commencement:— Benefit members' contributions, £5,749 3s. 10d.; paid for sickness and other claims as they became due, £3,812 6s. 3d.; April, 1875, accumulated capital invested, £4,948 16s. 10½d.; having realised from money invested, the whole of which arose from the contributions of benefit members, £3,011 19s. 3½d. Within the last ten years £1,000, half of two declared surpluses, has been distributed among the members by increasing the weekly amount of their annuities and in lessening all contributions. Another sum equal to that amount, which is less than half of the recently declared surplus, is now awaiting distribution. The progress and present position of the Calne District Friendly Society clearly demonstrates the soundness and value of the principle of mutual assurance on which friendly societies are founded, and shows that, when rightly carried out, without display and unnecessary expense, it is of the highest value to those engaged in labour, not only by affording them an opportunity for making a provision for times of sickness and the infirmities of age, but also by creating and fostering habits of economy, forethought, and self-reliance."

COURT OF BANKRUPTCY.

October 22.

(*Before the Hon.* W. C. Spring-Rice.)

Re Nathaniel Victor Rix.—The debtor was described as of Royal Exchange-buildings, Shadwell, and Rochester, iron merchant. He had presented his petition for liquidation, estimating his liabilities at £55,000, and his assets, consisting of stock, &c. at £5,000, besides book debts.—His Honour, upon application for that purpose, appointed Mr. F. Cape, public accountant, receiver of the estate.

October 23.

(*Before* Mr. Registrar Brougham, *sitting as Chief Judge.*)

In re Neroutsos. — The debtor, George Demetrius Neroutsos, a merchant, carrying on business at 7 East India-avenue, Leadenhall-street, and 10 Dickinson-street, Manchester, has presented a petition for liquidation. The liabilities are returned at £25,000, including liabilities alleged to exist on account of certain goods intended to be consigned to the debtor and others, and which never, in fact, arrived, with assets of uncertain value. Mr. R. Griffiths, for the petitioner, and with the concurrence of creditors, now mentioned the case to the court, and asked that Mr. Halliday, accountant, Manchester, should be appointed receiver and manager of the estate. His Honour granted the application.

October 27.

(*Before Mr. Registrar* Brougham, *sitting as Chief Judge.*)

In re Upton and Hussey.—Messrs. George Evans Upton and Thomas Alfred Hussey, jewellers and silversmiths, of St. James-street, have filed a petition for liquidation, with debts amounting to £28,000, and assets, consisting of stock-in-trade valued at £11,000, and book debts about £8,000. At the instance of creditors, Mr. Richard Webb, jeweller, Oxford-street, was appointed receiver, and Mr. Lewis, on his behalf, now asked that an interim injunction should be granted to restrain actions by creditors. His Honour granted the application.

(*Before the Hon.* W. C. Spring-Rice.)

In re J. J. De Lizardi.—The bankrupt, Joseph Javier de Lizardi, formerly carried on business at 124 Cannon-street, as a merchant. The failure occurred in 1873, when the bankrupt absconded in consequence of a criminal charge being preferred against him. The case was now brought before the Court upon an application by Mr. John White, silk mercer, of Regent-street, as the representative of the bankrupt's separate creditors, for an order declaring that the sum of £5,103 in the hands of Mr. William Turquand, the trustee, and being a portion of the assets collected by him, was the separate estate of the bankrupt, and divisible as such. Mr. Winslow, Q.C., and Mr. Finlay Knight appeared for the applicant; Mr. Stiffe Everitt, and Mr. Henderson for creditors who opposed; and Mr. J. Linklater for the trustee. The question in dispute between the parties seemed to be whether the bankrupt, at the date of his adjudication, was in partnership with his brother, M. Miguel de Lizardi. It appeared that on the 1st July, 1862, a circular was addressed by the bankrupt to certain firms in London stating that M. Miguel de Lizardi had entered as a partner in the firm, and the trustee had caused diligent search to be made among the bankrupt's papers, but he had found no document revoking or cancelling the notice, or referring to a dissolution of the partnership. The trustee had realised the assets of the estate, and a sum of £23,508 was now in his hands, of which £5,103 was the produce of the bankrupt's furniture and effects; and if the Court declared that a partnership existed at the date of the adjudication, the latter amount would be distributed among the separate creditors. The case was only part heard at the rising of the Court.

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THE EUROPEAN ASSURANCE ARBITRATION.

On Tuesday, the Arbitrator, Mr. F. S. Reilly, held a sitting in this matter, and delivered judgment in several cases, the following being amongst them:—

NASH, MIDDLEMIST, AND MURIEL'S CASE.—This case arises out of an application made by the liquidators of the English Widows' Fund and General Life Assurance Association for a call, and was opposed by the respondents, who are contributories. It appeared that in 1860 this association was amalgamated with the British Nation Life Assurance Company. In 1862, however, the former was ordered by the Court of Chancery to be wound-up, and a list of contributories was settled. In 1865 the British Nation Life was united with the European Society, and all three companies are now included in the liquidation of the arbitration. The liquidators of the English Widows' Fund applied by summons that two calls—one of £4 and £7 per share respectively—credit being given for any money paid or credited in respect thereof, might be made on the contributories. This it was proposed to carry out under two classes, A and B—Class A, consisting of holders of English Widows' Fund Shares; and Class B, consisting of holders of English Widows' Fund Shares issued (on the union in 1858 with the Commercial Life Assurance Company) to shareholders in the Commercial. Class B included these three gentlemen. His Honour, in giving judgment, said the first question is, whether any call should be made on contributories in the English Widows' Fund, and I am of opinion that a call is necessary. The liquidators' affidavit states the liabilities of the English Widows' Fund under four heads——1. The balance of the late official manager's remuneration, £150 5s., claimed as remaining due to him under the proceedings in Chancery. 2. The balance of interest on debts admitted in Chancery, £492 9s. 10d. 3. The annuity contracts as valued for proof in the arbitration, £4,352 12s. 3d, being 28 in number, which have all been admitted to rank against the English Widows' Fund. His Honour's opinion was that there was no valid objection raised to the call in respect of the outstanding annuity contracts of the English Widows' Fund. 4. The liquidator's estimated amount of costs in the arbitration £1,000. Such a liability necessarily exists, and the estimate is a very low one. I think no sufficient reason has been shown why the call should not be made against the respondents. It had been contended that their being on the list was not conclusive as regards their liability to the call, and that a formal application to remove them was not necessary; but they were settled the 16th April, 1863, and have ever since submitted to be treated as contributories, and time and acquiescence would be against their application to be removed from the list. The ground on which they claim exemption from call was, that they no longer were, after selling their shares in the English Widows' Fund to the British Nation, in 1861, and receiving payment for the same, any longer shareholders. But they never sold out absolutely, as the agreement between the companies stipulated that shareholders in the English Widows' Fund should have alloted to them shares in the British Nation equivalent to those held by them in the English Widows', or a cash equivalent, and the respondents received half in shares and half in cash. They say, however, that after the lapse of a year, in 1861, the British Nation agreed and did purchase from them the surrender of the shares so held by them in the English Widows' Fund, as to one-half thereof at their full value, and the other half at two-thirds of the value, and the British Nation paid them the amount by instalments. I am of opinion that the transactions for the sale and so-called surrender of their shares was ineffectual to relieve the respondents of their liability in the English Widows' Fund. Even the agreement between the two companies does not provide for the release of the English Widows' Fund by means of a substitution of the British Nation shares; therefore, notwithstanding the alleged surrender or abandonment by the respondents of the shares, I am bound to hold that they are still affected with all the liabilities of being the holders of the shares. It appears to me that the transaction between the respondents and the British Nation was a mere incident to the general arrangement between the English Widows' and the British Nation; and that that arrangement was not intended to be, and was not such as to destroy the rights of existing creditors of the English Widows' Fund, or to put an end to the liabilities of the shareholders of that company. The call must be enforced on the contributories of the English Widows' Fund, including the three respondents, and the latter must pay the liquidator's costs in this case.

TAYLOR'S EXECUTORS' CASE.—This case relates to the list of contributories in the European Assurance Society, and is rather interesting. In 1862 Ann Bowden, spinster, married Charles Taylor, she being the registered holder of 200 shares. No settlement was made under the marriage. In 1864 her husband died. In 1872 the European was ordered to be wound-up, and Mrs. Ann Taylor was settled on the list of contributories in Chancery in respect of 200 shares as "Ann Taylor, widow." The liquidators by summons now sought to amend the register by inserting the name of Charles Taylor with hers, so that they might both be jointly settled on the list. The matter was argued immediately before the long vacation. His Honour, in giving judgment, said:—I think I cannot make the order as required by the summons. Section 78 of the Companies' Act provides, in effect, that a man marrying a woman who is a shareholder is liable to be made a contributory during the marriage, but no longer. The husband, as such, is only to be a contributory while he is a husband. Judgment must be recovered against him during the marriage, otherwise the liability cannot be sustained against him in his marital character. If the marriage ceases by the death of the husband the liability does not attach to his estate, but becomes again that of the wife's alone. His Honour cited several cases bearing out this interpretation of the law, and continued—Under section 78 of the Companies' Act, 1862, the liability of Charles Taylor, as husband of Ann Bowden, was a mere transitory one, which ceased on his death, and therefore the woman alone ought to be placed on the list of contributories, and the husband's executors ought not to be added to the list. The application of the liquidators must be dismissed, and they must pay the costs of the executors.

LAKE'S CLAIM.—This is a claim against the British Nation Fire Insurance Company, Limited, which was formed in 1863, and a resolution passed appointing Henry Lake, manager, without salary, but with emoluments of two per cent. on the gross premium income of the company. In 1865 the company was amalgamated with the European, the latter agreeing to take all the former's assets and discharge its liabilities. In 1872 the European went into liquidation. Mr. Lake has since been adjudicated bankrupt, and the trustees under his bankruptcy have taken out a summons claiming a sum of £350, as due to him for services rendered to the British Nation Fire Company in liquidating the affairs of that company from 18[illegible] to 1872.—His Honour said the summons must be disallowed on the ground of no sufficient agreement between the British Nation and Mr. Lake for his receiving the remuneration. The facts did not support his right to any remuneration in respect to those services, inasmuch as his duties with the British Nation Fire Company had become united with his functions as general manager of the European Society, and in the latter capacity he received a sum varying from £3,000 to £4,000 a year, being £500 a year as salary, and one per cent. on the gross life guaranteed premium income of the company. The claim was therefore disallowed, and the trustees ordered to pay the liquidator's costs.

THE MUNSTER BANK.—The following is an important representative case, and the decision affects about £20,000 paid away by the European Society after the presentation of the petition to wind-up. The case relates to a death claim against that society, the amount of which was paid by the directors after the presentation of the petition. Mr. W. J. Murray held a life policy, originally issued by the Commercial Life

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Assurance Company in 1870. The life fell in, and the solicitor to the bank which held it as a security requested to be supplied with the necessary forms to prove the claim. On the 3rd of February, 1871, the office admitted the claim, subject to a debt for premiums and proof of title. Correspondence thereupon ensued, which ended in the bank threatening legal proceedings if the claim was not forthwith settled. On the 9th of May Mr. Murray executed a formal assignment of the policy to the Munster Bank, and on the 6th of June an action was commenced by the bank against the European in the Court of Common Pleas in Dublin. The office, however, requiring further documents to support the claim, caused a delay in the negociation. The action was subsequently dropped on receiving payment of the amount of the claim. On the 3rd of July, 1871, a cheque was sent to the bank. On the 10th of June of that year, a petition was presented for winding-up the society, on which an order was thereafter made. It was duly advertised in the *Gazette*, the *Times*, the *Standard*, &c. on the 14th of June. The liquidators have now made application by summons against the bank for the repayment to them of the amount received by the bank on the 3rd of July, 1871, and the matter was fully argued before the long vacation, and duly reported —His Honour remarked that, in his opinion, the bank had not shown any sufficient reason why the order should not be made. The bank had pleaded want of knowledge of the presentation of the petition; that plea had, no doubt, been established. Even their solicitor, Mr. Hollams, had attested that he went to the European Society's offices, and had not been informed of the presentation. The liquidator's case had declared otherwise; the allegation, therefore, that there was knowledge of the pendency of the petition must fail. His Honour carefully reviewed the law bearing upon the matter, and remarked that he should, as at present advised, adopt the rule of treating as void all payments made after the petition had been advertised, in accordance with the rule of the Court of Chancery. However hard it might be, which he much regretted, yet it must apply to all cases in the arbitration. The question of costs was arranged.

There were several other cases in the list on which his Honour gave judgment devolving upon this one, and the counsel engaged in them were Mr. Napier Higgins, Q.C., Mr. Jackson, Q.C., M.P., Mr. A. G. Martin, Q.C., M.P., Mr. Romer, Mr. Bush, Mr. Bevir, Mr. F. C. J. Millar, Mr. Renshaw, Mr. William Beard, and Mr. Methold.

October 27.

Rivington's, Sullivan's and Thompson's and Doman's Cases.—The greater part of the day was occupied with the arguments of counsel in Rivington's, Sulllivan's and Thompson's, and Doman's cases, arising out of the British Commercial, European, and Industrial and General Companies. In these several cases decisions have been given by Lord Westbury and Lord Romilly, and the liquidators contend that for properly carrying on the administrative work of the arbitration it is absolutely necessary that a certificate for appeal to a higher tribunal should be now granted, in order, as they say, that the conflicting decisions of the two first named arbitrators may be properly set right.—Mr. Napier Higgins, Q.C. (with him Mr. Romer), appeared for the liquidators; Mr. Jackson, Q,C., Mr. Millar and Mr. Methold represented the several parties involved.—Mr. Higgins submitted that there had been a difference between previous decisions on matters of principle relating to cases of novation, and also on cases relating to liability of contributories, a difference, not merely as between one arbitrator and the other, but as between decisions of the same arbitrator; and, moreover, not only one arbitrator, but both—that is, each differing from the other, and each differing from himself. The learned counsel then proceeded to point out the judgments of Lords Westbury and Romilly in the above cases, for the purpose of showing that they had clearly contradicted each other; and that, in fact, the one had given later decisions exactly contrary to former ones, showing thereby that the principles on which they delivered their decisions differed in very material particulars from the principles involved, recognised, and established in several cases under consideration.—Mr. Jackson, Mr. Millar and Mr. Methold respectively addressed the court, urging that the decisions already given were final, and could not be disturbed.—His Honour reserved judgment.

Great Western Railway Case.—Under section 10 of the European Assurance Society's Act, 1859, it was provided that any public functionary or any person employed in any public office required to give security in respect of such office or employment may accept, instead of the security so required, the guarantee or security of the society, to be given by their bond or policy. Section 16 defines the meaning of "public functionary" contemplated by Section 10 as "all municipal and other corporations and all persons acting under acts of parliament, charters or deeds of settlement." A reserved fund, amounting to about £34,000, was created and invested in the Three per Cent. Stock, and that money is now in the hands of the liquidators of the society. The Great Western Railway is a corporation with perpetual succession, and a common seal, duly incorporated under act of parliament. One of the rules of the company was to take security from their officers for their faithful services. In February, 1864, they took out a policy guaranteeing the fidelity of one of their servants, and they further effected several policies for like purposes in respect of other *employés*, and duly paid the premiums. While the policies were in full force each of the persons insured under them committed breaches of trust, under the terms of the policies, amounting in the whole to £153 13s., which sum the company have claimed to be paid from the reserve fund, contending that the policies are of the nature and kind provided by the act of 1859.—The official liquidators, however, urge that the Great Western Railway is not a corporation or body within the meaning of the 16th section of the act of 1859, and that the several persons assured under the policies were not persons appointed to any office or employment within the meaning of the 10th section of the act, and therefore the railway are not entitled to rank as creditors in respect of such policies against the reserved fund but only to prove against the general estate of the society applicable to guarantee purposes.—Mr. Napier Higgins, Q C., and Mr. Romer, for the liquidators; Mr. Medd for the railway.—After hearing arguments on both sides, his Honour said he thought it was a case in which the policies should rank against the reserved fund. All that was necessary on the part of the railway directors was to show they were public functionaries acting under an act of parliament, and that the persons serving under them were appointed to an office or employment established by acts of parliament, and that those persons were by virtue of that act, required to give securities of fidelity in respect of such office or employment. Looking to the facts of the case, he thought they fully came up to all the requisitions in the act of 1859. At first sight it might be thought that the term "act of parliament" in section 16 might properly be limited to acts of a public character, but there he thought the expression "acts of parliament" might be fairly construed by the neighbouring words "charters or deeds of settlement." He might say, therefore, that the act pointed to a public company working under an act of parliament, just as it pointed to a company acting under a "charter or deed of settlement." The claim of the Great Western Railway Company must be allowed against the reserved fund, the costs of both sides to be borne out of the same fund. This decision is very important, as there are several claimants anxiously watching the result in this case in order to lodge their claims on the same fund.

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CENTRAL CRIMINAL COURT.

October 27.

(*Before the Right Hon. the* Recorder.)

Charles Mavrocordato, aged 40, a Greek merchant, who on Tuesday pleaded guilty to a charge of obtaining bonds valued at £7,500 by false pretences, was brought up for judgment before the Recorder. There was a second charge against the prisoner, that of attempting to quit the country with property to the value of upwards of £20 within four months of the presentation of a bankruptcy petition, and to this count he pleaded "Not Guilty." Mr. Poland and Mr. F. H. Lewis appeared for the prosecution; Mr. Straight and Mr. Sims were retained for the defence. Mr. Lewis said the prisoner was a member of the Baltic, and carried on business in Bishopsgate-street. Undoubtedly he had been speculating for some time, and had been a considerable loser by his transactions. On the 29th of September he was indebted for differences to the amount of £1,000, and he gave notice to the different stockbrokers that he required the stock for which he had entered into contracts. He gave cheques on the Imperial Bank to the extent of between £9,000 and £10,000, where his balance amounted only to about £100. He did not mean to say that the departure of the prisoner was premeditated; it might have been an act of momentary impulse, but it must be remembered that he was apprehended at Waterloo station, having taken his ticket for Havre. Mr. Straight said that after reading the depositions he felt it would be useless to attempt to fight against the evidence, and to waste the time of the Court. The prisoner came to England seven or eight years ago from Greece, where he was in a good position, and brought with him a very considerable sum of money to carry on the business of a merchant. He became a member of the Baltic, and carried on his legitimate business for some time; but he soon became a follower of the example of others, and embarked in speculations whereby his capital soon became impaired. The prisoner had endeavoured to obtain loans to meet his engagements, but the percentage he was asked for advances was more than he could afford to pay. He became suddenly awakened to his position, and, instead of facing his difficulties, he foolishly and wickedly formed the idea of going abroad, but he intended to restore the stock. One thing he asked his Lordship to remember, was that each of the stock certificates bore a number, and the payment of each could have been easily stopped. He would further remind the Court that if the prisoner had intended to leave the country he might, from his position, have obtained stock to a very much larger amount. He appealed also for mercy on the ground that the prisoner had a wife and seven children. The Recorder thought the position of the prisoner rather an aggravation of the crime than a foundation for an appeal for leniency. Looking to the nature of the things in connexion with the case, the circumstances under which the frauds were committed, and the consequences which might have arisen, the Court did not think justice would be met unless he passed a sentence of five years' penal servitude.

Leon Skalski, 58, dealer, was charged with obtaining from Mr. R. Cadenhead orders for the delivery of goods of the value of £180. Mr. Straight prosecuted; Mr. Grain defended. The accused had transactions with the prosecutor, a woollen merchant, on several occasions, and it was alleged that he gave orders for goods to the above amount, stating that he had sufficient funds in the bank to meet the bills he gave in payment for them. When the bills were presented there was no money to meet them, his balance amounting only to 7s. 6d. The total amount of bills not met was £600. He was sentenced to 18 months' imprisonment, with hard labour.

THE KEOKUK AND KANSAS CITY RAILWAY.

The advertisement of the Keokuk and Kansas City Railway Company, which will be found elsewhere, presents some new features and novel characteristics of negotiation; but it is evident from a careful reading of the Prospectus and the Engineer's Report that the promoters of this enterprise, and the Bank which is authorised to receive subscriptions, have not ventured to place the loan on the market without subjecting the enterprise in every detail to the most crucial tests which practical experience could suggest. It may be noticed, in the first place, that efforts are made to popularise the loan by having the bonds, if required, of a much lower denomination than has been generally supposed to be advisable. An appeal is thus made to all, not to one peculiar class of the community. It may be that the subscribers to bonds of £5 will be few; but an opportunity is now offered to the mechanic or artisan to invest his mite on as favourable terms as he who can draw his cheque for thousands. Eight per cent. annually on the price of issue, especially if the security is proved to be good, should not be disregarded in these times, when every thing indicates that there is a plethora of unemployed capital both here and throughout Europe, as well as in the chief financial centres of the United States; and when ordinary common sense dictates more judicious investment than in Turkish, Spanish, and South American loans. Again, the terms of payment, extending altogether over eight months, seem specially framed to meet the views if not the purses of small investors, while ample assurance is given that the money thus subscribed will only be applied to the purposes contemplated, when and as it is required, by the provision that no disbursement of money subscribed shall be made except on a certificate, signed by an engineer appointed by the bondholders, that five consecutive miles of railroad are completed and in running order for trains, and so from time to time as every consecutive five miles of new railroads are completed. A novel and decidedly commendable feature of the prospectus is, that the management of the property will be vested in those who subscribe the money for carrying on and completing the undertaking. Heretofore, when money has been subscribed for any foreign enterprise, the investors have been left in blissful ignorance of how the property was managed, or the money applied; more especially has this been the case with the Erie securities, and those of other railroads too numerous to mention, whose holders would now congratulate themselves if the same vigilance had been exercised in their cases as in that which is now brought before the public. There will be an English trustee to guard the interests of the bondholders, said trustee to be appointed by the subscribers at a meeting to be held after allotment. It has also been agreed that the railway company shall use its best endeavours to procure additional powers conferring on the bondholders a right to vote equally with the shareholders at all meetings, but in the interim the subscribers to this loan have, by special agreement, the right to nominate and elect three English directors. A direct voice in the management is thus obtained, and it may be appropriately noted that, while the original charter of the company now advertising for a loan may be interpreted as investing them with the necessary powers to confer such extraordinary privileges on bondholders, still it has been deemed advisable to procure additional legislation, with the view of making such voting power unalienable and incontrovertible during the continuance of the trust. Special attention is also directed to the scheme for enabling holders of bonds of lower denominations than £100 to participate in the 20 per cent. bonus of ordinary full-paid share capital of the company, which will be allotted after the payment of the

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final instalment and the issue of the definitive bonds, so that each holder of a £5 bond has a chance of drawing a 100 dollar share of the ordinary stock, which it is calculated will itself be within three or four years a 4 per cent. dividend paying stock. There is an evidence in every line of *bona fides* on the part both of the railway company issuing the loan, and of the Bank which invites subscriptions to the loan, and the commendable scrutiny which has preceded the advertisement of this investment should elicit from investors a corresponding endorsement and approval.

THE NEW CIVIL SERVICE CO-OPERATION.

We have been asked to give publicity to the following letters, which have appeared in the *Times* :—

"City, Oct. 26.

"Sir,—Your notice on Friday last of the report just issued by the Civil Service Supply Association (Limited), encourages me to hope that you will permit me to draw attention to the very extraordinary principles upon which one of the competitors of that institution has been founded. I refer to the New Civil Service Co-operation (Limited), in which undertaking privileges and emoluments are given by the articles of association to promoters, and to consulting, managing, and ordinary directors, such as almost, if not entirely, subvert the true principle of co-operation, which is essentially mutual in the benefits it confers. This undertaking has already done an extensive business, and is clearly a success as far as patronage is concerned, but I venture to say that it is not less one-sided in its constitution than would be any private establishment conducted on a sound basis. For example, the promoters of the company have appointed their leading man, Mr. W. W. Bentley, and a Mr. B. H. Evans, as consulting and managing directors respectively, the first to be remunerated by a commission of 10s. per cent. on the annual gross returns of the company, and the second by a similar commission on the annual gross returns in excess of £50,000, both to be paid in fully paid-up ordinary shares. Mr. Evans is secured in his position for 14 years, and Mr. Bentley is practically secure for a much longer period. Mr. Evans is also to receive a salary as managing director of £600 for the first year, £750 for the second, and £1,000 per annum afterwards. All these payments are to be made over and beyond their remuneration as directors. Besides these comfortable arrangements, the promoters have received £500 in fully paid-up ordinary shares, and are 'retained for placing from time to time all shares forming the capital of the Company,' at a commission which, with the above £500, has already given them £2,375 in fully paid-up ordinary shares. The directors have also been apportioned 50 fully paid-up ordinary shares for 'special services.' And all these fully paid-up ordinary shares, so lavishly given away, carry a 10 per cent. accumulative dividend, and are to be ultimately redeemed at 10 per cent premium.

"Seeing that some of the members of the Civil Service Supply Association now propose that the remuneration of their directors be reduced from £1,050, notwithstanding that the annual gross returns of that institution attain to nearly one million sterling, the directors of the New Civil Service Co-operation must not be surprised if some objection should be raised at the forthcoming meeting of the members to arrangements which, under a similar extent of business, would give the managing, consulting and ordinary directors something like £12,750 a year.

"Another reason why I crave your aid in drawing attention to this company is, that although it is mostly composed of *employés* in banks and other business establishments, the directors have called this meeting for Saturday next, at 11 o'clock, a day and hour obviously most inconvenient to the bulk of the members. Besides this, it is stated that the press will not be permitted to attend. I may add, that the meeting of the Civil Service Supply Association is called for Friday evening next, and that the press will be admitted.

"I am, Sir, your obedient servant,

"A MEMBER OF THE CO-OPERATION."

"5 and 6 Bucklersbury, E.C., Oct. 27.

"Sir,—Will you allow me to state, in reply to your correspondent, 'A Member of the Co-operation,' that the commission provided for me by the articles, as projector of the company and consulting director, of 10s. per cent. on the gross annual returns, is by subsequent registered agreement reduced so as to be calculated only on their excess over £50,000 a year. Its amount for the first year has proved below £100. This part of the statement being of a personal character, you will, I trust, allow me space for immediate reply. The other portion can await the meeting. I may add, however, that your correspondent is in error as to any intention to exclude the press. Your reporter received in my presence a few days ago a balance sheet and invitation to attend.

"Yours faithfully, "W. W. BENTLEY."

The Bankruptcy Court.—A correspondent of a contemporary says :—"The general public may not be aware that the offices of the London Court of Bankruptcy will in a few days be removed from Basinghall-street to Lincoln's-inn-fields, and that henceforth the whole of the administrative business in bankruptcy will be carried on at the latter place. As at least three-fourths of this business is transacted by solicitors whose offices are within a radius of half a mile of the Court in Basinghall-street, this removal will be a great inconvenience to the principal practitioners, but, as it is now beyond recall, it is useless remonstrating about it. There is, however, one matter to which the attention of the authorities should be called, and that is the absolute necessity for the retention at some place in the City of the 'officer appointed to administer oaths.' No fee is payable to this officer for swearing affidavits, and it is of importance to merchants and others in the City that they should not be deprived of this right. Should they be, they will have to incur the expense of paying a commissioner for swearing them, as, of course, they could not go to Lincoln's-inn; and it need hardly be said that in many bankruptcy matters it is desirable to avoid every possible expense. It is to be hoped that the authorities will not deprive the City people of the facility they have hitherto enjoyed."

A Bankrupt's Effects.—Sir Simeon Stuart, Bart., of St. James's-square, Bath, came up for final examination at the Bath County Court on Thursday. His inventory of effects caused considerable amusement. It transpired at the last examination that Sir Simeon had obtained a large quantity of jewellery from tradesmen at Bath, Exeter, and Bournemouth, the majority of which he had given to ladies who were not members of his own family. Hosiery and tailors' goods to the amount of £200 had been obtained. The bankrupt had no income whatever, and he said he thought Lady Stuart would have paid the bills if she had had means, although she might have objected when she knew to whom the presents were made. The inventory was as follows :—A railway rug much worn, set of old onyx studs, pencil case, pair of opera glasses, useless because out of order; pair of worn-out gaiters, half a hundred pin cartridges, a gun cleaner, cartridge extractor, a fishing rod, silver watch, three pairs of worsted stockings, and a lantern. The solicitors humorously remarked that the fishing rod was an emblem of how the tradesmen jumped at the bait. The bankrupt was allowed to pass his final examination, but proceedings in a superior court were announced.

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CREDITORS' MEETINGS.

WILLIAM WINN (LIVERPOOL).—A meeting of creditors under the liquidation petition of this debtor, a silk mercer and general draper, was held at the offices of Gibson and Bolland, accountants, on the 21st instant. The statement of accounts disclosed unsecured debts, £7,104 8s. 5d.; preferential claims, £481 7s. 1d.; and assets, £2,179 17s. 4d. A resolution was passed to liquidate the estate by arrangement, and to appoint Mr. Bolland trustee. There being creditors who held security which would be available in case a composition were accepted, no proposal was made on the part of the debtor, it being understood that there would be an offer by him to purchase the estate from the trustee.

MESSRS. LOTTERIS AND CO. (LIVERPOOL).—A meeting of creditors under the failure of this firm, shipbrokers and ship chandlers in Liverpool, was held on the 19th inst. The liabilities were £3,000, and assets £300. Liquidation was determined upon, and Mr. Bolland chosen trustee.

JAMES BLACK (LIVERPOOL).—A meeting of creditors was held at the offices of Gibson and Bolland, under the failure of this debtor, a woollen warehouseman, with liabilities £10,423 10s., and assets £3,653 13s. 1d. A resolution to liquidate by arrangement was passed, and Mr. Bolland chosen trustee, with a committee of inspection. The debtor subsequently purchased his estate from the trustee for 6s. in the pound.

JOHN E. GIBNEY (LIVERPOOL).—On the 23rd instant, a meeting of creditors was held under the liquidation petition of this debtor, a tailor and draper. The debts are £1,018, and assets £450. A resolution to liquidate was passed, and Mr. Bolland chosen trustee.

LEONARD STEPHENSON (LIVERPOOL).—A meeting of the creditors of this debtor, a confectioner, was also held on the 23rd instant. The liabilities are £150, and assets doubtful, being dependent on litigation. Mr. Bolland was chosen trustee to wind-up the estate, and the debtor allowed his discharge.

PHILLIPPS HART AND CO. (LIVERPOOL).—At a meeting of the creditors of John Dennis Phillipps and Hugh Hart, pianoforte and music sellers, of Church-street, Liverpool, held on the 26th instant, at the Westminster Palace Hotel, Westminster, the liabilities were stated at £7,064 15s. 0d., and assets £6,675 11s. 6d. It was resolved to liquidate by arrangement, Mr. Frederick Lucas, of 20 Great Marlborough-street, London, W., accountant, and Mr. John S. Blease, of Liverpool, accountant, being appointed the trustees, together with a committee of inspection, the debtors being allowed their discharge on the trustees' certificate.

FAILURES.

ENGLAND.—A petition for liquidation has been presented to the Court of Bankruptcy by Mr. N. V. Rix, iron merchant and ironmonger, trading as John and Nathaniel Rix, of 4 Royal Exchange-buildings, and High-street, Shadwell. The liabilities amount to about £55,000.—The stoppage is announced of Messrs. Raffael Brothers, produce merchants, whose liabilities amount to about £60,000, while the liquidation depends upon the realisation of assets abroad. The books have been placed in the hands of Messrs. Cape and Harris, accountants.

Owing to pressure of matter, several communications are unavoidably deferred until next week.—ED.

The *Liverpool Courier* states that the late Mr. C. Turner, M.P., was possessed of property of various kinds to the amount of between £600,000 and £700,000, and that he has included among his bequests £50,000 to Mr. Groves, of Liverpool, to be applied to charitable purposes.

ANSWERS TO CORRESPONDENTS.

W. C. H.—We are sorry your query in our number for October 9th has remained so long unanswered. If, by the terms of the lease, the rent is made payable from quarter to quarter in advance, the distraint may be levied as soon as the rent becomes due. The right depends entirely on the wording of the lease, and would undoubtedly be upheld at law.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*

Mr. W. H. Pannell has been appointed trustee of the estate of J. W. Worden and H. Crook, of 28 Jewry-street, Aldgate, in the City of London, importers of foreign goods, and co-partners; also of the separate estate of J. W. Worden. Also receiver of the estate of Alfred E. Schultz, of 21 King's-road, Chelsea, in the county of Middlesex, wine, spirit, and beer merchant.

Mr. John Slater has been appointed receiver of the estate of William C. Steane, of 102 Denmark-street, Camberwell, in the county of Surrey, gentleman.

THE CHARGE AGAINST A LIVERPOOL CASHIER.—Edward John Barry, who is charged with embezzling several thousands of pounds belonging to Messrs. Duncan, Ewing and Co., timber brokers, Liverpool, in whose service he was a cashier and confidential clerk, was brought up on Tuesday at the Liverpool Police-court. The prisoner absconded in March last, and was not heard of until a few weeks ago, when he was apprehended in Jamaica and brought back to this country in charge of Detective Maxwell, of the Liverpool force. At Plymouth, however, he made his escape, but was re-captured at Yeovil, in Somersetshire, on Friday last. The case was not gone into, the prisoner being remanded for a week. Mr. Davies, the prosecuting solicitor, said that a statement had appeared in one of the Liverpool papers to the effect that Barry's recapture was chiefly due to a telegram from him to a lady in Liverpool having been stopped by the Post-office authorities and the contents communicated to the police. He was instructed by the police to give this statement an unqualified denial. It was quite untrue.—The prisoner, addressing the magistrate, Mr. Raffles, said he wished to complain of undue severity on the part of the police, he having been put in irons when being conveyed to Liverpool.—Mr. Raffles declined to hear the complaint, stating, however, that he had better make it at another time.—The court was densely crowded during the hearing of the case.—At the Liverpool Police-court Joseph Maxwell, late a detective in the borough force, was brought up on remand, charged with neglect of duty in permitting Barry to escape from his custody. The court was crowded. It was now stated that the suspicions of corruption and collusion with Barry were unfounded, and that the case against Maxwell was one of negligence only. The magistrate decided to try him under a local act, providing a penalty not exceeding £10, or a month's imprisonment in default, and the evidence was then taken. Judgment was reserved to allow the magistrate time to consider a point of objection which had been taken, as to the applicability of the act in question.—On the following day Maxwell was brought up and fined in the nominal penalty of one shilling. Mr. Raffles said that the prisoner having been already dismissed from the police force, he was unwilling to add to his punishment. At a meeting of the Town Council, Mr. Samuelson drew attention to the case of Detective Maxwell, and expressed his opinion that his dismissal was an act of undue precipitation on the part of the Watch Committee. The deputy chairman, however, said that upon Maxwell's own statement he had been guilty of gross negligence, and the committee had no other course open to them but to dismiss him from the force.

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CONVICTION OF A STOCKBROKER.

At the Central Criminal Court, on Monday, Mr. Edward Bland pleaded "Not Guilty" to an indictment charging him with having unlawfully converted certain valuable securities to his own use. Mr. Poland appeared for the prosecution; Mr. Straight defended the prisoner. It appeared that the prisoner was formerly a stockbroker, carrying on business at 3 Crown-court, Threadneedle-street. Mr. Swyer, the prosecutor, is a chymist in business at 131 Brick-lane, Bethnal-green, and in 1870 he directed the prisoner to purchase for him Peruvian, Turkish, and other bonds of the actual value of £2,313 13s. The purchase was made, but the prosecutor could not obtain possession of the bonds, and, consequently, in July, 1870, he obtained a warrant for the apprehension of the prisoner, who, however, was not taken into custody until the 4th of August in the present year, he having been residing in the mean time on the Continent. When arrested, he said to the detective, "It is all right; you have got a penniless man;" and previously in 1873 he had written letters to the prosecutor containing acknowledgments of his guilt. The jury returned a verdict of *Guilty*. Mr. Straight said that previously to this unfortunate occurrence there had been no imputation on the character of the prisoner, who had speculated with the bonds, fully believing at the time that he would soon be able to replace the securities he had thus appropriated, but this was rendered impossible by the breaking out of war between France and Germany. The prisoner had been recently married, and during the last five years he had been living on the Continent in great poverty and distress. He hoped the court would take this circumstance into consideration, and pass a light sentence. The Recorder said the prisoner had been convicted of an offence of great gravity in a commercial country like this. Under the statute many cases might arise in which he should think it necessary to pass a sentence of penal servitude. The court were justified, however, in taking into consideration the punishment which the prisoner had brought upon himself by his act. He had already had five years of misery, and but for that circumstance the present sentence would have been much more severe. The prisoner would be imprisoned and kept to hard labour for six calendar months.

WINDING-UP.—Petitions have been presented to the Court of Chancery for the winding-up of the Volunteer Co-operative and General Equipment Company, Limited, Grammes Magneto-Electric Company, Limited, and the General Register and Meter Company, Limited. Petitions for the winding-up of the Kent Tramways Company, Limited, East Norfolk Tramway Company, Limited, and E. Fisher and Company, Limited, are to be heard in the Court of Chancery. A petition for the winding-up of the British Imperial Insurance Corporation, Limited, will be heard on the 5th day of November next.

LATE ADVERTISEMENTS.

ACCOUNTANTS may greatly facilitate their office work, and materially increase their profits, by printing liquidation notices, &c., by Zuccato's Papyrograph, which is used by a large number of London and Provincial Accountants, including John L. Lovering and Co.; Gamble and Harvey; Andrews and Mason; Nicholls and Leatherdale; Slater and Pannell; John Bath and Co.; Sydney Smith, and Co.; Ladbury, Collinson, and Viney; Arthur Barron, and Co.; Edmunds, Davis, and Clarke; &c. For 2½d., 500 4to. copies can be taken upon any kind of dry paper, by an office boy in a copying-press at the rate of 10 a minute. For price list and testimonials, apply to WALTER HENRY, Papyrographic Depôt, 409 Strand, W.C.

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NEW PATENT ELASTIC STOCKINGS, KNEE CAPS, &c. for Varicose Veins, and all cases of Weakness and Swelling of the Legs, Sprains, &c. They are porous, light in texture, and inexpensive, and are drawn on like an ordinary stocking. Price from 4s. 6d., 7s, 6d., 10s, to 16s. each. Postage free.

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Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
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Copies of the Report, Balance Sheet and Prospectus can be obtained on application to the Head Office.

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The Lock and Key may thus be easily altered into what would be virtually a New Lock and Key, as often as may be desired, without the aid of a Lockmaker or of any second person, thus frustrating the use of fraudulent copies of the original Key (see the Safe Robbery in Dublin of £630, *vide* "Times," 12th September, 1875). This Lock affords effectual protection from duplicate or "Master" Keys secretly made in manufactories; very extensive robberies (in one case 13 Safes in one vault) having been effected by this means.

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KEOKUK AND KANSAS CITY RAILWAY COMPANY

OF MISSOURI, UNITED STATES OF AMERICA.

FIRST MORTGAGE SINKING FUND BONDS.—Issue of £500,000 sterling = 2,500,000 dols., American Gold, being part of £1,000,000 sterling, or £5,000,000 dols. American Gold, authorised to be issued in accordance with the Charter and resolutions of the Board of Directors.

Bearing interest at the rate of 7 per cent. per annum payable half-yearly, but yielding at the price of issue 8 per cent. annually.

Interest and principal payable in London, at the Co-operative Credit Bank, in sterling, or in New York City (U.S.A.) at the office of the Farmers' Loan and Trust Company, in American Gold, free from all United States or State taxes.

The Bonds are to bearer or registered of various denominations as under, repayable at par A.D. 1905.

DENOMINATIONS OF BONDS.

Class A, 1,000 dols., American Gold	=	£200	0	0	sterling.
Class B, 500 dols., ,,	=	100	0	0	,,
Class C, 250 dols., ,,	=	50	0	0	,,
Class D, 100 dols., ,,	=	20	0	0	,,
Class E, 25 dols., ,,	=	5	0	0	,,

PRICE OF ISSUE PER BOND.

Class A, 875 dols., American Gold	=	£175	0	0	sterling.
Class B, 437 50-100 dols., ,,	=	87	10	0	,,
Class C, 218 75-100 dols., ,,	=	43	15	0	,,
Class D, 87 50-100 dols., ,,	=	17	10	0	,,
Class E, 21 88-100 dols., ,,	=	4	7	6	,,

A BONUS OF 20 PER CENT. IN FULL-PAID ORDINARY SHARES OF THE RAILWAY COMPANY WILL BE ALLOTED TO SUBSCRIBERS AFTER THE FINAL PAYMENT, ON THE ISSUE OF THE DEFINITIVE BONDS.

TRUSTEES UNDER THE MORTGAGE.

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* To be elected by the Bondholders at a meeting to be called for that purpose after Subscription and Allotment.

SOLICITOR.

Charles Henry Edmands, Esq., 33 Poultry, London, E.C.

ENGINEER-IN-CHIEF.

Oswald Younghusband, Esq., M. Inst. C.E.

BANKERS.

The Co-operative Credit Bank, Mansion House Chambers, 11 Queen Victoria-street, London, E.C., and all its branches throughout Great Britain and Ireland.

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The Co-operative Credit Bank is authorised by the Keokuk and Kansas City Railway Company to receive subscriptions for £500,000 sterling, in Bonds of various denominations as above, said £500,000 being the first portion of an authorised issue of £1,000,000 sterling, which is now for the first time offered to the public.

The terms of payment are—

20 per cent. on application.	10 per cent. Feb. 1st, 1876.
10 per cent. on allotment.	10 per cent. March 1st, 1876.
10 per cent. Dec. 1st, 1875.	10 per cent. April 1st, 1876.
10 per cent. Jan. 3rd, 1876.	20 per cent. May 2nd, 1876.

Subscribers will have the option of prepaying in full under discount at the rate of 6 per cent. per annum, either on allotment or on any of the dates when an instalment falls due. The failure to pay duly any instalment will subject all previous payments to forfeiture and cancellation of the allotment.

Scrip certificates will be issued against allotment letters and the Bankers' receipts, and after payment of the final instalment will be exchanged for the Definitive Bonds in due course.

Special attention is drawn to the fact that a *bonus* of 20 per cent. of their holdings, in full-paid ordinary shares of the Keokuk and Kansas City Railway Company, will be alloted to subscribers on the payment of the final instalment and the issue of the Definitive Bonds. It is calculated that this ordinary share capital will, within four years from completion of the road, be earning a dividend of at least 4 per cent. annually. For subscribers to bonds of a lower denomination than £100, it has been arranged that inasmuch as the share capital cannot be subdivided, according to the charter, into a lower denomination than 100 dollars, a new plan shall be carried out to secure for them a similar interest in the 20 per cent. *bonus*. This arrangement is that the balance after allotment, made to the holders of larger bonds, shall be placed in the hands of trustees; against which numbered coupon tickets will be issued in proportion to the amount of the lower bonds, as, for instance, *one* to each holder of a £5 bond, *four* to a holder of a £20 bond, and so forth. Within one month after the final payment on such smaller bonds (*i.e.* those below £100), a drawing will take place in the presence of a notary public, for such a number of 100 dollar shares as will represent the proportion of said bonus of 100 dollars shares to £100 worth of bonds held in sums under the said sum of £100 in which ONE coupon will have a chance of being drawn for a 100 dollar share.

The Bonds now offered will form a first charge on a main line of road 225 miles in length, extending from Keokuk (Iowa) to Kansas city (Missouri), the latter terminus being, as is well-known, the great commercial centre of the South-west. There has been expended already on the property, 1,170,239 dollars, or, in round numbers, £200,000. On the section or division between Salisbury and Kansas city (107 miles in length, exclusive of sidings); fifteen and a half miles between Glasgow and Salisbury are already in operation; and about twenty miles more are so far advanced in respect to the earthworks and bridges that they can be completed ready for the permanent way at a very moderate outlay.

A special provision of the mortgage is that the railway company bind themselves to use their best endeavours to procure at the next session of the legislature of Missouri, such additional powers as will confer on the Bondholders the right to vote at all elections equally with the Shareholders. In the mean time it has been agreed that the Bondholders shall have at once the nomination of three English directors, and thus be guaranteed a direct voice in the management. It will be evident to Bondholders that by securing this voting power the management is practically vested in them, as having in connection with the stock *bonus* above mentioned a majority of votes.

An English Trustee will be appointed to guard the interests of the English Bondholders.

No disbursement of the money subscribed will be made either to the Railway Company or the Contractors, except on the certificate of an engineer appointed by the Bondholders that five consecutive new miles of railway are completed according to specification, and are in running order for trains, and so from time to time as every successive five miles of new railway are completed, the contract being specific, that no payment shall in any case be made except as and when every five miles are completed.

The completed and projected line of the Keokuk and Kansas City Railway has been very carefully examined by Mr Oswald Younghusband, M.Inst.C.E. His report demonstrates that the proceeds of the Bonds will be amply sufficient for the completion and full equipment of the division between Salisbury and Kansas City; that in consequence of its judicious location it can be worked at a very moderate cost; and that through opening up a richly settled agricultural and mineral section of the State of Missouri, the net receipts from the traffic will be amply sufficient, on completion of the road, to pay the interest on the debentures.

Provision has been made by the Railway Company for depositing with Trustees two years' interest in advance on the Bonds, so that there may be no possibility of default during the construction of the road. These Trustees are two in number, and have been appointed conjointly in the interests of the Bank and the Railway Company. Every precaution has been taken to guard against those abuses, which unfortunately have, in some cases, cast discredit on American railroad investments.

The legal documents connected with the Company can be seen at the office of C. H. Edmands, Esq., Solicitor, 33 Poultry, London, E.C.

Copies of the engineer's report and of the mortgage or deed of trust, as settled by J. P. Benjamin, Esq., Q.C., together with prospectuses and forms of application, can be obtained at the Chief Office of the Co-operative Credit Bank, 11 Queen Victoria-street, London, E.C., or at its various branches throughout Great Britain and Ireland.

Subscription Lists will be opened October 30th, at the Co-operative Credit Bank in London, and at its various branches. These Lists will be closed in London November 8th, and in the country November 9th. [*See next page.*

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Applications must be made on the following form, and must in all cases be accompanied by a deposit of 20 per cent., which will be returned without deduction should there be no allotment.

FORM OF APPLICATION.

(To be retained by the Bank.)

Issue of £500,000—2,500,000 dols.—part of £1,000,000, or 5,000,000 dols., First Mortgage Sinking Fund Bonds of the

KEOKUK AND KANSAS CITY RAILWAY COMPANY.

Redeemable in Thirty Years from October 1st, 1875.

Principal and interest at the rate of 7 per cent. per annum, payable in gold.

In Bonds of A £200, B £100, C £50, D £20, E £5.

To THE DIRECTORS OF THE KEOKUK AND KANSAS CITY RAILWAY COMPANY, LONDON, E.C.

Having paid to your credit with the CO-OPERATIVE CREDIT BANK the sum of £ , request that you will allot to , on the conditions of the Prospectus issued by you, dated October 30th 1875, Bonds of the above-mentioned issue, Class , and hereby agree to accept the same or any smaller number that may be allotted to , and to pay the additional instalments thereon as they may become due from time to time, and in default of due payment on any instalment agree that allotment and all previous payments shall be liable to forfeiture.

Name in full ....

Address ....

Date ....

Signature of Applicant ....

ADDITION TO BE FILLED UP IF THE APPLICANT DESIRES TO PAY IN FULL.

desire to pay up Subscription in full, discount at the rate of 6 per cent. thereon to be allowed for the intervening period. Signature ....

RECEIPT.

(To be retained by the Applicant.)

Received of the sum of £ for account of the Keokuk and Kansas City Railway Company, being the payment of deposit of £20 per cent. per Bond, required on application for an allotment of Bonds, Class . For the Co-operative Credit Bank, ...

£ : : Manager.

N.B.—Similar receipts will be issued to subscribers on the payment of each instalment as it becomes due, said receipts to be exchanged as soon as possible after the final payment for the definite Bonds.

H. D. RAWLINGS,

PURVEYOR OF MINERAL WATERS TO

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 48.] SATURDAY, NOVEMBER 6, 1875. [PRICE 6D.

THE

ACCOUNTANTS' DIARY

AND

DIRECTORY for 1876

Will be published in December next.

MEMBERS OF THE PROFESSION are particularly requested to send in *at once* their proper names and addresses for insertion in the Directory, to

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NOTICE OF REMOVAL.

39 BROAD-STREET, BRISTOL,

JUNE 24TH, 1875.

The PARTNERSHIP hitherto existing under the Style or Firm of HANCOCK, TRIGGS, & CO., having been DISSOLVED by mutual consent, I beg to give notice that I purpose henceforth to CARRY ON BUSINESS as a PUBLIC ACCOUNTANT at the above address.

PHILIP TRIGGS.

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PUBLIC ACCOUNTANTS,

90 LONDON WALL, E.C.

HAVING removed from No. 8 Finsbury Circus, to more commodious offices at the above address, will be pleased to hear from Accountants resident in the provincial and manufacturing towns who require agents in London.

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Begs to announce that in compliance with a wish expressed by some of the subscribers to the *Accountant*, he has made arrangements for the translation of legal and commercial documents, correspondence, &c., into the Principal European Languages. Members of the Profession are therefore respectfully informed that arrangements can be made for efficient and speedy translations into, or from, the French, German, Italian Spanish, and Dutch Languages on Moderate Terms.

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Every one of these Loans must be repaid as per Plan attached to each Debenture, *within a limited number of years*, by periodical Drawings, OFFERING ADVANTAGES PRESENTED BY NO OTHER SECURITIES, WITH BONUSES AT EACH DRAWING, varying from

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For full particulars apply by letter, addressed care
MESSRS. WOLFSKEHL BROTHERS, BANKERS,
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MR. FERDINAND WOLFSKEHL announces the following Drawings:—

The 70th DRAWING of 1,400 IMPERIAL AUSTRIAN 1858 £10 CREDIT DEBENTURES, and the 42nd BONUS DRAWING of 1,500 IMPERIAL AUSTRIAN 4 per cent. 1854 £30 DEBENTURES took place on the 1st instant, at Vienna. The 9th BONUS DRAWINGS of 120 RAAB GRAZ 4 per cent. £15 1871 DEBENTURES, took place at Ofen on 1st instant.

He will **Forthwith Cash or Exchange** any of the above-mentioned **Debentures** against other **Debentures, Stocks, Shares** or **Obligations.**

To secure safe delivery of Letters, Mr. F. W. requests that all communications should **be addressed care of**
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3 LORD STREET, LIVERPOOL,
Of whom full particulars of the above Drawings can be had on application.

P.S.—The Imperial Austrian 1858 Credit Debentures, Series 1,006, No. 78, drawing a Bonus of £4,000, has been sold by Mr. F. W. to a Gentleman residing in London.

The Accountant.

NOTICE TO SUBSCRIBERS.

The ACCOUNTANT is printed and published in time for Friday evening's mail; price 6d. per copy, or 28s. per annum (including postage), the reduced terms for payment in advance being: annual subscription 24s. (post free); half-yearly ditto, 13s. (post free). Cheques and Post-office orders to be made payable to Mr. Alfred W. Gee, 62 Gracechurch-street, E.C., to whom applications for advertisement space, and letters relating to the general business of the paper, should also be addressed. Literary communications should be directed to the Editor of the ACCOUNTANT at the same address, and in order to ensure insertion in the current number, correspondents are respectfully requested to forward their copy as early in the week as possible.

TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

TO SUBSCRIBERS.

In consequence of numerous applications from subscribers, the proprietor has made arrangements for the supply of CASES for holding and preserving the *Accountant*, which may be obtained at the office on the following terms:—In green cloth (well got up), with elastics, and "*The Accountant*" in gold letters on front, 3s. each; same in leather, 4s. 6d. each. Subscribers' names in gold lettering, 1s. extra. Post Office Orders payable to ALFRED W. GEE, 62 Gracechurch-street, London, E.C.

The Accountant.

NOVEMBER 6, 1875.

The fatal day has come, and the time-honoured courts which have for so long administered justice in the country, are swallowed up and become mere divisions of one great court, amidst the most doleful lamentations on the part of those whose livelihood is gained by taking a guiding share in litigation. How far the result attained will be commensurate with the inconvenience caused to the profession generally cannot appear for some time to come, but it is pretty well conceded that the really important alterations might have been contained in a much smaller compass, and that there is not so very much change, except in the shape of reduction of fees, as was anticipated. The rules as regards bankruptcy are of most interest to our readers, and we shall therefore sketch them out, leaving the more ponderous details of the simplification of common law and Chancery procedure to those whose business it is to study them.

The Court of Bankruptcy has escaped the universal fusion and still remains independent, except that its judge is a judge of the High Court, and that the appeal from his decisions lies to the full court. The time for appeal is stated somewhat verbosely to be "the same as the time limited for an appeal from an interlocutory

order," which, as we gather from another section of the rules, is three weeks, in this instance agreeing with the time prescribed for notice of appeal against a winding-up order by sec. 121 of the Companies' Act, 1862, and from an appeal against a decision of the Chief Judge, or a judge of the County Court under rule 143 of the Bankruptcy Rules 1870. Appeals from the County Courts are to be heard by divisional courts, consisting of such judges of the High Court as may be chosen to serve on them.

There are two other provisions which bear upon the question of bankruptcy. One assimilates the winding-up of insolvent estates in an administration suit to the practice at present obtaining in bankruptcy; and the other provides that no suit shall abate by bankruptcy of any of the parties, but that the trustee may, upon an *ex-parte* application, be placed upon the record instead of the debtor. It must be noticed also that claims by a trustee in bankruptcy, as such, shall not, unless by leave of the Court or a Judge, be joined with any claim by him in any other capacity. In this respect a trustee differs from other individuals, who hold a representative as well as a personal character. It will be observed that nothing is said as to claims *against* a trustee. As the Act provides that, subject to the rules, the plaintiff may unite in the same action several causes of action, it follows that a trustee may be sued, but must not sue in both capacities.

Another alteration is made in the rule as to unclaimed dividends. Section 116 of the Bankruptcy Act, 1869, provides that dividends under any bankruptcy which remain unclaimed for five years shall then be deemed to be vested in the Crown, and disposed of by the Commissioners of the Treasury, with power to the Lord Chancellor to direct that their amount shall be repaid to any applicant. This power is given to the various Bankruptcy Courts, any of which may order payment of such moneys in like manner as it might have done if the same had not, by reason of the expiration of five years, become vested in the Crown in pursuance of the said section. This seems a very decided improvement, and substitutes a simple and adequate method of procedure for the cumbrous formula of a petition to the Lord Chancellor. Altogether, those interested in bankruptcy proceedings may congratulate themselves on the very trifling amount of fresh knowledge which they are called upon to acquire.

The half-yearly meeting of the Institute of Accountants was marked by two resolutions in which we heartily concur. We contended at the time that the Friendly Societies Act was one in which accountants were especially interested, and we are glad to see the Institute taking under their charge the proper framing and carrying into effect of the various rules and orders under the Act. The rate of accountants' charges has attracted a good deal of attention, and we are glad to see that the Council will consider it. We are not very sanguine of a result being attained which will suit alike employer and employed, but discussion and consideration cannot fail to do some good. But while we admit that the Institute cannot, strictly speaking, be called upon to fight the battles of any but its own members, we are sorry to see that an attempt was made to gloss over the utterly unjustifiable language which Mr. Justice Quain used at Bristol. It may be that the members of the Institute meet with courteous treatment at the hands of Her Majesty's judges. Certainly, Mr. Clarke did not; and we doubt very much if the judge took into consideration the fact that he was not a member of the Institute, or would have spoken any differently if he had been. The unanimous opinion of our many correspondents was, that Mr. Clarke did what any accountant of position would have done, and the Judge's language was resented as a slur on the whole body of accountants. We wish we could see a more cordial union of the profession in this and in other matters.

Winding-up.—A petition to wind-up Gostling and Company, Limited, has been presented to the Court of Chancery.

The London Bankruptcy Court.—A correspondent writes: —" May I ask you to allow me to supplement the note which you have already inserted on this subject, by calling attention to the great inconvenience and loss of time which will be caused to the legal profession and mercantile community of the City by having all the officials of this Court at Lincoln's-inn? Up to the present time many applications could be made and all affidavits sworn in Basinghall-street, and, as no step of importance in bankruptcy or liquidation can be taken without application to the Court at some stage of the proceedings, and as every proof of debt has to be sworn, it is not too much to ask that some office shall be retained in the City where mere formal applications can be made and affidavits sworn, to save the necessity for frequent journeys to Lincoln's-inn on mere matters of routine, and for running about the City to find a Commissioner to administer oaths."

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Correspondence.

To the Editor of the Accountant.

SIR,—I enclose you the circular of a firm of "Accountants and Auditors," which was sent to a firm of which my father is the head. I need hardly say that in the event of his firm requiring the services of "Accountants and Auditors," he would hardly instruct the senders of a *touting circular* who are entire strangers to him. These "Accountants and Auditors" state that they "continue to translate books, pamphlets, articles for the press, legal, nautical, and patent documents, and commercial correspondence, from any language into English, and *vice versa*." They also state that they contract for correspondence by the year, and *affect* reasonable charges. Moreover, by way of postscript, they appear to give their "personal and most thorough attention to accountancy in all its branches at reasonable charges, arrange partnerships, and have numerous clients with large amounts of capital, seeking partnerships in concerns bearing strictest investigation."

I would suggest that, as an evidence of their skill as translators in any language, they send you some specimen translations of a leading article of the *Times* into the Bengalese, Kamskatchan, Malay, and Hottentot language. That will keep them out of mischief for the present.

I think, if these gentlemen claim to have any pretensions to respectability as professional men, they might confine their red and black circular attention to the clients whom they may be blessed with.

Yours truly,
PUBLIC ACCOUNTANT.

BANKRUPTCY LAWS, No. 11.

Having shown in Article No. 10, which appeared in our issue of the 9th ult., that the word trustee as applied to composition is a misnomer, we now come to

TRUSTEE UNDER LIQUIDATION BY ARRANGEMENT.

The routine leading up to the first meeting of creditors having been duly gone through, the creditors at the statutory meeting, or any adjournment thereof, having decided to liquidate by arrangement and not in bankruptcy, thereupon proceed to elect one or more trustees, with or without a committee of inspection. In liquidation, we are strongly in favour of the trustee being directed by the committee of inspection. The duties of a trustee under liquidation commence as from the date of the registration of the resolutions. This registration sometimes involves a delay of many weeks. Should the trustee have been previously appointed receiver, no difficulty will arise, for he will naturally continue his duties until he obtains the certificate necessary to enable him to act as trustee; but should another person have held the appointment of receiver, it is desirable either to continue him by resolution at the first meeting until the appointment of trustee, or to nominate the individual chosen as trustee to act as receiver in the interim. Immediately upon his appointment, the trustee should send the statutory notice thereof to the *Gazette* and local paper, and to each creditor appearing on the statement of affairs, whether secured or unsecured, preferential or otherwise, and cause an affidavit of the postage of such notice to be duly filed. He should thereupon proceed to realise the estate, consulting the committee of inspection (if one exist) upon all important points in connection therewith, and also proceed to investigate the proofs of debt and claims which may be tendered. In the event of the information contained in the statement of affairs being of too meagre a character to enable him to effect the recovery of alleged assets or the settlement of alleged claims, he should submit the position of matters to the committee of inspection, and take their directions as to the examination of the debtor, or the calling upon him for further accounts or particulars—that is, of course, supposing that the debtor's bookkeeping has been of such a nature as not to afford the requisite data. We have noticed that in cases where the discharge of the debtor is left to the discretion of the trustee and committee of inspection, the debtor, as a rule, is far more ready to furnish information than where he depends upon a general meeting of creditors for his liberty. As soon as the trustee sees a prospect of declaring a dividend, he should issue a notice of intended dividend, giving a margin of, say a month, for claims to be sent in. On proceeding to declare an interim dividend after duly settling the list, it will be necessary for him to reserve for those creditors who have not proved, but he should also be careful to ascertain before declaring a dividend what amount it will be necessary to reserve for untaxed costs.

While the fact of the trustee being directed by a committee of inspection does not in any way relieve him from his personal legal responsibilities, it does to a certain extent diminish the moral ones, inasmuch as, in the majority of estates, questions arise in which considerable discretion is necessary. In the first place, the committee of inspection having been chosen from among the creditors, or their direct representatives, they are more conversant than the trustee with the ins and outs of their trade, and are frequently better acquainted with particular transactions to which the trustee may have to give his attention; and we would recommend the trustee to leave the terms of his remuneration to the committee of inspection, rather than to the general body of creditors. Creditors as a rule look only to the result, being unacquainted with the details of the administration *leading* to that result; whereas the committee of inspection, having the opportunity of going more fully into matters with the trustee, are better competent to appreciate the nature and extent of his services, and the duties which it is desirable he should perform. Were our laws based upon a proper foundation, a trustee's duties should, in the

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majority of instances, be of a very simple character, namely the settlement of claims, and the realisation and distribution of assets. Owing, however, to the laxity of the present laws, and the facilities offered to fraud, it is difficult for a trustee, at the outset of a case which is new to him, to form even an *approximate estimate* of the duties which will devolve upon him. The requisite labours may prove to be merely mechanical; or they may involve tedious and expensive investigations, litigation, or negotiations requiring considerable diplomacy and tact. For this reason, experience proves that it is difficult to draw a hard and fast line, or fix a standard scale of percentage or commission on the results attained. This fact was most forcibly illustrated in the report issued by the committee appointed to consider the practicability of arriving at a fixed standard for charges. In some trades (as, for example, the drapery trade) the majority of cases are very simple; whereas, in many other trades, there are no two cases exactly alike. One case is wound-up and disposed of quickly, involving little trouble or expense. In the next case the realisation of the few assets involves costly litigation and heavy loss of time, and more particularly in matters where the liabilities are large and the assets small; or perhaps even the nominal cost of getting in such assets may, and sometimes does, exceed the amount eventually recovered. It is not an unusual thing now-a-days for proofs of a very suspicious character to be tendered, which proofs, unless upset, swamp the *bonâ-fide* trade creditors, and enable the debtor, against all the principles of equity, to carry out the terms which he thinks fit to dictate. In one case which came under our notice, in which there was not the slightest pretence of fraud, a proof was tendered for an amount representing nearly the whole of the other indebtedness. This proof being contested under the directions of the committee of inspection, involved a litigation which extended over nearly eighteen months, and it was eventually expunged, but the cost of expunging the same ate up the difference of dividend to the remaining creditors. The principle which was involved in that case was of sufficient importance to determine the creditors to make the sacrifice, and those who had taken the trouble to inquire into the circumstances, considered themselves well repaid by the result obtained; but one or two creditors, who had not taken that trouble, looked only at the dividend they were to receive, and it required some patience to bring them to an exact appreciation of the facts. Trustees are unfortunately considered a fair butt for attack, and it is ofttimes difficult for them to give satisfaction to all. We hold, however, that it is perfectly possible so to frame our laws or even adapt the present Act (by putting a stop to existing facilities for fraud), as to enable creditors and trustees to establish one principle of remuneration to govern all cases: and we shall proceed in a future article to make a few suggestions tending towards that end. H. B. [London.]

THE INSTITUTE OF ACCOUNTANTS.

The Half-yearly General Meeting of the Institute of Accountants was held, in accordance with the rules, on Wednesday, the 27th of October, at the City Terminus Hotel, Cannon Street, at half-past three o'clock; Mr. F. Whinney in the chair.

The formal business of the meeting having been transacted, it was moved by Mr. Lovelock, seconded by Mr. Pannell, and unanimously resolved:

> That the Council be requested to consider the propriety of making some communication to the Government with reference to the rules and orders to be framed under the Friendl Societies Act of last Session.

It was moved by Mr. Pannell, seconded by Mr. Tibbetts, and unanimously resolved:

> That the Council be requested to consider and report to the Institute, as to the advisability of fixing a minimum rate of charge for ordinary accountancy work, and their opinion as to what such minimum rate of charge should be.

It was moved by Mr. James Cooper, seconded by Mr. Tibbetts, and resolved:

> That the Council be requested to fix a day upon which the members may have the opportunity of dining together, and to make all necessary arrangements in relation to the matter; and that each member be entitled to introduce a friend.

Reference was made to certain observations of Mr. Justice Quain, and it appeared that the Council had not thought it necessary to interfere in the matter, on the grounds, firstly, that the person against whom those remarks were immediately directed was not a member of the Institute of Accountants, and secondly, that the more general language used by the learned Judge could not be considered as directed against the members of the Institute, regard being had to the fact that members of the profession are in the habit of meeting with most courteous treatment at the hands of Her Majesty's Judges.

After some further discussion on minor topics, the thanks of the meeting were given to Mr. Whinney (on the motion of Mr. C. F. Kemp) for his able conduct in the chair, and it was adjourned until April next.

BANKERS' CLEARING HOUSE.—The following is the official return of the checks and bills cleared in the Bankers' Clearing-house for the week ending Wednesday, November 3:—

Thursday, October 28	£11,986,000
Friday, October 29	43,969,000
Saturday, October 30	20,087,000
Monday, November 1	14,139,000
Tuesday, November 2	21,175,000
Wednesday, November 3	17,837,000
	£129,193,000

The total at the corresponding period of last year which also comprised a Stock Exchange settlement, was £134,461,000.

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SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, LINCOLN'S-INN.

November 3.

(*Before the* LORD CHANCELLOR, *Lord Justice* JAMES, *and Lord Justice* MELLISH.)

IN RE THE BRITISH IMPERIAL INSURANCE CORPORATION, LIMITED.—Mr. Glasse, Q.C., and Mr. F. C. J. Millar moved on behalf of the corporation that the *fiat* obtained from the Lord Chancellor's secretary to a petition for winding-up this corporation might be vacated, and instead thereof that the petition be referred to Vice-Chancellor Malins in Chambers to inquire whether a *primâ facie* case within the meaning of section 21 of the Life Assurance Companies Act, 1870, was established, and to consider the security to be given pursuant to the same section. The question turned upon the provisions of the Life Assurance Companies Act, 1870, which it may be observed was passed at a time when the notorious European Assurance Society, though persistently attacked by winding-up petitions, had succeeded (for the time) in resisting a winding-up order. By section 21 it is provided that the court may order the winding-up of any company under the Companies Act, 1862, on the application of policyholders or shareholders, upon it being proved to the satisfaction of the court that the company is insolvent, taking into account its contingent or prospective liability under policies and annuity and other existing contracts; " but the court shall not give a hearing to the petition until security for costs for such amount as the judge shall think reasonable shall be given, and until a *primâ facie* case shall also be established to the satisfaction of the judge." The petitioners were holders of policies for £1,000, both effected with the office in July, 1872. By the terms of the policy it was provided that the holders could surrender the policy with the last renewal receipt at any time after the expiration of the first year, and either receive or make payable to order, at three days' notice, the cash value of the stipulated amount of Government Stock withdrawable without any deduction for expenses, or they could have the amount of Government Stock transferred to their own names, or to the name of any person designated by them, or they could have a new policy for the sum which that amount would insure, whatever might be the state of their health at the time. On the 23rd of September, 1875, the petitioners left at the office of the company their policies, each of which was accompanied by a letter, *mutatis mutandis*, identical in terms:—" Herewith I beg to hand you my policy of insurance and last receipt, and shall be obliged by your letting me have the full amount due as a loan standing to my credit, on Saturday next, being three days' notice, as required by you." The application was not complied with, and in the course of last month a petition was presented for winding-up the company, stating the application for the surrender value of these policies, the neglect of the company to pay such value, although the policies had been surrendered, and the consequent inability to pay its debts and insolvency of the company as grounds for the winding-up orders. On the 21st of October the Lord Chancellor's principal secretary made the usual endorsement or *fiat* for the hearing of the petition. In support of the present application to vacate the *fiat*, it was contended by Mr. Glasse, Q.C., and Mr. F. C. J. Millar that, having regard to section 21, and a decision of the late Lord Chancellor upon that section, the proper course before granting the *fiat* was to remit the petition to the Vice-Chancellor before whom it was set down, to ascertain if a *prima-facie* case had been made out. In the present case the allegation of the petition that the corporation had refused to comply with the petitioners' application to pay them the surrender value of their policies was not correct, inasmuch as the letters now produced showed that the application was simply for a loan upon deposit of the policies in question. Mr. C. H. Turner, for the petitioners, submitted that they had elected to convert the demand upon their policies into a mere money claim for the surrender value to which they were entitled under the terms endorsed upon their policies; and, consequently, that no case arose for obtaining the opinion of the Vice-Chancellor as to the propriety of issuing the *fiat*. The Lord Chancellor said it was quite clear that there was not that accurate or full statement on the face of the petition which would at once have shown that the requirements of section 21 had been complied with. He therefore thought that the answer or *fiat* to this petition given by the officer to whom that duty was intrusted ought to be struck out or vacated. What, then, ought now to be done with this petition? The proper course would be to send the petition to the Vice-Chancellor, Sir R. Malins, and request him to treat it as a petition addressed to the High Court of Justice and marked for his division. The Vice-Chancellor would then consider whether the provisions of section 21 applied, and if applicable, whether they had been complied with. Their Lordships would also request the Vice-Chancellor to deal with the question of the costs of this application.

IN RE THE EUROPEAN ASSURANCE SOCIETY—THE ANGLO-AUSTRALIAN, &c., ASSURANCE COMPANY—HARMAN'S CASE AND PRATT'S CASE.—These cases, which, together with several others, have been specially appointed to be heard before the Court of Appeal upon special cases submitted by Mr. J. S. Reilly, the arbitrator in this liquidation, for the opinion of the Court, under the provisions of the European Assurance Society Arbitration Act, 1875, were this day argued. The cases of Harman and Pratt, which were substantially identical, arose as follows:—The Anglo-Australian Company was instituted in 1853, and incorporated under the 7th and 8th Vic., c. 110. By clause 17 of the deed of settlement, as subsequently duly altered in 1858 by two extraordinary general meetings of shareholders and policy-holders, it was provided that the company should have full power to resolve, by a majority consisting of at least two-thirds in value of the shareholders present (either personally or by proxy), also of two-thirds in value of the policyholders of the company personally present at such meeting to make bye-laws, repeal, alter, or vary any of the clauses contained in the deed, or any rules and regulations of the company, and to do other acts, including the purchase of the business of any other company, whether by amalgamation or otherwise, or upon the sale of its own business or upon the amalgamation of the company with any other company; and that such resolution should, if duly confirmed, be binding on the company. By the constitution of the company all policyholders were entitled to vote at meetings of the company. In 1856 Harman and Pratt effected policies on their lives with the Anglo-Australian Company. In 1858 it was resolved by two extraordinary meetings of shareholders and policyholders, duly convened, that the Anglo-Australian should be amalgamated with the British Provident Society, which had power under its deed of settlement to amalgamate with other companies. This amalgamation was effected by a deed of the 1st of June, 1858, whereby the business, property, and liabilities of the Anglo-Australian were absolutely transferred to and undertaken by the British Provident Society. It was also provided that the policyholders of the company should be under no necessity to establish their claims against the society, or to have endorsements on their policies or new policies unless they should require the same, in which case they might choose in what manner the society should assume liability on their policies. In July, 1858, Harman applied to the British Provident Society, and received from it a guarantee policy, executed by three directors, and stamped with the common seal of the society. In March, 1859, the business and liabilities and name of the British Provident were transferred to the British Nation, and in March, 1861, the British Provident was, on the petition of a shareholder, ordered to be wound-up in Chancery. In 1865 the British Nation transferred its business and liabilities to the European Assurance Society, which was ordered to be wound-up in

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January, 1872. Harman and Pratt duly paid the premiums on their policies to the Anglo-Australian, the British Provident, and the European Society successively, and received their respective receipts. Under the European Arbitration they claimed to be entitled to prove for the value of their policies concurrently against the Anglo-Australian Company (which had never been ordered to be wound-up) and the several transferee companies until all claims in respect of their policies had been satisfied. The case came in the first instance in June, 1873, before the late Lord Westbury, the first of the arbitrators appointed in this unfortunate liquidation. His Lordship gave judgment in favour of Messrs. Harman and Pratt to the full extent asserted by them, holding that there had been no "novation" between these gentlemen and either the British Provident or the British Nation, but that they remained creditors of the Anglo-Australian, with the additional guarantee of their policies by the British Provident and British Nation, and were entitled to prove concurrently for the value of their policies against the Anglo-Australian and each of the three companies between which and the Anglo-Australian successive amalgamations had been made. Upon the death of Lord Westbury in July, 1873, Lord Romilly was appointed arbitrator, and, taking a different view on the question of novation from his illustrious predecessor, directed the "novation" cases, including Harman's and Pratt's cases, to be set down again before him. On the 28th of October, 1874, Lord Romilly stated that, looking at Lord Westbury's judgment as if it were his own, and as if subsequent cases had induced him to reconsider his view of the case, he was satisfied that he—that is to say, Lord Westbury—was wrong, and that he was bound to set the case right according to his own newer lights on the subject. Accordingly, all that Lord Westbury had so carefully decided was summarily reversed, and in this state of things, before the arbitration could be proceeded with on this new footing, occurred the death of Lord Romilly. Mr. Reilly having been appointed the new arbitrator, special provision was made in the Act of last Session for a rehearing of these cases, in which there had been a conflict of opinion between the arbitrators by the Full Court of Appeal. In the case this day decided occurred, as will be seen, the singular, if not altogether unusual, result of a reversal of Lord Westbury's decision, and an affirmance of Lord Romilly's conclusion upon a totally new ground, not adverted to, or at least, not raised to prominence on the former hearings, by the much-vexed question of "novation," upon which Lords Westbury and Romilly differed, being passed over entirely. Mr. Jackson, Q.C., and Mr. F. C. J. Millar appeared for Messrs. Pratt and Harman; Mr. Higgins, Q.C., and Mr. Romer for the joint official liquidator of the European, were not called upon. The Lord Chancellor said that in this case the Anglo-Australian Company, in which Harman and Pratt were insured, was formed under a deed which, to a certain extent, was peculiar in its provisions, inasmuch as the policyholders had a voice in the management of the affairs of the company, and ranked as shareholders in this respect. By the 17th clause of the deed power was given to the Anglo-Australian to deal with other companies by selling their business or by amalgamating, such power to be exercised with the consent of a majority of two-thirds of the shareholders and two-thirds of the policyholders at an extraordinary general meeting of the company, convened as therein provided. What was done was this:—Extraordinary general meetings were held, at which it was resolved to transfer the whole mass of business and liabilities of the Anglo-Australian to the British Provident, to make all Anglo-Australian shareholders British Provident shareholders, and to agree that the British Provident should take over all the engagements and assets of the Anglo-Australian. The policyholders, therefore, according to the constitution of the company, had a voice in the arrangement thus made with the British Provident Society. Either Mr. Harman agreed to what was being done or he was in a minority, in which case, there being the requisite majority, he was bound by the resolution of the majority. This agreement for amalgamation was duly ratified and confirmed by a deed of the 1st of June, 1858. His Lordship, after stating the provisions of this deed, said that Harman was a party to the agreement thereby entered into, his policy being included in the schedule to the deed. Interpreting, therefore, the deed and the schedule together, it came to this—that there was an agreement by which Harman was bound, and the effect of which was that his policy was transferred to, and was to be undertaken by, the British Provident Society, who thereby assumed liability in respect of it, without any necessity for the policy to be endorsed or a new policy granted, though that might be done if the policyholder required it. The burden which lay upon the shoulders of the Anglo-Australian was thus shifted from them and taken off and placed solely upon the British Provident, and in this arrangement Harman was a concurring party. That was the whole case. It would have been absurd to suppose that these shareholders were to be transferred and placed under liabilities to the British Provident, and that they were at the same time to remain liable to the Anglo-Australian, or that the Anglo-Australian was to continue for the benefit of the British Provident. The arrangement being thus complete, it appeared that at a later period Harman made some communication to the British Provident, and that in reply they forwarded to him a deed guaranteeing his policy. But this was evidently done in a thoughtless manner, and being a thing entirely *inter alios acta*, could have no effect upon the Anglo-Australian Company, or fix them with liability to Mr. Harman. In his Lordship's opinion, without using the term "novation," all the liability of the Anglo-Australian under these policies held by Messrs. Harman and Pratt ceased and came to an end at the execution of the deed of amalgamation on the 1st of June, 1858. The costs of all parties would be provided out of such funds as the arbitrator should think fit. The Lords Justices concurred.

HIGH COURT OF JUSTICE.—Chancery Division.

November 3.

(*Before the* Master *of the* Rolls.)

In re the Phœnix Bessemer Steel Company.—The 10th Section of the Judicature Act, 1875, enacts that, in the winding-up of any company under the Companies Acts, 1862 and 1867, whose assets may prove to be insufficient for the payment of its debts, the same rules shall prevail as to the rights of secured creditors as may be in force for the time being under the law of bankruptcy. In other words, partly secured creditors of a company that is winding-up are no longer entitled to prove for the whole amount that is due to them, but merely for the balance remaining due to them after realising or valuing their securities. In the present case, the question was whether the enactment applied to creditors of a company the winding-up of which commenced on the 11th of June last, before the Act came into operation, there being nothing in the section expressly restricting its application to windings-up commencing after the coming into operation of the Act, although, curiously enough, it is provided by the same section that the new rule as to the administration of the assets of deceased persons shall only apply to persons dying after the commencement of the Act. Mr. Bagshawe, Q.C., and Mr. F. W. Bush argued the point for the creditors; Mr. Chitty, Q.C., and Mr. G. C. Price for the liquidators of the company. The Master of the Rolls said it was a general principle of the Legislature in altering the law to interfere with existing rights and liabilities as little as possible. The real reason why the law was altered in this respect was, that it was felt to be improper that there should be one way of distributing the assets of a living insolvent, and another way of distributing the assets of a dead insolvent;

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and the rule in Equity had now been assimilated to the rule in bankruptcy to meet the wishes of the commercial part of the community. In the case of a deceased person's assets, the Legislature had been careful not to disturb ascertained rights, for it had enacted that the new rule should only apply to the case of persons dying after the commencement of the Act, and his Lordship could see no sufficient ground for deciding that the new rule affected the case of creditors of this company whose rights had been ascertained before the commencement of the Act. He was of opinion, therefore, that the creditors were entitled to prove for the full amount of their claim, according to the old rule.

COURT OF BANKRUPTCY.

October 28.

(*Before Mr. Registrar* BROUGHAM.)

RE DONALD MUNROE.—The debtor, carrying on business as an oil refiner and blacking manufacturer at the Lansdowne Chemical Works, Bow, has presented a petition for liquidation, his liabilities amounting to about £10,000 and assets £8,000, comprising stock, plant, and book debts.—Upon the application of Mr. C. E. Jones, his Honour appointed a receiver and manager under the petition, and granted an interim injunction.

October 29.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE KATTENGELL AND CAMPBELL.—EXTENSIVE MERCANTILE FAILURE.—LIABILITIES, £400,000.—The debtors in this case carried on their business as merchants at 118 Leadenhall-street, and both of them are at present abroad, but have sent over directions to their solicitors to file a petition for liquidation, estimating their debts at £400,000. The assets, it is stated, will be considerable, but depend to a great extent upon the recovery of debts abroad. Mr. J. Hollams, jun., now applied to the court to appoint a receiver and manager to the estate, and in support of the application read an affidavit from Mr. Langley, who had been left in charge of the business, stating that both the partners were abroad, Mr. Kattengell in Spain, endeavouring to recover a debt of £50,000, and Mr. Campbell in Central America, where the debtors have debts due to them to the amount of £300,000. The have filed their petition by power of attorney to Mr. Langley and Mr. C. Lee Nicholls, of the firm of Chatteris, Nicholls, and Co., public accountants, in whose hands the books were placed. His Honour granted the application, and appointed Mr. C. Lee Nicholls receiver and manager. Subsequently Mr. Hollams applied for leave to amend the description in the petition, he having just discovered that the firm had a branch at Manchester, and consequently they were permitted to describe themselves as of London and Manchester. The creditors' meeting under the liquidation has been postponed for three months, to give the partners time to get in the debts.

IN RE WILLIAM ARTHUR.—The bankrupt, who was a non-trader, resided at Holland-road, Kensington, and had recently filed a petition for liquidation, but the proceedings having fallen through, he was adjudicated bankrupt on the petition of one of his creditors. His debts amounted to £5,600, and his assets, including £635 surplus securities, to about £855. On the application of Mr. Hackwood, of the firm of Linklater and Co., his Honour appointed Mr. James Waddell, public accountant, receiver to the estate, and granted an interim injunction restraining a suing creditor.

(*Before Mr. Registrar* BROUGHAM.)

IN RE CAMPANA.—This was a first meeting for proof of debts and the appointment of a trustee. The bankrupt is described as a merchant, carrying on business at Mark-lane. The balance-sheet shows debts to the amount of £9,260, and assets, £1,014. Several creditors having proved, the choice of trustee fell upon Mr. H. J. Leslie, who was accordingly appointed to the office, with a committee of inspection.

October 30.

(*Before Mr. Registrar* BROUGHAM.)

RE G. D. NEROUTSOS.—The debtor was a merchant in London and Manchester, trading as G. D. Neroutsos and Company. The debts were estimated at £25,000, and the assets depend on consignments from India and elsewhere. Mr. Robertson Griffiths asked to continue an injunction, which Mr. Salem opposed, on the ground that third parties were affected by the order. The learned Registrar, after a lengthened discussion, declined to continue the injunction, and it was therefore dissolved.

RE SNELL, EX PARTE FRIEDHEIM.—This was a motion on the part of the debtor to restrain proceedings in the Lambeth County Court. Mr. Friedheim, the bankrupt, had declined to pay a second instalment to a particular creditor, on the ground that the debt in respect of which the instalment was due had not been proved, as required by Rule 311. Mr. Robert Williams appeared for the debtor, and Mr. R. T. Reid for Mr. Snell. It was contended by Mr. Reid that default had been made in the instalment, and that the right reverted to the creditor to sue on the original debt. Reference was made, in support of this view, to the case of Hodge, ex parte Hatton. Mr. Registrar Brougham, after listening to the arguments of Mr. Williams on behalf of the debtor, granted the injunction without costs, on the ground that the default in payment of the second instalment had not, as in Hodge's case, been of a wilful character.

November 2.

(*Before* MR. REGISTRAR BROUGHAM, *sitting as Chief Judge.*)

IN RE G. W. R. MEW.—Mr. Downing mentioned this case to the court under the following circumstances:—The debtor, a wine merchant, carried on business in Water-street and Tudor-street, Blackfriars, in partnership with J. G. P. Brotheridge. He had filed a petition for liquidation under which the creditors passed a resolution to liquidate by arrangement, Brotheridge being no party to the proceedings. The question arose whether, having regard to the infancy of the partner, it was incumbent upon the debtor to distinguish in his statement between the joint and separate debts and assets. This the debtor omitted to do, and Mr. Registrar Keene, following the decision of the Chief Judge in the case of "Ex parte Cockayne" ("Law Reports," 16 Equity, p. 218), declined to register the resolution. It was now submitted that a new meeting of creditors might properly be called. His Honour allowed a new meeting to be convened.

(*Before Mr. Registrar* KEENE.)

IN RE ALEXANDER THORNE.—The creditors under this petition for liquidation had passed a resolution accepting a composition of 4s. in the pound, payable by instalments. The debtor, a builder and contractor, of Cremorne-wharf, Chelsea, also carried on business at the water-works, baths, assembly-rooms, and skating-rink, West Worthing. Against debts of £33,150, the assets were returned at £13,536. Mr. Winslow, Q.C., and Mr. Doria now appeared in support of an application to register the resolutions; Mr. Finlay Knight, Mr. Wilkinson, and Mr. E. C. Willis, for creditors, opposed the registration. The chief ground of objection was that, having regard to the value of the assets, the amount of the composition was unfair and unreasonable, and that the resolution ought not to be binding upon creditors who dissented. It appeared, however, that the debtor was fully examined at the meeting upon his accounts, and Mr. Registrar Keene

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thought the matter ought not to be re-opened, and overruled the objections. Registration was accordingly allowed.

November 3.

(*Before Mr. Registrar* MURRAY, *sitting as Chief Judge.*)

THE JUDICATURE ACT.—Shortly after the sitting of the court Mr. E. C. Willis, for a debtor, who had filed a petition for liquidation by arrangement, asked whether, in the opinion of the Registrar, the power of the court to grant injunctions in liquidation cases was interfered with by the 24th Section, 5th Sub-section, of the Judicature Act, 1873. His Honour said that the question proposed was rather a wide one. His attention had not been specially directed to the subject, but, as at present advised, he thought the jurisdiction of the Court under Section 13 to grant injunctions was not affected by the clause referred to.

IN RE BOWLES BROTHERS AND CO.—The bankrupts were bankers, carrying on business in London, New York, and elsewhere. The failure occurred in 1872, and it appeared that the firm had been declared bankrupt in three different countries, and Charles Bowles individually in Geneva. Mr. Richard Jones, on behalf of the trustee, now applied for the confirmation of a resolution passed at a meeting of creditors, whereby it was resolved in substance that the assets in the hands of the syndic in France and Geneva, and the trustees in England and America, be handed over to trustees for the benefit of creditors, and that the residue of the estate of Mr. Nathan Appleton be also handed over to them as a security for payment of the bonds of the bankrupts by annual coupons, extending over a period of 10 years, until 20s. in the pound be paid with interest, an instalment of 14 per cent. to be paid upon the execution of the deed. Mr. George Lewis and Mr. W. H. Roberts appeared for creditors. His Honour made an order confirming the scheme, subject to the production of a deed embodying the terms proposed, and also of the form of bond intended to be used.

IN RE ALEXANDER, PYKE, AND ALEXANDER.—The debtors are jewellers, carrying on business in Hatton-garden. They have filed a petition for liquidation, with debts of £20,000 and assets £27,000, consisting of stock in trade, bills of exchange, leasehold property and cash. Mr. Brough, for the petitioners, and with the concurrence of creditors, asked that a receiver and manager should be appointed, and for an injunction to restrain actions. His Honour appointed Mr. James T. Snell, accountant, to act as receiver and manager, and allowed an interim injunction.

(*Before* MR. REGISTRAR HAZLITT.)

IN RE CHARLES BEDELL.—At a first meeting under an adjudication obtained against the bankrupt, a wine merchant, carrying on business at 38 Mark-lane, several proofs were admitted, and Mr. Crosbie, of the firm of Quilter, Ball and Co., was appointed trustee. The bankrupt had filed a petition for liquidation, under which a composition was proposed, but the proceedings fell to the ground, and an adjudication followed. The liabilities are now returned at £28,022, with assets £3,238, subject to realisation.

EUROPEAN ASSURANCE ARBITRATION.

October 28.

(*Before Mr.* F. S. REILLY.)

DAILEY'S CASE.—To-day this case, which relates to the liability of a bankrupt shareholder, after a prolonged argument, was concluded. The Arbitrator said he would consider the case. Mr. Napier Higgins, Q.C., and Mr. Romer appeared for the official liquidator; Mr. Robinson, Q.C., and Mr. Lawrence for Mr. Dailey.

On Tuesday, judgment was given in some important cases.

MUNSTER BANK'S CASE.—It was here established that all moneys paid by the European Society after the advertisements of the petition to wind it up had appeared must be repaid to the Society, even though the persons who received the moneys had at the time no knowledge whatever of the winding-up petition. A petition to wind-up the European Society was presented to the Court of Chancery on the 10th of June, 1871. It was served on the Society on the 12th of June, and on the 13th of June it was advertised in the *London Gazette*, and on the 14th of June in *The Times* and other daily papers. The petition stood over from time to time, and an order to wind-up was not made until the following January. During this interval various payments were made by the Society. One of these payments was to the solicitor of the Munster Bank of a sum of money due on a policy, on which the life had dropped in the previous year. The payment was made on the 3rd July 1871, and the Bank and their solicitors were at that time unaware of the presentation of the petition. The official liquidator now applied for an order directing the Bank to repay the money to the Society. The Arbitrator, after referring to the arguments based on the peculiar circumstances of the case, said,—"It appears to me that the tendency of such a discussion to travel into details of this character proves the desirableness of a broad rule. The policy of the Legislature is obvious; and one who has to administer the Act is bound to give full effect to that policy. In no case, probably, can there be more need for the application of the principle of Section 153 than in the case of a Life Assurance Company, where such payments as that now in question go to the destruction of the fund, on the due maintenance and progressive increase whereof depends the capacity of the company to fulfil in good faith its obligations. Further, if such payments are considered by the directors of a company absolutely necessary for the preservation of the company's credit, application may be made to the Court, pending the petition, for authority to apply the money of the company. I therefore shall, as at present advised, adopt the rule of treating as void all payments made after the petition had been advertised in accordance with the general orders of the Court of Chancery. This rule appears to me to be reconcilable with the former decisions in this Arbitration. In the National Bank's case, in which the payment was allowed to stand good, it was not shown or stated that the advertisements had been completed, and for aught that appeared the petition might have been at the time of payment advertised in the *London Gazette* only, and not yet in two daily morning newspapers." The Arbitrator went on to say that as the liquidators had made no demand of interest in writing, and the summons did not ask for interest, he had no power to allow interest before the date of an order to repay. Mr. Napier Higgins, Q.C., and Mr. Romer appeared for the European Society; Mr. Marten, Q.C., for the Munster Bank.

MAUNDERS' CASE.—ROBERTSON'S CASE.—Here the check was delivered to the London bankers acting for the payees, in the first case on the 15th of June, 1871, and in the second case as early as the 14th of June, 1871, and the checks were cleared from the bankers of the European Society on the 19th and 15th respectively. The order now made by the Arbitrator was the same as in the previous case. Mr. Napier Higgins, Q.C., was for the European Society, and Mr. Bush for the respondents.

GOODALL AND LONGFIELD'S CASE.—Here the respondents were trustees, and after receiving the money from the European Society had handed it over to their beneficiary. The Arbitrator said he could not deal with that matter now. Any representation made by them through the liquidators would receive attention. The same order must be made as in the preceding cases. Mr. Napier Higgins, Q.C., and Mr. Romer were for the European Society; and Mr. Bush for the respondent.

HINGSTON AND SERCOMBE'S CASE.—This was a similar case, and the Arbitrator said,—"There is nothing in the Life Assurance Companies' Act, 1870 (Cave's Act), to interfere with the effect of Sections 84 and 153 of the Companies' Act of 1862, fixing the commencement of the winding-up at the date

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of the presentation of the petition, and making void, unless the Court otherwise orders, all transactions of the company after the commencement of the winding-up. It was also urged that the presumption, both legal and moral, is in favour of the upholding of a payment made in good faith in the ordinary course of business. But I think, in the first place, Section 153 turns at least the legal presumption the other way; and, secondly, that if all the circumstances were gone into, it would almost certainly appear that these payments were not made purely in good faith for the purpose of carrying on the business of the company in its ordinary course. The order, therefore, will be as in the Munster Bank's case." Mr. Napier Higgins, Q.C., and Mr. Romer were for the European Society; Mr. Jackson, Q.C., and Mr. B. Eyre for the respondents.

WADE AND FORSHAW'S CASE. — NATIONAL BANK'S CASE, No 2.—SMITH'S CASE.—These were cases of a similar kind, and the same order was made. Mr. Napier Higgins, Q.C., Mr. Romer, Mr. Renshaw, Dr. Thompson, and Mr. Willis Bund were the counsel engaged.

TAYLOR'S CASE.—This had reference to the liability of the estate of a man who had married the owner of some shares in a company. In 1862 Ann Bowden was married to Charles Taylor. At that time she held 200 shares in the European Assurance Society, which was constituted by a deed of settlement, dated in 1854, and was registered under the Act of 1844, and subsequently under the Companies' Act of 1862. No settlement was made on the marriage, and she had no separate estate. In 1864 the husband died. In 1872 the European Society was ordered to be wound-up, and Mrs. Taylor was settled on the list of contributories. The present application was to amend the register by inserting therein the names of the husband's executors. The Arbitrator thought the question was settled by Sections 196 and 78 of the Companies' Act of 1862, from which it would appear that a man marrying a woman who is a shareholder is liable to be made a contributory during the marriage, but no longer. Thus the husband's estate would not here be placed under any liability by the Act. With regard to the receipts for dividends having been twice signed by the husband and wife, that circumstance was insufficient in itself to make the husband liable to be treated as a shareholder in his own right. So also the acceptance by the executors of the half-yearly dividend which last accrued due before the testator's death was insufficient to make the testator's estate liable. Thus the application of the liquidator must be refused, with costs. Mr. Napier Higgins, Q.C., and Mr. Romer appeared for the official liquidator, and Mr. Ilbert for the respondent.

LAKE'S CASE.—Mr. Lake was the general manager of the British Nation Fire Insurance Company, which in 1865 transferred its business to the European Society. Mr. Lake then became general manager of the European Society. Subsequently he was adjudicated a bankrupt, and the trustees in bankruptcy now claimed that his estate was entitled to the sum of £350 from the British Nation for certain services alleged to have been rendered by him to that company between 1865 and 1872. The Arbitrator refused the claim, with costs. Mr. Napier Higgins, Q.C., and Mr. Romer were for the British Nation Company, and Mr. Warmington for the trustees in bankruptcy.

GREAT WESTERN RAILWAY'S CASE.—In this case, which was heard yesterday, the Great Western Railway Company had effected with the European Society several policies, insuring the fidelity of certain of their *employés*. Seven of these servants committed breaches of fidelity, and the railway company suffered losses to the amount of £153 15s. in consequence. The company now claimed to be entitled to be paid this sum out of the European Society's Reserved Fund. The official liquidator, on the other hand, contended that the claim must be against the general assets only. The question turned upon the interpretation of the Society's Act of Parliament, the chief doubt being whether the railway company could with propriety be included among the different bodies empowered by the Act to accept the guarantee of the Society. The Arbitrator gave judgment in favour of the railway company's claim. Mr. Napier Higgins, Q.C., and Mr. Romer were for the official liquidator; Mr. Medd for the Great Western Company.

November 1.

INDIA AND LONDON.—CARGILL AND STUART'S CASE.—Mr. Montague Cookson, Q.C., applied on behalf of Mr. Adam Stewart Stuart, formerly of the Admiralty, to have his name removed from the list of contributories of the India and London Life Assurance Company, on the ground that his name was placed in the list of members against his will; that there had been no privacy of contract between him and Cargill or any past shareholder of the Society in respect to these shares; that he had never done any act whereby any acquiescence in his name remaining on the register of shareholders could be implied in any reasonable sense, and that he was entitled, therefore, to have his name removed. In 1855 Mr. Stuart was asked by the then secretary and manager of the society to become auditor. This he consented to do on the terms of being under no liability to the society, and being obliged to take no shares therein. In 1860 the business of the India and London was transferred to the European Society, whereupon Mr. Stuart's connection as auditor ceased, when he considered he had entirely washed his hands of the India and London, and was not aware that the society had taken upon themselves to open in their register an entry under the head of "Adam Stewart Stuart." In January, 1873, however, he received notice of a call in respect of 50 shares, whereas he was unaware of there being any ostensible tie between himself and the India and London. On receipt of the call-notice he at once wrote repudiating the suggestion that he ever held any shares in the India and London. He also wrote a full statement to the liquidators, from which it appeared that one of the officials of the India and London had taken upon himself to carry through, as far as he could, being unauthorised, the transfer of Mr. Cargill's shares to Mr. Stuart, and that somebody, not Mr. Stuart, had purported to pay to Mr. Cargill a sum of money as the consideration for the transfer of the shares. Moreover, no dividend was ever received by Mr. Stuart, but probably Mr. Irving, in his capacity as secretary and manager, did receive the dividends, out of which, it was suggested, he paid Mr. Cargill a consideration for the transfer. It was also suggested that the transfer was kept unexecuted by the transferee, and, unfortunately for Mr. Stuart, Mr. Irving died last year. His testimony would have been of great moment to Mr. Stuart. He (the speaker) urged now, as a reason for striking the name off, that Mr. Cargill ought to be proceeded against first, and in the event of his name not being restored to the register, that then proceedings might be commenced against Mr. Stuart. After the case had proceeded so far, Mr. Romer, for the liquidators, applied to have the present application adjourned, in order that both the summonses against Messrs. Cargill and Stuart should be heard together, on the ground that it would be inconvenient for them to be heard separately. For the ends of justice, he urged that postponement was essential, Mr. Stuart's name having been found on the register for the shares the original owner of which was Mr. Cargill. Mr. Montague Cookson contended that it would not be right to his client, Mr. Stuart, to have the case adjourned. He might die in the interval, and the matter would then have to be contested by his executors. Besides, he had a complete answer to make, and it would be keeping him in suspense—perhaps for months, as Mr. Cargill was abroad, and it would take a long time to communicate with him. He asked, consequently, for a peremptory order for the removal of the name. Messrs. Lawrance, Plews, and Boyer, for Mr. Cargill, said they could not possibly be ready to go on with his case for two months, and, after further discussion, his Honour said he thought Mr. Stuart could not possibly be damnified to any

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serious extent by the adjournment. As the liquidators declared it was absolutely necessary in the interests of the arbitration that the two cases should be heard together, there was left no alternative but to comply with the application of the counsel for the liquidators, and adjourn the case. The case was then postponed till the 22nd of December.

AUDITING.

The following letter recently appeared in a daily contemporary. We give insertion to Mr. Lowe's communication, although his conclusions apply to honorary and ornamental auditing, rather than to the work of a paid accountant :—

"Arthur-street, Rochdale, Oct. 31.

"Sir,—It must have been a matter of painful surprise and astonishment to the outside public that so many great frauds on the public elude detection. Day after day we are accustomed to find in our morning paper the account of some serious defalcation on the part of some officer of trust who has been successfully deluding his employers for a number of years, and whose discovery is generally mainly attributable to the chapter of accidents. It is not only in the affairs of private firms that these practices obtain success, but equally in the accounts of public bodies, corporate or otherwise, who employ disinterested persons periodically to audit and certify the same to be found correct. An effort to supply some remedy that would prevent this anomaly, and nip in the bud these gigantic frauds which so frequently startle us, is a simple duty.

"It must be admitted that there must be a serious defect in the system of auditing as at present generally exercised, else it were a total impossibility that these evils should obtain. I am inclined to think, indeed I know, that the majority of gentlemen who discharge the duties of auditor content themselves with the examination of the balance-sheet as prepared by the secretary or book-keeper who submits it for their perusal. This examination consists—firstly, of a simple comparing of the balances shown in the balance-sheet with the balances as they appear in the ledgers; secondly, the comparing of the vouchers with the payments as entered in the cash-book; and lastly, a general checking of the various additions in the different books. This completed, the auditor signs his name to the balance-sheet, and his work is ended. No means are adopted by him to ascertain if every thing is in the books that ought to be there; that point he considers to be out of his province.

"I would ask, then, if this set form of procedure is all the public or the auditor's employers have a right to expect? Take, for instance, the affairs of a private firm who employ an auditor. The books are put through the process as described above, but there are probably some hundred or two of accounts represented as debtors to the firm, but which are never applied to by the auditor to ascertain if their debit balances as shown by the ledger are correct or not. If any of these have paid money which has not been passed to their credit, but which has been appropriated by the dishonest servant, no means are adopted whereby this wide door to fraud can be early and promptly closed. Again, take an instance of a Corporation, where a rate of so much in the pound is laid upon a certain assessed value. The balances as shown to be owing by the books are invariably assumed to be correct without any further inquiry, and so fraud may go on from year to year, duly audited and found correct. In the latter case, it may be argued that it is an impossibility to frame a check, as the number of debtors are so numerous. I am not of that opinion. The amount of the rate to be realised is known. The amount actually paid is easily traceable. The difference between the two should be represented by the balances owing. Now, I would suggest that in the case of a private firm, all the debtors should be furnished with a statement of their indebtedness as shown by the books, and requested to verify or otherwise the same; and in the case where collectors are employed, as in corporate or public bodies, inspectors should at certain periods either acccompany them or go independently and check off what amounts are unaccounted for. These reports being submitted to an auditor, would render him wholly independent of the fair copied books, and I believe effectually remedy this great evil.

"It is time that audits ceased to be matters of routine, and that they became what the outside world understand them to be—thorough investigations. Honest men will not shrink at any thing that proves them to be worthy of trust.

"I hope, Sir, you will excuse my addressing you, but the interest I have long taken in this subject must be my apology.

"Your obedient servant,

"JOHN LOWE."

CREDITORS' MEETINGS.

A. AHLBORN.—A meeting of the creditors of Augustus Ahlborn, of Regent-street, was held on Monday, at which some singular disclosures were made. According to the statement of affairs presented at the meeting the debts were £203,836, and the assets £95,817, but this large deficiency does not represent the real state of affairs. It appears that Ahlborn systematically kept two sets of books—one correct, and the other intended to deceive those who trusted him. In this latter set book debts figure to no less an amount than £268,000, all of which are false.

FAILURES.

ENGLAND.—The failure is announced of Messrs. Duca Paleologo and Sons, Greek merchants, of Liverpool, Alexandria and Cairo, whose liabilities are estimated at about £100,000, with large assets. The firm has occupied a respectable position, and its capital was originally understood to be £75,000.

AMERICA.—American advices announce the suspension of Messrs. C. J. Ketchum and Co., Mr. C. B. Camp, and Messrs. Dufair and Elbert, on the Cotton Exchange, New York. Messrs. Moseley, Hodgman, and Co., iron dealers, Boston, had failed, with liabilities of £20,000. The creditors of Messrs. C. and M. Cox, wholesale boot and shoe makers, Boston, had met. The statement submitted showed liabilities of £47,000. A composition of 40 or 50 cents on the dollar, it was thought, would be paid. Mr. George Weymouth, cotton broker, Boston, failed. The liabilities of Congdon and Son, lumber dealers, South Hadley Falls, Massachusetts, are about £6,000. Mr. Morris Selegman, of the New York Stock Exchange, suspended. Mr. F. Stanton, merchant, Richfield Springs, New York, failed; liabilities £10,000. Mr. A. S. Herman, dealer in woollens, New York, has made an assignment; liabilities £30,000. The liabilities of Messrs. M. G. Hermann and Co., woollen merchants, in the same city, and whose stoppage we have already reported, are put down at £40,000. A run had been made on the Home Savings Bank, Boston, but all demands were met. The first National Bank of Tiffin, Ohio, reported as in difficulties; the cashier had committed suicide.

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Bearing interest at the rate of 7 per cent. per annum payable half-yearly, but yielding at the price of issue 8 per cent. annually.

Interest and principal payable in London, at the Co-operative Credit Bank, in sterling, or in New York City (U.S.A.) at the office of the Farmers' Loan and Trust Company, in American Gold, free from all United States or State taxes.

The Bonds are to bearer or registered of various denominations as under, repayable at par A.D. 1905.

DENOMINATIONS OF BONDS.

			£	s.	d.	
Class A, 1,000 dols., American Gold		=	£200	0	0	sterling.
Class B, 500 dols.,	,,	=	100	0	0	,,
Class C, 250 dols.,	,,	=	50	0	0	,,
Class D, 100 dols.,	,,	=	20	0	0	,,
Class E, 25 dols.,	,,	=	5	0	0	,,

PRICE OF ISSUE PER BOND.

			£	s.	d.	
Class A, 875 dols., American Gold		=	£175	0	0	sterling.
Class B, 437 50-100 dols.,	,,	=	87	10	0	,,
Class C, 218 75-100 dols.,	,,	=	43	15	0	,,
Class D, 87 50-100 dols.,	,,	=	17	10	0	,,
Class E, 21 88-100 dols.,	,,	=	4	7	6	,,

A BONUS OF 20 PER CENT. IN FULL-PAID ORDINARY SHARES OF THE RAILWAY COMPANY WILL BE ALLOTED TO SUBSCRIBERS AFTER THE FINAL PAYMENT, ON THE ISSUE OF THE DEFINITIVE BONDS.

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* To be elected by the Bondholders at a meeting to be called for that purpose after Subscription and Allotment.

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BANKERS.

The Co-operative Credit Bank, Mansion House Chambers, 11 Queen Victoria-street, London, E.C., and all its branches throughout Great Britain and Ireland.

[*See next page.*

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The Co-operative Credit Bank is authorised by the Keokuk and Kansas City Railway Company to receive subscriptions for £500,000 sterling, in Bonds of various denominations as above, said £500,000 being the first portion of an authorised issue of £1,000,000 sterling, which is now for the first time offered to the public.

The terms of payment are—

20 per cent. on application.	10 per cent. Feb. 1st, 1876.
10 per cent. on allotment.	10 per cent. March 1st, 1876.
10 per cent. Dec. 1st, 1875.	10 per cent. April 1st, 1876.
10 per cent. Jan. 3rd, 1876.	20 per cent. May 2nd, 1876.

Subscribers will have the option of prepaying in full under discount at the rate of 6 per cent. per annum, either on allotment or on any of the dates when an instalment falls due. The failure to pay duly any instalment will subject all previous payments to forfeiture and cancellation of the allotment.

Scrip certificates will be issued against allotment letters and the Bankers' receipts, and after payment of the final instalment will be exchanged for the Definitive Bonds in due course.

Special attention is drawn to the fact that a *bonus* of 20 per cent. of their holdings, in full-paid ordinary shares of the Keokuk and Kansas City Railway Company, will be alloted to subscribers on the payment of the final instalment and the issue of the Definitive Bonds. It is calculated that this ordinary share capital will, within four years from completion of the road, be earning a dividend of at least 4 per cent. annually. For subscribers to bonds of a lower denomination than £100, it has been arranged that inasmuch as the share capital cannot be subdivided, according to the charter, into a lower denomination than 100 dollars, a new plan shall be carried out to secure for them a similar interest in the 20 per cent. *bonus*. This arrangement is that the balance after allotment, made to the holders of larger bonds, shall be placed in the hands of trustees; against which numbered coupon tickets will be issued in proportion to the amount of the lower bonds, as, for instance, *one* to each holder of a £5 bond, *four* to a holder of a £20 bond, and so forth. Within one month after the final payment on such smaller bonds (*i.e.* those below £100), a drawing will take place in the presence of a notary public, for such a number of 100 dollar shares as will represent the proportion of said bonus of 100 dollars shares to £100 worth of bonds held in sums under the said sum of £100 in which ONE coupon will have a chance of being drawn for a 100 dollar share.

The Bonds now offered will form a first charge on a main line of road 225 miles in length, extending from Keokuk (Iowa) to Kansas city (Missouri), the latter terminus being, as is well-known, the great commercial centre of the South-west. There has been expended already on the property, 1,170,239 dollars, or, in round numbers, £200,000. On the section or division between Salisbury and Kansas city (107 miles in length, exclusive of sidings); fifteen and a half miles between Glasgow and Salisbury are already in operation; and about twenty miles more are so far advanced in respect to the earthworks and bridges that they can be completed ready for the permanent way at a very moderate outlay.

A special provision of the mortgage is that the railway company bind themselves to use their best endeavours to procure at the next session of the legislature of Missouri, such additional powers as will confer on the Bondholders the right to vote at all elections equally with the Shareholders. In the mean time it has been agreed that the Bondholders shall have at once the nomination of three English directors, and thus be guaranteed a direct voice in the management. It will be evident to Bondholders that by securing this voting power the management is practically vested in them, as having in connection with the stock *bonus* above mentioned a majority of votes.

An English Trustee will be appointed to guard the interests of the English Bondholders.

No disbursement of the money subscribed will be made either to the Railway Company or the Contractors, except on the certificate of an engineer appointed by the Bondholders that five consecutive new miles of railway are completed according to specification, and are in running order for trains, and so from time to time as every successive five miles of new railway are completed, the contract being specific, that no payment shall in any case be made except as and when every five miles are completed.

The completed and projected line of the Keokuk and Kansas City Railway has been very carefully examined by Mr Oswald Younghusband, M.Inst.C.E. His report demonstrates that the proceeds of the Bonds will be amply sufficient for the completion and full equipment of the division between Salisbury and Kansas City; that in consequence of its judicious location it can be worked at a very moderate cost; and that through opening up a richly settled agricultural and mineral section of the State of Missouri, the net receipts from the traffic will be amply sufficient, on completion of the road, to pay the interest on the debentures.

Provision has been made by the Railway Company for depositing with Trustees two years' interest in advance on the Bonds, so that there may be no possibility of default during the construction of the road. These Trustees are two in number, and have been appointed conjointly in the interests of the Bank and the Railway Company. Every precaution has been taken to guard against those abuses, which unfortunately have, in some cases, cast discredit on American railroad investments.

The legal documents connected with the Company can be seen at the office of C. H. Edmands, Esq., Solicitor, 83 Poultry, London, E.C.

Copies of the engineer's report and of the mortgage or deed of trust, as settled by J. P. Benjamin, Esq., Q.C., together with prospectuses and forms of application, can be obtained at the Chief Office of the Co-operative Credit Bank, 11 Queen Victoria-street, London, E.C., or at its various branches throughout Great Britain and Ireland.

Subscription Lists will be opened October 30th, at the Co-operative Credit Bank in London, and at its various branches. These Lists will be closed in London November 12th, and in the country November 13th.

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Applications must be made on the following form, and must in all cases be accompanied by a deposit of 20 per cent., which will be returned without deduction should there be no allotment.

FORM OF APPLICATION.

(To be retained by the Bank.)

Issue of £500,000—2,500,000 dols.—part of £1,000,000, or 5,000,000 dols., First Mortgage Sinking Fund Bonds of the

KEOKUK AND KANSAS CITY RAILWAY COMPANY.

Redeemable in Thirty Years from October 1st, 1875.

Principal and interest at the rate of 7 per cent. per annum, payable in gold.

In Bonds of A £200, B £100, C £50, D £20, E £5.

To THE DIRECTORS OF THE KEOKUK AND KANSAS CITY RAILWAY COMPANY, LONDON, E.C.

Having paid to your credit with the CO-OPERATIVE CREDIT BANK the sum of £ , request that you will allot to , on the conditions of the Prospectus issued by you, dated October 30th 1875, Bonds of the above-mentioned issue, Class , and hereby agree to accept the same or any smaller number that may be allotted to , and to pay the additional instalments thereon as they may become due from time to time, and in default of due payment on any instalment agree that allotment and all previous payments shall be liable to forfeiture.

Name in full ....

Address ....

Date ....

Signature of Applicant ....

ADDITION TO BE FILLED UP IF THE APPLICANT DESIRES TO PAY IN FULL.

desire to pay up Subscription in full, discount at the rate of 6 per cent. thereon to be allowed for the intervening period.

Signature ....

RECEIPT.

(To be retained by the Applicant.)

Received of the sum of £ for account of the Keokuk and Kansas City Railway Company, being the payment of deposit of £20 per cent. per Bond, required on application for an allotment of Bonds, Class .

For the Co-operative Credit Bank, ...

£ : : Manager.

N.B.—Similar receipts will be issued to subscribers on the payment of each instalment as it becomes due, said receipts to be exchanged as soon as possible after the final payment for the definite Bonds.

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30 Moorgate-street, E.C., 11th November, 1875.

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P.S.—The Imperial Austrian 1858 Credit Debentures, Series 1,006, No. 78, drawing a Bonus of £4,000, has been sold by Mr. F. W. to a Gentleman residing in London.

The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

N.B.—Copies may be obtained at Messrs. W. H. Smith and Sons, Strand, at their numerous Railway Bookstalls, and at the Shops of the leading City and West-End Newsvendors.

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The Accountant.

NOVEMBER 13, 1875.

The right of stoppage *in transitu* is one which has been the occasion of much legal argument to decide the exact point at which the transit ends. The right, we may briefly remind our readers, is thoroughly recognised, and is one which in every way deserves upholding. A vendor has a lien on goods till he has received their price; that is to say, though he has sold them and is bound to deliver them upon payment, he can retain them in his custody till such payment is actually made. But if, after he has sent them off,—that is, if he chooses to send them off without waiting for his money,—he hears of the bankruptcy or insolvency of his consignee, he may take due steps to stop their delivery. This right depends strictly upon the diligence with which it is exercised. If the vendor is able to act with such promptitude as to serve the notice countermanding the delivery upon the carrier while he is yet on his way, he is successful, and his goods are restored to him. If, on the other hand, from late information or undue delay, the carrier has delivered the goods, the right is gone; the goods pass to the trustee in bankruptcy, and the vendor is reduced to prove for the amount of his debt in the ordinary way.

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It is obvious that in almost every case, with the wide complications of our various systems of rail and road, many nice points must arise, and the case of "*Re* Whitworth," which we report this week, is certainly not free from difficulty. The practice of the American firm claiming right of stoppage was to send bill of lading of goods shipped to their Liverpool agents together with a bill of exchange. This the agent sent off to Messrs. Whitworth, and on receiving it back from them duly accepted, he forwarded to them the bill of lading. Their custom then was to send the bill of lading to the Liverpool manager of the Lancashire and Yorkshire railway, who took steps to deliver the goods. The transactions appear to have been quite regular on both sides, so that the goods, instead of remaining in the custody of the consignor's agent at Liverpool, were, pending the receipt of the bill of exchange, transferred into a siding on the Lancashire and Yorkshire Railway, known as the "Whitworth siding." But at last Messrs. Whitworth filed a petition for liquidation, and a difficulty arose. Certain bales of cotton had been landed at Liverpool, transferred to the trucks of the railway company in the siding, and nothing remained to enable the company to complete the delivery but the receipt of the bill of lading by the traffic manager of the company. The report does not set out the circumstances with sufficient precision to enable us to criticise the judgment of the court, but we may just point out a few rules to govern the judgment of private individuals in a similar position. The right of stoppage may be exercised so long as goods are actually *in transitu*, that is to say, in the hands of the carrier as such, and also so long as they remain in any place of deposit connected with their transition. But if they are once delivered at a place from which they are to be removed by the direction of the consignee and not the consignor, the transit is over and the right of stoppage is lost. It was, we gather, upon this last principle, that the case we have taken as the text for our commentary was decided. The goods were lying in the railway siding, subject to the orders of the purchasers. As far as the consignors were concerned, their duty was over. They were bound to deliver them at a certain place and in a certain manner, and the mode in which they were to be removed from that place depended upon the will of Messrs. Whitworth. Had the vendors undertaken the whole of the delivery, their right would not have been lost; but here the *transitus* was ended, and no further transit availed to revive it.

But there are still nice points connected with such a case. It is laid down that the transit is not ended "until the goods reach the place *originally* named by the vendee as their ultimate destination; and it does not cease although the general agent of the vendee receive them at an intermediate place into his warehouse, for the purpose of forwarding them." So that receipt by the agent of the vendee is not sufficient, it must be actual possession by himself; and it apparently does not matter how he gets them—indeed, he may take them out of the possession of the carrier into his own, either with or without the consent of the carrier, so far as the right of stoppage is concerned: a somewhat alarming doctrine for speculative vendors who are in the habit of doing business with the inhabitants of regions where the system of police needs revision. The question of part payment needs only a simple reference. The custom in Whitworths' case is stated to be, that the bill of lading was sent on receipt of the debtors' acceptance. But it is suggested that the right is not destroyed by taking any such acceptance, but that the goods may be stopped even without tendering back the bill, and it does not appear whether the bill of lading was actually sent or what are its terms.

We have referred to this case simply as a means of showing the many pitfalls which lie in the path of those who seek to give an authoritative opinion on points of law, without the fullest study. We are told that some day the law will be codified, and that then we shall be all able to do without the assistance of lawyers. The careful consideration of the cases upon the law of stoppage *in transitu* is recommended to the sanguine individuals who aspire to cheapen law. They will find their codification and reduction to a few simple principles a task of no small difficulty.

A curious question has come before the Court of Appeal respecting the effect of writing a banker's name across a cheque. The impossibility of a banker identifying the signature of any but his own customers, led to an enactment, which provided that if a cheque made payable to order purported to be signed by the person whose name was on its face, the banker need make no inquiry as to the genuineness of the signature. So that, except as a kind of receipt, making a cheque payable to order was of but little practical utility. But most persons believed in the use of crossing a cheque. Stated in familiar language, a crossed cheque imposes upon its possessor the necessity of having either a

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banker of his own, or a friend who has a banker; a guarantee of respectability which various recent disclosures have rendered somewhat less satisfactory than of yore. The crossing of a cheque, if the name of some particular banker instead of the formal "and Co." were inserted, was supposed to make it incumbent upon the holder to present it for payment through the particular banker named. This view was negatived by the Court of Queen's Bench, and the validity of their decision is now under consideration by the Court of Appeal. Whatever the attributes of a cheque may be as regards its negotiability, it might be thought that as a matter of public convenience, the judgment of the Court of Queen's Bench was unfortunate. A cheque is a direction to a banker by his customer to pay a sum of money. If he makes it payable to bearer, it is simply an order which may be presented by any one; if he makes it payable to order, it is intended not to be openly negotiable without the written consent of the person to whom it is payable. The crossing is for the benefit of the holder. It is difficult to conceive a more secure mode of transmitting money than by a cheque payable to order, and crossed with the name of the bankers of the payee. A post-office order is payable to any one who has happened to find out the names of the owner and of the remitter. But the thief of a crossed cheque must possess as much skill in imitating handwriting as a man who makes it his business to forge signatures. It must come into the hands of the bankers who are to present it, and they, being acquainted with the signature of their customer, would not only tell at once the genuineness of the endorsement, but would take care to place the amount to his credit. But if any banker may receive a cheque, nothwithstanding a special crossing, the security is gone. A cheque is crossed with the name of, the Union Bank, let us say. Their clerks would know their own customer's writing, and a forged endorsement would be instantly detected. But if the cheque were passed through Coutts, no clerk could say if the endorsement were in the writing of the proper owner or not, and the bankers of the drawer would be absolved if the forged name was correctly spelled. The negotiability of a cheque may be important, and seems to be of the very essence of the case, but its security is in our opinion still more important, and we therefore humbly hope that their Lordships may signalise the fusion of law and equity by summarily reversing the judgment of the court below, though we are afraid that so sound a lawyer as Mr. Justice Blackburn has more than the mere substance of soundness in the reasoning on which he based his judgment.

Benevolence is a charming attribute of woman, but it must not be allowed to interfere with the course of even-handed justice; and though Lady Sebright may feel some natural pain at the high-handed manner in which Vice-Chancellor Malins wound up the "Patent Felted Fabric Company," yet a little reflection will show her that her well-intentioned intervention could not be tolerated. A hard-hearted creditor was desirous of winding-up the above-mentioned company, being unable to obtain payment of his little account, and presented a petition for that purpose. This Lady Sebright objected to, and not only as a holder of paid-up shares opposed any order being made, but tendered the petitioner his debt and costs out of her own pocket. This generous offer was not appreciated; Sir R. Malins, indeed, actually doubted whether Lady Sebright had any right to appear; and though he somewhat unwillingly conceded this point out of chivalrous motives, summarily ordered the company to be wound-up. Perhaps it may soothe Lady Sebright's disappointed feelings if we point out that the reason for winding-up is that the company is unable to pay its debts, the fact that a petitioning creditor cannot get his money being taken as proof positive of this. Her offer, if accepted, would not have lightened in any way the position of the company, or made it better able to pay its other creditors. It would have merely exchanged one harsh creditor for one lenient one, but its insolvency would have remained as hopeless as ever.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*

The Master of the Rolls has appointed Mr. Samuel Lovelock, accountant, 19 Coleman-street, official Liquidator of the Newspaper Company, Limited.

Vice-Chancellor Malins has appointed Mr. F. Maynard to be provisional official liquidator of the Grandreath Valley Colliery Company, Limited.

Mr. George Edward Morton, A.S.A.E., of 22 Buckingham-street, Strand, W.C, has been appointed by Mr. Registrar Murray receiver and manager of the estate of John James Green, of 134 Fenchurch-street, and Sutton, Surrey, colonial broker.

Mr. Edward Thomas Peirson has been appointed trustee of the estate of Moses Jonah Cohen, of Newcastle-upon-Tyne, jeweller and dealer in watches.

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SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, LINCOLN'S-INN.

November 5.

(*Before the* LORD CHANCELLOR, *Lord Justice* JAMES, *and Lord Justice* MELLISH.)

IN RE THE EUROPEAN SOCIETY'S ARBITRATION, AND IN RE THE ROYAL NAVAL, MILITARY, AND EAST INDIA COMPANY LIFE ASSURANCE SOCIETY.—GRAIN'S CASE.—This was another of the appeals under the European Arbitration Acts, the appeal being from a decision of the late Lord Romilly, the Arbitrator. The question was whether Colonel Grain, who, in 1861, effected a policy on his own life for £400 in the Royal Naval Society, which company, in September, 1866, was amalgamated with the European Society, was now entitled to rank as a creditor for the value of his policy against the Royal Naval Company, or whether he was to be treated as only a creditor of the European Society. Lord Romilly admitted the claim against the Royal Naval Company, being of opinion that there had been no novation. The joint official liquidators appealed. As the hearing of the appeal is not yet concluded, we reserve a statement of the nature of the provisions of the deed of settlement of the Royal Naval Company and of the circulars which were sent to the policy-holders on the occasion of the amalgamation. These provisions and circulars are lengthy, and they apply also to "Hort's case," which was argued at the beginning of August last, the judgment of the court being reserved. The peculiarity of the present case was that, in September, 1867, Colonel Grain, being desirous of going to reside temporarily in Jamaica without forfeiting his policy, applied to the European Society for permission to do so, which was granted on the terms of his paying an extra premium of £16 per annum, and a memorandum to that effect was endorsed on the policy by the European Society. The policy when originally granted contained a condition that it would become void on the assured going into (among other places) Jamaica, unless he should communicate his departure to the directors (of the Royal Naval Company), and pay the additional premiums for the increased risk according to the company's existing rates for the time being, or as a board of directors should specially determine. The additional premium was paid by Colonel Grain to the European Society as long as he resided in Jamaica, the original premium being also paid to the European after the date of the amalgamation. The receipts given by the European for Colonel Grain's premiums contained the words "Royal Naval, &c , Department." His policy was not endorsed upon the amalgamation, and he never received any bonus from the European. Mr. Higgins, Q.C., and Mr. Romer appeared for the liquidators; Mr. Jackson, Q.C., and Mr. Millar are for Colonel Grain. The Lord Chancellor not being able to sit after 1.30, the arguments on this appeal were not concluded, and the further hearing stands adjourned.

November 9.

(*Before Lords Justices* JAMES *and* MELLISH *and Mr. Justice* BRETT.)

IN RE THE MORVAH CONSOLS TIN MINING COMPANY, LIMITED. —This was an appeal from a decision of the Vice-Warden of the Stannaries Court. The company was registered under the Companies' Acts on the 7th of November, 1871, with a nominal capital of £15,000, divided into 3,000 shares of £5 each, its object being to purchase and work the Morvah Consols Mine in Cornwall, a lease of which for 21 years had, in June, 1871, been granted to a Mr. James Hammon. Mr. C. M. Fisher was one of the subscribers of the memorandum of association, and Mr. G. S. M'Kay was another. The articles of association provided that a certain agreement, set out in the appendix thereto, should be confirmed and adopted, and declared to be binding on the company. The agreement referred to was one between Hammon, of the one part, and M'Kay, on behalf of the Morvah Company, then intended to be formed, of the other part, by which it was agreed that Hammon should sell, and the company should purchase, the lease of the mine for £6,000, to be paid, as to £3,000, in cash; and as to the other £3,000, by the issue to the vendor or his nominees of 600 fully paid-up shares of £5 each in the company. The agreement was duly registered with the Registrar of Joint-Stock Companies. The agreement was afterwards modified in this way, that Hammon was to receive only £1,000 in cash and £5,000 in fully paid-up shares. There was a secret arrangement between Hammon and M'Kay that the latter was to have 600 of the fully paid-up shares transferred to him as a remuneration for his services in getting the agreement entered into between Hammon and the company. Of this agreement between Hammon and M'Kay the directors of the company knew nothing. M'Kay said that in this transaction he was acting on behalf of Fisher, who was the person really entitled to the benefit of it. M'Kay was the secretary of the company from its registration in November, 1871, until the 8th of March, 1872, when he went away to America. On the 5th of March, 1872, at a meeting of the directors, at which M'Kay was present, as secretary, 1,000 shares were allotted as fully-paid up to Hammon, and of these 600 were, on the 12th of April, 1872, transferred to M'Kay for a nominal consideration. He had executed the transfer in blank before he left England. In December, 1872, he returned to England, and in December, 1874, he was appointed a director of the company. In February, 1875, the company, which had proved unsuccessful, was ordered to be wound-up. Before this time, M'Kay had transferred 100 of the shares to Colonel Trevenan J. Holland, the managing director of the company. Under these circumstances, the Vice-Warden, on the application of the liquidator, made an order that M'Kay should pay to the liquidator £2,500, being the amount which he was liable or accountable to contribute to the assets of the company in respect of 500 shares in the company. The order professed to be made under Sec. 165 of the Companies' Act, 1862, which provides that "where, in the course of the winding-up of any company, it appears that any officer of such company has misapplied or retained in his own hands, or become liable or accountable for any moneys of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the court may examine into the conduct of such officer, and compel him to repay any moneys so misapplied or retained or for which he has become liable or accountable, together with interest, or to contribute such sums of money to the assets of the company by way of compensation in respect of such misapplication, reticence, misfeasance, or breach of trust, as the court thinks just." M'Kay appealed from the order. Mr. Ince, Q.C., and Mr. Langworthy, in support of the appeal, argued that if M'Kay was to be treated as a trustee for the company, he could be charged only with the profit which he had actually made from the transaction, which profit in this case was nothing; that Section 165 did not apply, because M'Kay was not an officer of the company when the shares were transferred to him; and that, if it did apply, yet in estimating the amount of damages the Court ought to take into account the fact that the persons who might otherwise have had these shares might have been insolvent, as indeed many of the holders of shares in the company had proved to be. The appellant ought therefore not to be charged with the full amount of the shares. Mr. Marten, Q.C., and Mr. Northmore Lawrence appeared for the liquidator, but were not heard. Lord Justice Mellish was of opinion that the decision of the Vice-Warden was perfectly correct. The principle to be applied to the case was plain enough. M'Kay was the secretary of the company, and was also the person employed on their behalf (whether he was or was not agent for Fisher appeared to be wholly immaterial) to enter into negotiations with Hammon for the sale of the mining property to the company

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An agreement for the sale of the property to the company was entered into between Hammon and M'Kay on behalf of the company. There was a sub-agreement (whether contemporaneously with or after the agreement for the sale of the property was immaterial) that M'Kay or Fisher should receive from Hammon 600 of the fully paid-up shares, and unquestionably there was never any consideration for the transfer of those 600 shares from Hammon to M'Kay beyond the benefit which Hammon had derived from M'Kay or Fisher while they were acting as agents of the company in the transaction. Whether it was a matter of bargain or a present made by Hammon, it was in consideration of a benefit which he received from the company's agents. Now, in this court it was quite clear that all the benefit which the agent of the purchaser in such a transaction received from the vendor would be treated as belonging to the purchaser. It was so laid down in "Sir John Hay's case" and many others. All the remuneration which an agent so received, he received on behalf of his principal. It was, therefore, clear that all the shares transferred by Hammon to M'Kay, for which there was no other consideration than the benefit which Hammon derived from him in the course of his agency, belonged to the company. Either those shares should have had no existence at all, or M'Kay held them only as trustee for the company. That was the substance of the transaction, and in the view of this Court M'Kay was liable for the 500 shares. Then arose the question whether the value of the shares could be recovered by a proceeding under Section 165. His Lordship agreed that it was necessary that the person summoned should have been an officer of the company at the time when the wrongful act complained of was committed. But here M'Kay was an officer of the company when the act was committed, or at any rate at the time when it was begun to be committed. He, as secretary, knowing all the facts, allowed the directors of the company to allot these shares to Hammon without telling them that in truth the shares were the property of the company. It was immaterial that the actual transfer of the shares to himself did not take place till after he had ceased to be secretary. Therefore, his Lordship was of opinion that the proceeding was rightly taken under Section 165, and that it was not necessary to file a bill. Then came the question, what was the proper amount of damages to be paid? His Lordship did not quite agree with the Vice-Warden that, because M'Kay was not entitled to have the shares as fully paid-up shares, therefore he was to be treated as a holder of ordinary shares. His Lordship thought he was only liable to account for the fair value of the shares. But M'Kay was a wrong-doer, and therefore in estimating the damage a presumption might be made against him which could not be made against a person who was not a wrong-doer. The directors were at this time allotting the shares, and it was their duty to see that the shares were taken by solvent persons, and it was impossible as against a wrong-doer to assume that the persons who might otherwise have taken these shares would have been insolvent. It must be assumed that these shares would otherwise have been allotted to solvent persons; and those of the shareholders who were solvent had been compelled to pay up the full amount of their shares; therefore his Lordship thought that the amount of damages had been properly fixed, and that the order was quite right. The appeal must be dismissed with costs. Mr. Justice Brett was not quite sure that he agreed with all the reasons given by the Vice-Warden in his judgment; but still he thought it quite clear that the decision itself was that which the court ought to give in this case. At a time when M'Kay was not an officer of the company, he entered into the agreement for purchase on behalf of the company. By this agreement it was made to appear that a certain number of fully paid-up shares in the company were to be given to Hammon as part of the purchase money. But there was a concealed agreement between M'Kay and Hammon that 600 of these fully paid-up shares were not to go to Hammon, but to Fisher or M'Kay, as remuneration for their trouble in the transaction. The company were induced to believe that Hammon was receiving from them a particular sum, whereas, in truth, Hammon was only to receive a part of that purchase-money, and the company, without their knowledge, were being made to pay 600 shares, part of the purchase-money, to M'Kay, who was affecting to act on behalf of the company, while he was in reality deceiving them. There was not much difficulty in saying that this was a fraud on the part of M'Kay and Fisher, but at any rate it was a misfeasance. This was done at a time when M'Kay was not an officer of the company; but then he committed another misfeasance by assisting, after he became secretary, to carry out the wrongful agreement, which he had previously entered into. He had been guilty of a misfeasance while he was an officer of the company, and this court had jurisdiction under Section 165 to order him to pay a sum of money in respect of that misfeasance. Then, what was the proper amount for him to pay? Where there had been a breach of trust or a misfeasance, there was no fixed legal rule to determine the amount of the damages, but the damages were at large. Of course he could not be ordered to pay any damages which were not consequent on the act, but he could be ordered to pay the largest amount of damages which might have resulted from the wrongful act, and it might be assumed that a solvent purchaser could have been found for these shares if M'Kay had not had them. If a clerk in an office chose to allow himself to be made a tool of his employer to carry out such a transaction as this, the Court ought to compel him to pay the largest amount of damages. Lord Justice James quite agreed with the judgments of both his learned brothers. He only wished to add that, while their Lordships did not at present express their concurrence with the view of the Vice-Warden that the shares should be treated as unpaid shares, they did not intend to express their dissent from that view, inasmuch as it might be a question of importance in other cases in which the holder of shares transferred in this way was not an officer of the company.

COMMON LAW DIVISION.

November 8.

(*Sittings on Appeal from the Queen's Bench Division, before the* LORD CHANCELLOR, *Lord* COLERIDGE, *Baron* BRAMWELL, *and Mr. Justice* BRETT.)

SMITH v. THE UNION BANK OF LONDON.—This case—as Mr. Justice Blackburn observed—though the amount in dispute was small, raised a point of considerable importance with respect to the liability of bankers to the holders of crossed checks which have been stolen. The question, shortly stated, was whether if a check crossed to a particular bank, and which has been stolen, is paid through the wrong bank but to a lawful holder, the banker so paying it is liable. The question had arisen thus:—A person indebted to the plaintiff gave him a check for £21, payable to the plaintiff's order, on the Union Bank of London. He having endorsed his name on it, crossed it with the name of his bankers—the London and County Bank—but the check was stolen from him, and sold by the thief for £8 10s. The buyer passed it to another person, who took it *bonâ fide*, and paid it to his bankers—the London and Westminster—and they presented it to the Union Bank, who paid it to them, notwithstanding the special terms of the crossing. The Act 21 and 22 Vic., c. 79, s. 2, enacted that a check payable to order or bearer, and uncrossed, may be crossed by the holder with the name of a banker, and such crossing shall be deemed a material part of the check, and the banker upon whom it is drawn shall not pay it to any other than the banker named in the crossing, and upon this the plaintiff sued the Union Bank to recover the amount; but the Court of Queen's Bench—constituted of Mr. Justice Blackburn and Mr. Justice Field—held that he was not entitled to recover, as the Act did not affect the negotiability of the check, and the plaintiff had endorsed it so that a person had become the *bonâ fide* holder of it for value before it was presented to the

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bankers, and the plaintiff was not then the holder. Mr. Justice Blackburn, in giving judgment, said he did not mean to hold that the bankers would not have been liable if they had paid the check to any one but a lawful holder; on the contrary, he thought, that they would. But here the bankers, though they had disobeyed the Act, as they had paid the check to another bank— not the bank mentioned in the crossing—had paid it through that bank to a person who was *bonâ fide* holder—that is, they had paid it through the wrong bank to the right party. There are obvious reasons, said the learned Judge, why bankers should not, and do not in practice generally pay checks to any bank but the one whose name is across the check, because they do not protect their customers and may incur a very serious liability; for if the crossed check is drawn payable to order and it is endorsed specially, or is kept unendorsed, and is stolen and endorsement is forged, a party who took it even for value would not be holder, and if the check is crossed to a particular banker and is paid to another the banker who pays it will be liable. But when he pays to the right holder, though through a wrong banker, he is not liable. From this judgment the plaintiff appealed. Mr. Brown, Q.C. (with him Mr. Collyer), argued for the plaintiff, the appellant; Mr. Thesiger (with him Mr. Douglas Walker and Mr. Pollock) were for the bank. It was admitted in argument by the counsel for the appellant that the negotiability of the check was not restrained by the crossing, which was not an endorsement, but merely a direction to pay through a particular banker, so that it could be transferred; but still it could only be paid through the particular banker. The Lord Chancellor. —But what harm has been done to you? You were not the holder of the check. Mr. Brown.—We were deprived of the protection the statute gave us. Mr. Justice Brett.—Were not the bankers bound to pay the lawful owner? Mr. Brown.— Only through the proper banker. The Lord Chancellor.— Then surely the negotiability of the check is restricted, which you do not contend. Mr. Brown.—Then in the sense that the check can only be paid through the proper banker the negotiability is restrained, but to that extent only. It is like the acceptance of a bill of exchange, making it payable at a particular place; and by the payment to the wrong banker the plaintiff had lost all remedy. On the other side the grounds taken by the Judges in the court below were urged and relied upon. The Court took time to consider their judgment.

HIGH COURT OF JUSTICE.—CHANCERY DIVISION.

November 5.

(*Before Vice-Chancellor Sir* RICHARD MALINS.)

IN RE THE GOITRE WEN LLANGENNECH MERTHYR SMOKELESS STEAM COAL COMPANY, LIMITED.—In this matter a petition was presented, praying for an order to wind-up the company. Mr. Glasse, Q.C., was for the petitioner. The Vice-Chancellor made an order to wind-up the company, upon an affidavit of service.

IN RE PAVY'S PATENT FELTED FABRIC COMPANY, LIMITED, EX PARTE WERTHEIMER AND ANOTHER—AND IN RE THE SAME, EX PARTE THE CREDIT FONCIER OF ENGLAND.—The above-named Pavy's Patent, &c., Company was registered under the Companies Acts in May, 1872, for the purpose of working a patent granted in 1868 for an invention of improvements in treating and preparing certain vegetable and animal fibres to manufacture a new description of fabric or stuff applicable to various useful and decorative purposes in this country and in France, Belgium, and the United States of America. The capital of the company was originally £100,000, in 20,000 shares of £5 each, but it was afterwards resolved to increase that capital to £150,000 by the issue of 10,000 additional shares of the same amount. The whole of those new shares were not issued, but calls upon such of them as had been issued were made to the extent of £3 per share, and in most instances paid. Nothwithstanding that, the company was unable to pay its debts, and, on the 12th of August last, Messrs. Wertheimer and Co., as creditors of the company for about £76, presented a petition for a winding-up order. On the 20th of August the petitioners' solicitor gave notice of an application for the appointment of provisional liquidators, and on the 24th of October the application came on to be heard before the Vice-Chancellor Sir J. Bacon. Lady Sebright, who was the holder of 100 fully paid-up shares, appeared and opposed the application, but an order was, nevertheless, then made for the appointment of two provisional liquidators. Lady Sebright then offered to pay the petitioning creditors' debt and £50 for costs, but that offer was declined, and, although subsequently renewed, again refused The petitioners then applied for the appointment, by order, of Mr. Maynard as official liquidator. Lady Sebright opposed that application, and nominated another gentleman. After some discussion, the matter was directed to be adjourned into court, to be heard in due course. Mr. Higgins, Q.C., and Mr. Barber now appeared in support of the petition to wind-up the company, which, they said, it was, under the circumstances, just and equitable should be wound-up. The person who most strongly resisted the petition was a married woman, who did not appear with her husband, or by a next friend, and should not be heard. Mr. Glasse, Q.C., and Mr. Solomon, for the company, admitted its inability to pay its debts, and that the petitioners' claim was still unsatisfied. Mr. E. Widdrington Bryne, for creditors of the company to the amount of £20,000, supported the prayer of the petition, and submitted that, even if the petitioners were not the proper parties to present it, his clients, as the largest creditors of the company, might be allowed to have the carriage of the order. Mr. Whitehorne, for Lady Sebright (whose right to appear was after some discussion conceded) and other creditors, opposed the petition. He said the petitioners, having had their very small debt and costs tendered to them, must be considered as having been paid what was due to them, and should not now be intrusted with the working out of the proposed order. If other petitioners were substituted for them, his clients might, perhaps, withdraw their opposition. As to the company itself, there was no reason for thinking it would not succeed if allowed to go on.—The Vice-Chancellor said that the petition in this matter had been presented by creditors who, it was true, were not creditors of the company to any very great amount, but still they were, in fact, creditors. The objection to their petition was that they had been offered their debt and costs, which, having refused, they should be treated as having been paid. But the company itself appeared by counsel, and admitted that the petitioners' debt was due to them, and that the company could not pay it and its other debts. So far, therefore, the making of the winding-up order was a matter of course. But in answer to that it was said a shareholder (whose right, however, as a married woman to appear alone as such was by no means clear), when the application was made to the Vice-Chancellor Sir J. Bacon, had tendered the petitioners their claim, and afterwards repeated the offer. If the company itself had done that, there might have been some reason for staying the proceedings on the petition of these gentlemen; but it was a very different thing when the petitioning creditors' debt was tendered or paid by a shareholder in the company. His Lordship had serious doubts whether that could be allowed. If such a course were permitted, any *bonâ fide* petitioner might be stopped by some Quixotic shareholder, to the real detriment of a company's interest. He could not, therefore, admit the right of Lady Sebright, even if an unmarried woman, to intervene in the way she had proposed. The company still owed the petitioners their money: but that was not all. Other creditors, to the extent of £20,000, wished the company to be wound-up. No one said it was solvent. How absurd, then, it would be to refuse the order now asked for, simply because Lady Sebright was willing to pay this particular debt! It was manifest that even if that was satisfied, other petitions would be presented immediately, and for precisely similar purposes. The affairs of the company were now in the hands of the provisional liqui-

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dators already appointed, and would remain with them till their successors were nominated. He considered that, on the whole case, the opposition to the petition had been most vexatious and ridiculous, and the usual winding-up order must be made. The second of the above-named petitions in this matter was then withdrawn.

IN RE E. FISHER AND COMPANY, LIMITED.—In this matter a petition was presented for an order to wind-up the company, on the ground that it had not commenced its business—had, in fact, done nothing towards it—viz. "the manufacture of champagne nectar"—within twelve months from the time when the company was formed. Mr. Buckley was for the petitioner; Mr. J. Cutler was for the company. The Vice-Chancellor, on being satisfied that the evidence supported the grounds of the application (the granting of which his Lordship considered the best thing for all parties concerned in the matter), made a winding-up order, but, under all the circumstances of the case, directed the order not to be drawn up for a week, so as to enable the company within that time to pay to Mr. Fisher £2,000 on account of purchase-money due from them to him; and if at the end of the week the money was paid, another application must be made to the court before the order was finally drawn up.

(Before Vice-Chancellor Sir C. HALL.)

IN RE THE WALNEY LAND AND BUILDING COMPANY, LIMITED. —This company was ordered to be wound-up on a judgment creditors' petition. Mr. Graham Hastings, Q.C., and Mr. Speed appeared for the petitioners. The company did not appear, but the order was made on an affidavit of service.

November 6.

(Before the MASTER *of the* ROLLS.)

BRANNON'S PATENT FIRE-PROOF, SANITARY, AND PERMANENT WORKS, LIMITED—THE BRITISH, COLONIAL, AND FOREIGN PROPERTY INSURANCE CORPORATION, LIMITED.—These companies were ordered to be wound-up by the court. Mr. Roxburgh, Q.C., Mr. Lawson, Mr. Angelo Lewis, Mr. Romer, and Mr. McSwinney were the counsel engaged.

THE SOUTH WALES ATLANTIC STEAMSHIP COMPANY, LIMITED. —This was a director's petition for continuing under supervision the voluntary winding-up of a company which was established in May, 1874, with a nominal capital of £600,000, the Marquis of Bute and others being the first directors. Mr. Roxburgh, Q.C., and Mr. Grosvenor Woods appeared for the petitioners, and Mr. Whitehorne for the company and liquidators. Mr. Cracknall, for three contributories, said the directors were holders of paid-up shares only, and his clients were the only parties liable to contribute to the assets; and he claimed that a direction as to the appointment of an independent liquidator should be inserted in the order. The Master of the Rolls, however, said that if Mr. Cracknall's clients considered the present liquidators to be improper persons, they might take out a summons in chambers for their removal, and made the usual supervision order.

IN RE BARKER'S TRUSTS.—This was a petition praying the removal of a sole trustee on the ground of bankruptcy. Mr. Chitty, Q.C., and Mr. F. W. Bush, for the petitioners, referred to section 117 of the Bankruptcy Act, 1869, which authorises the court, if it appear expedient to do so, to appoint a new trustee in substitution for the bankrupt. Mr. Chapman Barber, for the bankrupt, stated that he had obtained his discharge since the presentation of the petition, and appealed to the court, under the circumstances, not to remove his client, but to appoint an additional trustee. Mr. Chester appeared for the trustees of the bankrupt. The Master of the Rolls.—I have no hesitation in saying that in my opinion it is the duty of the court to remove a bankrupt trustee in every case where he has money to receive or there is property which he may misappropriate. A man who is in necessitous circumstances is far more likely to be tempted than a man who is wealthy. Another reason is, that a man who has not shown sufficient prudence in the management of his own affairs to avoid bankruptcy is not likely to exhibit prudence in the management of the affairs of others. There is a further special reason in this case, that the trust fund is personal property, consisting of various descriptions of stocks and shares, some portion of which, at all events, is capable of being made away with. I must make an order for removal of this gentleman.

COURT OF BANKRUPTCY.

November 4.

(Before MR. REGISTRAR BROUGHAM, *sitting as Chief Judge.)*

IN RE GALATTI AND GALATTI.—The debtors, John Sergio Galatti and G. C. Galatti, merchants, of Bloomfield-street, Finsbury, and Alexandria, have filed a petition for liquidation. Their liabilities are returned at £165,000, with assets consisting of cash in hand, book debts, bills of exchange, shares in companies, and land at Worthing of the estimated value, in the aggregate, of £19,000, exclusive of an interest in cotton, in the hands of brokers at Liverpool, upon which advances have been made. Mr. Latham, for the petitioners, and with the concurrence of creditors, now asked that Mr. John Weise, accountant, should be appointed receiver of the property. The evidence showed that creditors of the firm were taking hostile measures in Alexandria, and that it was necessary the assets there should be protected. His Honour granted the application.

PRACTICE OF THE COURT.—It may be useful to state that, for the future, applications for the appointment of receivers and for injunctions in liquidation cases are to be made during the sitting of the Court of the Registrar who may be acting for the Chief Judge, and that such applications will not be allowed to be made in Chambers after the Court has risen.

(Before the Hon. W. C. SPRING-RICE.)

IN RE THE HON. W. F. O. O'CALLAGHAN, M.P.—The case of the bankrupt, who is M.P. for Tipperary, was again in the list upon a motion by the trustee, but was struck out in consequence of the annulment of the adjudication, the creditors receiving the sum of £6,250 in satisfaction of their debts.

November 5.

(Before Mr. Registrar PEPYS, *sitting as Chief Judge.)*

IN RE CHARLES RONALDSON.—A petition for liquidation has been filed in this case, the debtor being described as a wine merchant, of Mincing-lane. The liabilities are returned at £80,000, with assets, consisting of stock-in-trade (estimated), £4,000; book debts, £3,000; and household furniture at Belvidere, £300. Upon the application of Mr. F. H. Linklaker, the Court appointed Mr. Charles Chatteris, accountant, receiver and manager of the business.

November 6.

(Before the Hon. W. C. SPRING-RICE, *sitting as Chief Judge.)*

IN RE WILLIAM THOMAS HENLEY.—The debtor, a telegraph engineer and contractor, carrying on an extensive business at 110 Fenchurch-street, City, Plaistow, and Pontnewynydd Ironworks, Monmouthshire, recently filed a liquidation petition. His debts amounted to upwards of £600,000 in the aggregate, of which more than one-half were secured. The matter was now brought before the court for its approval of a scheme of arrangement, under section 28 of the Act, which provided for payment to the creditors of a composition of 7s. 6d. in the pound by three instalments at 12, 18, and 24 months' date, with power for all creditors proving against the

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estate to claim in lieu of their composition fully paid-up shares (value taken at par) in a company registered under the name of William Thomas Henley and Co., Limited. The scheme also provided that all the debtor's assets, except his house and furniture, should be assigned to the company by the trustee, and that the liquidation should be closed and the debtor discharged when the proposal had been carried into effect. Mr. Jeune appeared for the trustee and Mr. Chidley and Mr. Starkey for creditors, in support of the application; and Mr. Hollams, jun., for a creditor in opposition. The Court, after considerable discussion, confirmed the scheme.

In re J. J. de Lizardi.—The bankrupt formerly carried on business as a merchant at 124 Cannon-street. He failed about two years since, when, upon a criminal charge being preferred by creditors, he absconded. A claim was recently made by Mr. White and others, alleged to be separate creditors of the bankrupt, to a sum of £5,103, now in the hands of Mr. Turquand, the trustee, on the ground that the fund formed part of the separate estate. The claimants contended, in support of their case, that the bankrupt had been in partnership with his brother, M. Miguel de Lizardi, who resided in Mexico, and the fact mainly in dispute was whether such partnership really existed at the time of the bankruptcy. Mr. Winslow, Q.C., and Mr. Finlay Knight appeared for the claimants; Mr. Everett and Mr. George Henderson for creditors in opposition; and Mr. J. Linklater for the trustee. His Honour now gave judgment, and, after reviewing the evidence, held that the alleged partnership with the brother was not proved, and that the claim of the applicants, as separate creditors, failed.

(Before Sir J. Bacon, Chief Judge.)

November 8.

Ex Parte the Trustee, re Whitworth.—This was an appeal from a decision of the Halifax County Court, and involved a question as to the right of Messrs. Gibbes, of Charlestown, in the United States, to stop *in transitu* certain cotton which they had consigned to Messrs. Whitworth, of Luddenham, Yorkshire. Mr. Benjamin, Q.C., and Mr. Jordan were counsel for the appellant, and Mr. De Gex, Q.C., and Mr. Finlay Knight for the respondents. It would appear that for many years Messrs. Gibbes were in the habit of consigning to Messrs. Whitworth, who were cotton-spinners, large quantities of cotton to be used by them for the purpose of their trade. Simultaneously with the shipment of the goods a bill of lading for Liverpool was usually forwarded to Messrs. Brown, Shipley, and Co., the agents of Messrs. Gibbes and Co. in this country, together with a draught of exchange, which the latter transmitted to Messrs. Whitworth for acceptance, and on receiving from that firm the draught duly accepted, they immediately sent to Messrs. Whitworth, at Luddenham, the bill of lading, which was thereupon forwarded to Mr. Windle, the manager of the Lancashire and Yorkshire Railway at Liverpool, with directions to forward the goods to Luddenham. On the 17th of April, 1875, Messrs. Whitworth filed a petition for liquidation. At that time a quantity of cotton consigned by Messrs. Gibbes to the debtors, and of which the bill of lading had been transmitted by the consignees to their agent at Liverpool, was lying in trucks of the railway company, placed in a siding known as "the Whitworth siding," at Luddenham Station. On the 21st of April Mr. Ernest Schutt, the agent for Messrs. Gibbes, countermanded the delivery of the cotton to Messrs. Whitworth, and the learned Judge, upon the matter being brought before him, held that Messrs. Gibbes were entitled to the goods. The trustee under the liquidation appealed. The Chief Judge, on the ground that the *transitus* of the cotton, so far as concerned the vendors, was at an end upon its arrival at Liverpool, reversed the decision of the Court below, and held that the trustee was entitled to possession of all the cotton which was in the hands of the railway company as agents for the debtors at the date of the petition for liquidation.

November 9.

(Before Mr. Registrar Murray, sitting as Chief Judge.)

In re Hart and White.—The bankrupts, David Hart and George Hart, wine merchants, of George-street, Tower-hill, applied to pass their examination. They had presented a petition for liquidation, but the proceedings fell to the ground, and the creditors obtained an adjudication. The balance-sheet of the bankrupts showed debts and liabilities amounting to £83,069, and assets £28,608 subject to realisation. The case has been before the court for a considerable time. Mr. Lanyon, for the trustee, stated that at the last public examination some months since, the late Mr. Registrar Roche, who then presided, directed that the evidence should be taken in private, and the result of it afterwards stated to the court. The trustee did not desire now to oppose the bankrupts, but only to make a statement as to what had been elicited at the meetings. Mr. Linklater, solicitor for the bankrupt Hart (the other bankrupt being unrepresented), objected to the proposed statement being made, and submitted that the sole question for the court to determine was whether or not the bankrupts were entitled to pass their examination. Mr. Registrar Murray, after some discussion, said this was a sitiing for public examination under the 19th Section. He did not know what reason there was for taking the examinations in private, but he supposed it was for the convenience of the creditors and the trustee. The learned counsel might read the examinations as a brief. He thought it would be inconvenient to make a statement, but he could not refuse to hear the examinations read. Mr. Lanyon said the trustee desired that the accounts should be more full, and that the bankrupts should make a further discovery. Considerable discussion followed in regard to the right of the bankrupts to pass their examination upon the accounts as they at present stood. Eventually Mr. Registrar Murray said he must call upon the learned counsel to point out some particular item as to which the trustee was not satisfied. Mr. Lanyon, after conferring with the trustee, said he did not think any information could be obtained from an examination of the bankrupts beyond that which they had actually disclosed. Mr. Registrar Murray said in that case the only duty he had to perform was to allow the bankrupts to pass their examination. They did so simply because they had filed their accounts, and had submitted themselves to examination at the instance of the trustee, and the trustee gave no reason for adjournment. Passed.

(Before Mr. Registrar Spring-Rice.)

In re C. T. Mavrocordato.—This was a first meeting. The bankrupt was a merchant and a dealer in stocks and shares, of 108 Bishopsgate-street-within. He was recently convicted and sentenced to five years' penal servitude on a charge of defrauding various stockbrokers, and consequently now failed to appear. Several proofs of debt were admitted, and a trustee appointed. No accounts were presented.

The Jersey Mercantile Union Bank.—There is at length some prospect of the creditors of this bank receiving a trifling dividend out of the estate. The bank suspended payment on the 1st of February, 1873, with liabilities amounting to about £320,000, the investigation into the affairs resulting in the trial and condemnation of the chairman, Mr. Joshua Le Bailly (a judge of the Royal Court), to five years' penal servitude. After numerous efforts an agreement was at length come to between the creditors and the shareholders, by which the latter agreed to contribute a sum of £80,000, in full discharge of their liabilities. This, together with the sum realised by the sale of Mr. Le Bailly's estate, is estimated to yield about 5s. 6d. in the pound. The liquidators have obtained from the Royal Court an order to call in the £1 notes held by creditors, against which they will issue notes of hand, for the purpose of simplifying the process of payment of the dividend, which is expected to be commenced shortly.

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EUROPEAN ASSURANCE ARBITRATION.

November 4.

(*Before Mr.* F. S. REILLY.)

At a sitting to-day the Arbitrator determined that an appeal should be allowed in some cases which in a very great degree affect the amount of assets available for some of the creditors in the arbitration.

RIVINGTON'S CASES, No. 1 AND No. 2.—The Arbitrator, in giving judgment, said that the first question was whether the new Act relating to the arbitration provided for an appeal in cases where decisions on different principles had been given by the same Arbitrator, or only in cases where the differences of opinion were between different Arbitrators. The interpretation the learned Arbitrator would now put upon the Act was, that it did apply to a difference in principle between two or more decisions of the same Arbitrator. Then came the question whether there had been any such difference. The duty of making this inquiry had been cast upon him (the learned Arbitrator) by the Legislature, and must be discharged. This duty, however, did not involve the consideration of the merits of any decision. Any one who studied the judgment in "Rivington's Case, No. 1" (*Law Times* European Reports, p. 57) would see that, apart from all particular circumstances, the principle of the decision was that Lord Westbury would not inquire into the validity of an arrangement in the nature of amalgamation between two companies, after the lapse of a considerable number of years, and when he could not restore the parties to their original position. The judgment made no reference to the rights and interests of the respective creditors of the two amalgamating companies. On the other hand, in "Barnes's Case" (*Law Times* European Reports, p. 72) Lord Westbury did inquire into the validity of an arrangement in the nature of amalgamation between two companies after the lapse of a considerable number of years. He did not consider whether he could restore the parties to their original position, and his judgment dwelt almost exclusively on the rights and interests of creditors as alleged to be affected by the amalgamation. It was immaterial how the question arose, whether on an application to put a person on the list or to remove one therefrom; whether on an application for a winding-up order, or on an application relating to the validity of a particular transfer of shares. The only material question was what were the principles of the decisions; and he was of opinion that there was a difference in those principles. He should accordingly grant a certificate allowing an appeal to the Court of Appeal, in accordance with the Act, which required a certificate that, by reason of the difference of decisions, an appeal was desirable. He had no difficulty in so certifying, having regard to the desirableness of uniformity in the measure to be meted out to the shareholders and the creditors of the several companies subject to the arbitration, and to the desirableness of the claims of the creditors of the British Commercial Company being satisfied, as far as the rules of law and the assets of that company would permit.

RIVINGTON'S CASE, No. 2.—This case was decided by Lord Romilly, and turned on the effect of the previous case. The Arbitrator said the two cases would therefore be heard in the Court of Appeal together.

DOMAN'S CASES, No. 1 AND No. 2.—The Arbitrator said the principle of the decision in this first case (*Law Times* European Reports, p. 133) was the same as that in "Rivington's Case, No. 1." The decision treated of the rights and interests of creditors of a company as prejudicially affected by the operation of an arrangement in the nature of amalgamation assumed to be binding on or enforceable as between the amalgamating companies. It proceeded then to deal with the rights and interests of those creditors in such a manner as to subordinate and postpone them to the rights and interests of persons who were shareholders in the transferor company at the time of the amalgamation. He should, accordingly, for the reasons given in "Rivington's Case, No. 1," certify for an appeal. The Arbitrator further said that "Doman's Case, No. 2," would go with "Doman's Case, No. 1."

SULLIVAN'S CASES, No. 1 AND No. 2.—THOMSON'S CASES, No. 1. AND No. 2.—The Arbitrator said that these cases had been throughout treated as governed by Doman's Cases, and must continue to be so treated as regards the certificate for appeal. Mr. Napier Higgins, Q.C., Mr. Jackson, Q.C., Mr. Millar, Mr. Romer, and Mr. Methold were the counsel engaged in the foregoing cases.

CREDITORS' MEETINGS.

G. D. NEROUTSOS.—At a preliminary meeting of the creditors of Mr. G. D. Neroutsos, merchant, of London and Manchester, a committee was appointed. The liabilities amount to £22,603, and assets to £12,869.

W. WOOLSTON (GREAT YARMOUTH).—A meeting of the creditors of William Woolston, of Yarmouth, grocer, was held at Hall Quay Chambers, Great Yarmouth, on 5th November, 1875, when it was resolved to liquidate the estate by arrangement; Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, being appointed trustee with a committee of inspection. Mr. F. J. Dowsett, of Yarmouth, and Mr. Alfred Kent, of Norwich, are solicitors in the proceedings.

M. J. COHEN, JEWELLER (NEWCASTLE-UPON-TYNE).—At a meeting of creditors herein held on Monday, November 8th, 1875, for the confirmation of a resolution to accept 3s. 6d. in the pound, it was resolved to refuse the same and to wind-up the estate under liquidation, with Mr. Edward Thomas Peirson, public accountant, of Coventry, as trustee.

JACOB WOLFE (LEEDS).—At the meeting held herein, the debtor was closely examined by Mr. Peirson, public accountant, Coventry, who brought out the fact that there must have been a large amount of property removed, and the debtor repudiating all knowledge of same, his offer of composition of 5s. 6d. in the pound was refused. He subsequently amended the offer to 8s. in the pound, but this was refused, and bankruptcy was resolved upon. A few days after the meeting steps were taken to trace the missing property, and the debtor then made an offer to pay 12s. 6d. in the pound all secured, which offer the creditors will probably accept, and annul the bankruptcy in due course.

N. J. CHAVIARA (LIVERPOOL).—A meeting of creditors under the failure of Mr. Nicholas J. Chaviara, of Exchange-buildings, Liverpool, was held at the offices of Mr. C. C. Deane, Liverpool, on November 2nd. A statement of accounts produced disclosed unsecured debts £2311, and those partly secured £7347, the estimated value of the security being £4216. The assets consist entirely of book debts, amounting to £1089, which are not estimated to produce more than £350. Liquidation was determined upon, and Mr. Bolland chosen trustee, with a committee of inspection, and the debtor to be allowed his discharge on payment of 10s. in the pound. Mr. Deane was retained as the solicitor to the trustee.

F. M'GRATH (LIVERPOOL).—A first meeting of creditors under the bankruptcy of Mr. Francis M'Grath, provision merchant, trading in Peter-street, under the firm of A. Broadhurst and Co., was held on the 7th of November, at the county court. A statement of accounts produced showed liabilities £2407, and assets £175. Mr. Robert Nicholson represented the creditors, and appointed Mr. Bolland trustee, with a committee of inspection. The 10th of December was fixed for public examination.

E. PLEASANCE (LIVERPOOL).—A meeting of creditors of Elijah Pleasance, of Liverpool, licensed victualler and tile merchant, was held on the 28th ult. Debts, £912; assets £444. Liquidation was determined upon, and Mr. Bolland chosen trustee.

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T. MORRIS (LIVERPOOL).—A meeting of creditors was held on the 7th instant, at the offices of Messrs. Gibson and Bolland, under the liquidation petition of Mr. Thomas Morris, of St. John's Market and Brownlow-hill, butcher. The debts were £1171, and assets £166. Liquidation was determined upon, and Mr. Bolland chosen trustee, with a committee of inspection. An offer of 5s. in the pound on the part of the debtor was refused, but the discharge was allowed, subject to the trustee and the committee certifying that the bankrupt had made a full disclosure of his estate. Mr. Martin and Mr. Rodway represented the creditors.

CASTREE BROTHERS (MANCHESTER).—A second meeting of the creditors of Messrs. Castree Brothers, Manchester, silk manufacturers, has been held, when the resolution passed at the former meeting was confirmed, accepting a composition of 3s. 4d. in the pound, payable in two instalments—2s. in one month, and 1s. 4d. in two months.

C. L. MAVROCORDATO.—The first meeting of creditors was held to-day in the bankruptcy of C. I. Mavrocordato, the Greek merchant who was recently sentenced to five years' penal servitude for absconding with about £10,000 worth of securities, which were recovered. The liabilities have not yet been ascertained. Mr. J. Waddell was appointed trustee, with a committee of creditors, Messrs. Lewis and Lewis being the solicitors to the estate.

W. PITTS (LOWESTOFT).—A meeting of the creditors of William Pitts, of Lowestoft, draper, was held at the office of Mr. R. Nicholson, solicitor, Lowestoft, on 2nd November, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, public accountant, being appointed trustee. Mr. Nicholson and Mr. W. R. Seago are solicitors in the proceedings.

FAILURES.

ENGLAND.—The suspension is announced of Messrs. G. A. Witt and Co., of London and Liverpool, East India merchants, of about six years' standing. The unsecured liabilities are roughly estimated at under £100,000, and the liquidation is expected to prove favourable. Their books have been placed in the hands of Mr. Joseph Shubrook, of 9 Gracechurch-street, London, public accountant.—The failure is also announced of Messrs. J. J. Ronaldson and Sons, wine merchants, of 27 Mincing-lane. The liabilities are estimated at about £70,000, the assets are not stated. The stoppage is understood to have been caused by the suspension of Messrs. Kattengell and Campbell, who filed a petition in bankruptcy on Friday last, with liabilities estimated at £400,000. The books have been placed in the hands of Messrs. Chatteris, Nicholls, and Chatteris.—A petition for liquidation was presented to the Liverpool Court, on November 6th, by Messrs. Blood and Taylor, wholesale druggists, with liabilities £3,500, and assets £1,800, and Mr. Bolland was appointed receiver.

"FOREIGN LOTTERY TICKETS OF NO VALUE."—The following curious statement appears in the Report of the Postmaster General just printed:—"A registered letter containing Turkish Bonds, with coupons payable to bearer, worth £4,000, intended for a firm in the city of London, was misdirected to a street in the West-end, where it was delivered. On inquiry being made for the packet, it was found that the Bonds had been mistaken for 'foreign lottery tickets' of no value, and had been put aside for the children of the family to play with."

ACTION AGAINST AN ADVERTISING MONEY LENDER.—In the County Court for the Newbury district of Berkshire, on Thursday, an action was brought by a widow lady named White, residing at East Woodhay, Hants, against "W. Seymour, Esq.," who describes himself in the newspaper advertisement as "financier, of 9 Great Russell-street, London, E.C.," to recover £2 2s. which she had paid him under the circumstances stated below.—Mr. Lucas, solicitor, of Newbury, represented the plaintiff, and explained to the Judge (Mr. Stonor) that the defendant (who did not put in an appearance) had been advertising in the Newbury paper that he had money ready for immediate investment in large or small sums not under £50 at 4 per cent. interest per annum. on any description of real or personal security. Plaintiff applied for a loan of £50., and defendant replied that she could have it, and plaintiff told him she had property, and could show him deeds to satisfy him as to her *bonâ fides*. He then wrote requiring the payment of £2 2s. to cover the preliminary expenses, and plaintiff said he might deduct that sum from the loan, and remit her the balance, but he insisted on the cash payment of the two guineas which she subsequently remitted. Having obtained this money, defendant sent down to plaintiff several documents for execution, including an absolute bill of sale, a bond, a guarantee, and a statutory declaration, which documents Mr. Lucas said were such that not one borrower in a hundred could execute, and it was clear that defendant's object was to obtain the two guineas, none of the conditions eventually mentioned being hinted at or required prior to the payment of that money. Plaintiff placed the matter in Mr. Lucas's hands, and defendant having refused to refund the two guineas, or carry out the loan on the terms originally stated, the present action was commenced for the breach of contract. Defendant, had, in his advertisement, distinctly stated that no commission would be charged. The solicitor's statement being borne out by evidence, Mr. Stonor gave judgement for the plaintiff for the amount claimed, with full costs.

A LIVELY CREDITORS' MEETING.—At the Mansion-house, on Thursday, E. W. J. Thompson, of 28 Burney-street, Greenwich, and Walter Thompson, of Tottenham, were summoned before Mr. Alderman Ellis, the former for assaulting Mr. Moss Myers, manager for Messrs. Lederer Brothers, 10 Fore-street, and the latter for using threats.—Mr. T. Beard, for the complainant, stated that the defendant E. W. J. Thompson recently filed a petition in bankruptcy, and on Wednesday, the 27th ult., a meeting of creditors was held; but in consequence of the defendant, Walter Thompson, who had likewise filed a petition some time ago, being returned a creditor for £500, a question as to the genuineness of this and other claims was raised. Complainant took an active part against the defendants, and he being thus obnoxious to them they sought to get rid of him by ejecting him.—Complainant deposed to these facts, and to the assault committed and threats used, but said he did not wish to punish defendants, and only wanted them bound over. Mr. Straight, for defendants, suggested that it would be well to bind all parties over. Defendants would certainly object to being bound over unless complainant was.—Mr. Alderman Ellis said, if the case went on, and complainant's story was not rebutted, he should think it his duty to inflict a very heavy penalty, if indeed he did not send defendants to gaol without the option of a fine. For a man attending a legal meeting to be thus interfered with, and that when he was endeavouring to do his duty, seeing that matters were gone into and the bankruptcy carried out properly, was to his mind a most serious offence. It was an endeavour to pervert justice, but, fortunately for defendants, complainant had taken a most lenient view of the matter.—Mr. Straight said after this expression of opinion defendants were willing to be bound over.—They then entered into their own recognisances of £50 each to keep the peace for six months.

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PROSECUTION OF A FRAUDULENT DEBTOR.

At the Hull Sessions, on Thursday, before Mr. Recorder Beasley, John Wilkinson, jeweller, of Driffield (on bail) was charged with a breach of the Bankruptcy Act. Mr. Smith and Mr. Wilberforce (instructed by Mr. R. C. Sydney, of 5 John Street, Bedford Row, London, and by Messrs. Reece and Harris, of Birmingham) appeared for the prosecution, and Mr. Lawrance, of the Midland Circuit, and Mr. Silvester (instructed by Mr. White, of Driffield) for the defence.—The defendant filed a petition of bankruptcy in February, 1875, and he was charged under the 32 and 33 Vic., sec. 11 and sub-sec. 14 and 15 of the Fraudulent Debtors' Act, with having, during the four months previous to that date, obtained on credit certain goods and articles with intent to defraud, and also unlawfully and with intent to defraud, disposed of certain goods and chattels otherwise than in the ordinary way of trade. The bill of indictment contained ten counts, and the prosecution was ordered by the Registrar of the London Bankruptcy Court. On the accounts being gone through, it was found that there was a deficiency of £2,186 13s. 1d. Defendant commenced business in March, 1871, with a capital of £1,180, a present from his father, with which he bought the business at Driffield. The returns were admitted to be about £1,500 a year, upon which the defendant estimated that he made a profit of 25 per cent. The liabilities of the defendant were £3,269 6s. 9d., and the assets £1,092 13s 8d., but that amount was subject to certain reductions, amounting to £17. Thus, after adding the capital the defendant started with to his present deficiency of £2,186 13s. 1d., and £1,500 the estimated profits for four years, it would be seen that there was a deficiency of £1,866 13s. 1d. At an examination of the defendant in the Bankruptcy Court the defendant made a statement which was to the effect that he had spent £500 per annum for housekeeping and other purposes. Defendant stated that he lost £1,000 by racing, and had also lost money by selling stock under cost price. He sold diamond rings and other jewellery to Mr. Louis Holt, jeweller, of Hull, to the value of about £1,000 at a reduction of 25 per cent. on the cost price. Watches were also disposed of in a like manner.—A number of witnesses, including many Birmingham jewellers, were called in support of the case against the prisoner, who pleaded not guilty. The evidence of Louis Holt was to the effect that he gave the defendant Wilkinson the full value of the goods which were sold him, and that if he had gone to Birmingham he would have got similar as cheap, if not cheaper.—Mr. Wilberforce having summed up the case for the prosecution, Mr. Lawrance asked the jury to discharge the prisoner on the evidence of Holt, and maintained that the prosecution had not proved their case. The conduct of the creditors before the Registrar in London, in wishing to settle the case, showed that they did not think the prisoner had been guilty of any criminal action. He asked the jury to look upon the acts of the defendant as having occurred more from inexperience and foolishness than any thing else.—At the conclusion of Mr. Lawrance's speech there was some applause in Court, but it was immediaetly suppressed.—The Recorder having summed up in a very exhaustive manner, the jury retired to consider their verdict, and on returning into Court announced that they found the prisoner guilty, but strongly recommended him to mercy.—The Recorder deferred passing sentence until Friday.—On Friday morning the prisoner was again brought up, and the Recorder sentenced him to six months' imprisonment, with hard labour.

It is announced that a partnership has been formed between Mr. Charles Rutherford, accountant, of 29 Saint Swithin's lane, and Mr. Francis William Pixley, accountant, of 82 Cheapside, under the style of Rutherford and Pixley, and that their offices will in future be at the former address.

THE METROPOLITAN AND PROVINCIAL
LAND, ESTATE, HOUSE, LICENSED VICTUALLERS' & GENERAL BUSINESS TRANSFER "SYNDICATE" AGENCY,
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The Accountant.

NOVEMBER 20, 1875.

The proper rate of remuneration for the services of professional men is always a question of difficulty, and none have found it more perplexing to adjust than solicitors. Their clients are invariably discontented; the taxing masters are a race whose *régime* is very ruthless, and it is not always easy to make a bargain which shall not come ultimately within their cognisance. Moreover, the ordinary system of charging is of a very vexatious description, as every one knows who has had dealings with a solicitor; and the number of petty items which are charged for in detail, makes a bill of costs very lengthy reading. A remedy for this was sought by the Attorneys and Solicitors Act, which allowed those much-abused members of society to make agreements in writing with their clients to take a gross sum or a commission, and thus save bills of costs and the uneasy feeling which they entail. But the Act itself contains a very important clause, which virtually nullifies a good deal of its beneficial effects, as far as the profession is concerned, by declaring that any agreement as to costs in an action must be submitted to the taxing master, and examined by him; a proviso which can only be complied with by a solicitor taking

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as much trouble upon himself as would be caused by making out a bill of costs. And there is also a terrible clause, which makes void any agreement that the solicitor's costs shall be contingent on the success of his undertaking; an act known by the name of champerty. In construing the Act, the Master of the Rolls has given it as his opinion that an agreement by which a solicitor was to receive a commission in case of success, and costs out of pocket only in case of failure, was an act of champerty, and therefore void. The wisdom of our ancestors was very great, and they certainly abhorred litigation. They rightly thought that a litigant ought to feel that he brought his action at the risk of a large fine of costs if unsuccessful, and therefore they prohibited any attempt to make a solicitor's costs dependent on his professional skill, under the impression that this would discourage speculative actions. It is certainly true that many attorneys would take up cases on speculation, setting off heavy commissions in case of success against loss of costs in case of failure, if the present law were repealed. But it is equally true that the law is notoriously set at defiance every day, and that numbers of actions are brought simply as speculations. And there is another point of view from which law reformers may advantageously survey the situation. For one attorney who takes up a case on the chance of getting costs out of the defendant, there are a dozen who encourage unhappy plaintiffs to carry on an expensive litigation without the remotest prospect of success, if their clients are men of means, knowing perfectly well that their costs are quite secure. It would scarcely be practicable to insure that every solicitor had a direct pecuniary interest in his client's success, but it might be as well not to check rudely any steps in that direction. The present law may be advantageous to a few rich defendants, but its amendment would be a great boon to countless hosts of plaintiffs. In truth, the theory of champerty is of a very antiquated kind. Take the case of a bonâ-fide "claimant," a man who has really a good title to an estate, but has to enforce his claim in the teeth of a powerful and organised opposition. Such a man may suffer the greatest injustice. He is unable to pay the costs of taking proceedings; and a solicitor is forbidden to prosecute his cause except on the heavy risk of losing large sums of money if he fails, and receiving his bare remuneration only if he succeeds. So far from promoting litigation, doing away with the term of champerty would check it. An experienced and honourable solicitor would hesitate before taking up a doubtful case, and his professional reputation would be a pledge of the bona fides of the claim. The change would be beneficial to the higher members of the profession, and not in the least affect the practice and procedure of its residuum.

A somewhat novel illustration of the difficulty of making the steed drink when he is taken to the water has occurred at Liverpool. A bankrupt, being brought up for his public examination, declined to answer questions, observing that he had no wish to pass, as he disapproved of the way in which the trustee was administering his estate. The judge settled the matter by saying that it was for the creditors, and not the debtor, to raise objections to the conduct of the trustee, and implied that the debtor must pass his examination. It certainly seems hard upon the debtor that he should have no voice in the realisation of his affairs, as the way in which they are managed might, though we admit that such an occurrence is very rare, be of pecuniary importance to him as well as his creditors. Ultimately, the judge adjourned the case; and we must wait for another fortnight to learn what can be done to a contumacious bankrupt who declines to pass.

BANKRUPTCY LAWS.—No. 12.

In a previous number we purposed making some suggestions with reference to the amendment of the present laws. In the first place, we considered that there should be no intermediate stage between composition and bankruptcy. If a liquidating debtor has no intention of making an offer to his creditors, it is a farce that he should be allowed to call them together under that assumption. There are daily cases occurring in which no offer whatever is made, and the nature of the trading is so discreditable that bankruptcy is richly deserved. A serious omission in the Act, to our mind, is the necessity to commence bankruptcy proceedings from the initiative stage, even after creditors have refused to accept liquidation. In our opinion, the fact of a liquidation proving abortive, should of itself suffice to involve, as a natural sequence, an immediate adjudication in bankruptcy. The fear of incurring additional costs, and thus frittering away the estate, often induces creditors to adopt a proposal for liquidation, even when their convictions lead them to regard bankruptcy as the merited consequence of their debtor's misconduct. The Act was intended to induce insolvents to suspend payment while their estates would

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represent a minimum dividend of ten shillings in the pound, but an experience of nearly five years shows us that any such dividend is rather a *rara avis*.

Again, in our opinion, it should be compulsory on traders to keep proper books of account; and any neglect to do so should not only render bankruptcy compulsory, but should be, *per se*, an offence punishable with a fixed term of imprisonment, the *onus* being thrown on the debtor to substantiate grounds for any mitigation of the penalty. This law is in force throughout most of the commercial countries of Europe, and has been found to work well. It is unreasonable to ask creditors to accept less than twenty shillings in the pound, without adducing some substantial and reasonable proofs in support of any such proposal.

Taking the above points as the fundamental principle of any effective bankruptcy law, we will in our next article proceed to suggest the modifications of the existing laws which are in our opinion desirable to effect a satisfactory working of the Act.

H. B. [London.]

SOCIETY OF ACCOUNTANTS IN ENGLAND.—At the last monthly meeting of the Council, held at the offices of the Society, 2 Cowper's court, Cornhill, there were present:—Mr. John Bath (Vice-President) in the chair; Messrs. E. C. Foreman, J. Beddow, J. C. Bolton, F. Nicholls, F. Tendron, and the Secretary. The following were admitted Associates of the Society:—Robert Hugh Sloley, 61 Bartholomew-close, E.C.; James Milne, Albion chambers, Bristol. The Secretary was instructed to issue a circular letter to the magistrates and boards of justice in reference to persons brought before them styling themselves accountants.

AUDITING.—"Ex Auditor" writes as follows to a daily contemporary.—"Sir,—In connexion with the subject of auditing the accounts of public companies, permit me to give you my experience as the auditor of a building society. On examination of the accounts it appeared—1, That the directors had been paying dividends out of capital; 2, that the assets included ascertained losses; and, 3, that the rules of the society had been worked unfairly by the directors for their own benefit or that of their friends. Of the members of the society about one-seventh attended the general meeting held in the office of the secretary. Notwithstanding the opposition of the auditors (themselves, be it remembered, the nominees of the directors), expressed in very plain language, and with no justification attempted on the part of the directors, except virtuous indignation, the report and accounts were adopted. To the uninitiated this may appear incredible, but the explanation is not merely that those present consisted mainly of friends of the directors brought there to support them, but that it was for the interest of those present to adopt the report, as the effect would be to give them the chance of withdrawing from the society, leaving the impending loss on the absentee majority."

HIGH COURT OF JUSTICE.

CHANCERY DIVISON.

November 11.

(*Before the* MASTER *of the* ROLLS.)

IN THE MATTER OF THE ATTORNEYS' AND SOLICITORS' ACT, 1870.—The motion in this matter raised a point of general importance under section 4 of the above Act, which enables solicitors to make agreements in writing with their clients respecting the amount and manner of payment for their professional services, which may now be remunerated either by a gross sum, or by commission or percentage, or otherwise as may be agreed on, instead of by the ancient and vexatious six-and-eightpenny method. The point arose in the following way:—A solicitor was applied to by some persons who represented that they were entitled to some property; but owing to the difficulties appearing in the case and the large expenditure which would have to be incurred to assert their title, had remained without their title to the property being asserted, and requested him to take up the case. This the solicitor agreed to do, and a deed was executed, by which the parties covenanted, in the event of the solicitor recovering for them any real or personal property beyond a legacy of £5,000 mentioned in the deed, to pay to him 10 per cent. commission upon the property recovered, with a proviso that if nothing beyond the legacy should be recovered the solicitor should in that case receive from the parties his costs out of pocket only. Before taking any step on behalf of the parties the solicitor submitted the agreement to the Taxing Master, who required the opinion of the court to be taken thereon, which was now sought to be done. Mr. C. H. Turner, for the solicitor, submitted that the agreement was valid, having regard to Sections 4 and 11 of the Act. The Master of the Rolls said the meaning of Section 4 was that a solicitor might make any agreement he pleased with his client respecting remuneration for his services, but should not receive payment for such services unless it should appear to the Taxing Master that the agreement was fair and reasonable, and if this should appear to the Taxing Master to be not the case, he might require the opinion of the court or a Judge to be taken thereon. And the meaning of Section 11 was that nothing in the Act contained should give validity to any agreement that amounted to champerty. As the solicitor had not yet commenced proceedings for recovery of the property, and consequently nothing was yet payable to him under the agreement, his lordship thought there was nothing on which the Taxing Master could require his opinion to be taken, and therefore he should make no order on the motion. His Lordship added, that in his opinion the agreement was clear champerty, and within the meaning of the 11th section, for it purported to give to the solicitor, in the event of success, what was in substance a tenth part of the property to be recovered by his exertions.

November 12.

(*Before Vice-Chancellor Sir* RICHARD MALINS.)

IN RE THE WOOLLEN TRADE ASSOCIATION COMPANY, LIMITED.—In this matter a petition was presented by all parties interested in it, praying for an order to stay the proceedings in the winding-up of the company, and to discharge the official liquidator, so that the company might continue to carry on its business. Mr. Dale appeared for the petitioners. The Vice-Chancellor made the order.

IN RE THE HYNIR VARLEY COLLIERY COMPANY, LIMITED.—In this matter a petition was presented praying for an order to wind-up the company. Mr. Glasse, Q.C., and Mr. Romer appeared for the petitioner. The Vice-Chancellor made the order, on an affidavit of service.

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IN RE THE PORT OF LONDON WHARFAGE AND WAREHOUSE COMPANY, LIMITED.—In this matter a petition was presented by a creditor of the company praying for an order to wind it up compulsorily. The company was formed in 1871 for the purchase or leasing of the business of a Mr. Fergusson, a wharfinger. The capital was to be £100,000, in 25,000 shares of £4 each, of which 1,503 shares had been taken, and £7,091 10s. paid for calls. There was a sum of £423 10s. still due for unpaid calls, and a further sum of £130 had been paid on 65 forfeited shares. In June, 1871, Mr. Fergusson agreed to grant to the company a lease of his premises in Upper Ground street, Blackfriars. The company then commenced its operations, and continued them till the 2nd of March, 1875, when a meeting was held, and a resolution passed for a voluntary winding-up and the appointment of a liquidator. On the 9th of March the petitioner's attention was drawn to a circular issued by Mr. Fergusson referring to the discontinuance by the company of its business, and to the fact that the possession of the premises occupied by the company would, consequently, revert to him. On the 17th of March, 1875, Mr. Fergusson wrote to the petitioner's firm, offering them, as lightermen and wharfingers, the lighterage on the same terms as the company had previously had it from him. The company owed the petitioner £56 10s. 4d. for lighterage and goods, and he, being unable to obtain payment of the debt, and not finding that any liquidator had been appointed, believing the company to be unable to pay its debts, and being dissatisfied with the mode in which (as he thought) the assets of the company were being collected and managed, presented this petition on the 16th of April last. Mr. Glasse, Q C., and Mr. Renshawe were for the petitioner. Mr. Napier Higgins, Q.C., and Mr. Crossley, for the company, contended that the petitioner was an unsecured creditor for a small, but disputed debt, for which he had made no demand; that the voluntary liquidation was supported by all the other creditors of the company, was still going on, and would in no way prejudice the petitioner's rights. The Vice-Chancellor, after stating the facts of the case, said that when this petition was first before him he had had some thoughts of dismissing it, but, in the hope that something might be done in the matter before November, he had directed it to stand over accordingly. Nothing, however, appeared to have been since arranged, and might not be for, even now, some indefinite period. It would be wrong, therefore, to let the parties go on squabbling any longer. Although his Lordship thought that the petitioner should have waited some little while before he presented the petition as he did, still looking at the position of things since the former occasion and feeling that the court ought, in the interest of all parties, to have more control over the matter, he should make an order to continue the voluntary winding-up of the company under the supervision of the court.

Before Vice-Chancellor Sir CHARLES HALL.

IN RE THE SURREY GARDENS COMPANY, LIMITED.—This company was ordered to be wound-up on the petition of a creditor, and Mr. John F. Lovering was appointed official liquidator. Mr. E. C. Willis appeared for the petitioner; Mr. Mulligan for the company.

November 13.

(*Before the* MASTER *of the* ROLLS.)

IN RE THE PEOPLE'S GARDEN COMPANY.—An order to wind-up this company being made on the petition of a creditor, Mr. Cozens-Hardy, for the petitioner, applied under the 24th section of the Judicature Act, sub-section 5, to stay proceedings in an action of ejectment ("Kingchurch v. People's Garden Company"), pending in the Common Pleas Division. The Master of the Rolls: Why do you come here? Why do you not apply to the court in which the action is pending? Mr. Cozens-Hardy.—We did, but the judges refused the application, on the ground that the proper course was to apply to your Lordship, there being, in their opinion, nothing in the Act which takes away the jurisdiction to stay actions which you formerly exercised. They did not think they had not also power to stay the action, but they thought your Lordship had power as much as themselves to do so, it being their view that any Judge of the High Court has power to stay an action pending in any Division of that Court. The Master of the Rolls: I cannot see that I have jurisdiction to stay this action. The jurisdiction to restrain actions by prohibition or injunction is gone. The sub-section provides that either court—that is, the High Court or the Court of Appeal—may direct a stay of proceedings in any action pending before it, on the application of any person who if the Act had not passed would have been entitled to apply to any court with that object. Now, the High Court, as such, does not and cannot sit. The application can only be made to some Division or sub-Division sitting as and representing the High Court. "Pending before it," means, I think pending before that court, whether Divisional Court or single Judge, to which the application is made. It seems to me, therefore—I say it with the utmost deference to the opinion of the Judges of the Common Pleas Division—that the application to stay proceedings in an action must be made to the court or judge, as the case may be, before whom it is pending.

(*Before Vice-Chancellor* SIR RICHARD MALINS.)

IN RE THE CANADIAN OIL WORKS CORPORATION, LIMITED.—EASTWICK'S CASE.—This matter came on to be heard upon two summonses taken out by the official liquidator of the company—the one for an order directing Mr. Eastwick, a past director, to pay the sum of £1,000 received by him out of the assets of the company; the other for an order directing him to pay a call of £25 per share on his 40 qualification shares, amounting to a further sum of £1,000. The nature of the case will fully appear from the judgment *infra*. The case itself was said, on the one hand, to be governed by that of Sir John Dalrymple Hay in the same company (which has been already reported in the *Accountant*); and on the other, that this case was clearly distinguishable from that of Sir John D. Hay's, and unaffected by it. The decision of the Vice-Chancellor in that case was confirmed by the Lords Justices. Mr. Glasse, Q.C., and Mr. Cookson, Q.C., appeared for the official liquidator; Mr. Cotton, Q.C., and Mr. Horace Davey, Q.C., were for Mr. Eastwick. Mr. Cookson, Q C., was heard in reply. The Vice-Chancellor said this case had occupied a great deal of the time of the court. It first came on to be heard soon after he had decided Sir John Hay's case. When that was under appeal, his Lordship ordered this one to stand over till that appeal was disposed of. The Court of Appeal affirmed his Lordship's decision, and this case then came on again in July, when it stood over till this month. The arguments in it were then continued on Saturday, November 6, and concluded on Saturday, November 13. The question to be determined in this case was, however, a very narrow one. It was not necessary for his Lordship to go minutely into the nature and objects of this company, which had often been before this court and the courts of law. It was sufficient to say that it was formed in 1871, when Mr. Longbottom came to England as the agent of Mr. Prince, and represented that the oil wells in Canada were of great value, inducing Sir John Hay, Mr. Eastwick and other gentlemen to become directors of the company. The chairman was to receive £1,500 a year, and the directors £500 a year each. There were other directors besides Sir John Hay and Mr. Eastwick, and with some of them there were express contracts that their qualifications were to be paid for by Mr. Longbottom. They were made to believe that they might join the company without any risk whatever. The company being a limited one, they were assured that, taking as they would do 40 qualification shares each, there could be no liability in respect of them; that the shares being fully paid-up, there would undoubtedly be profits; while of losses there would be none. His Lordship held in Sir John Hay's case that he took the 40 shares originally on the footing that Mr. Longbottom was to

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pay for them. His Lordship had then to decide whether the transaction was a payment. In this case Mr. Eastwick had agreed to take 40 shares of £25 each, for which he was liable to pay £1,000 to the company. If Mr. Eastwick had agreed that his qualification was to be paid for him, his Lordship would have been at a loss to see any distinction between his case and that of Sir John Hay. The material questions here, therefore, were whether Mr. Eastwick had agreed with Mr. Longbottom that the qualification for his directorship should be paid for out of the assets of the company, or whether it was not proved that Mr. Eastwick intended to pay, and did pay, for the shares out of his own resources. The official liquidator had relied on the evidence of Mr. Longbottom and a confederate of his. On the other hand, Mr. Eastwick swore that he never did agree with any one for the payment for him of his qualification as director, but that he meant to pay for it out of his own pocket, and that allegation was corroborated by his own son-in-law. He said that Mr. Eastwick declared he never would accept a qualification in this or any other company. The burden of proof in the case, therefore, rested on the official liquidator. Mr. Eastwick said he had paid the £1,000. His Lordship, therefore, had before him on the one side Mr. Longbottom and his confederate asserting that which Mr. Eastwick positively denied, and his denial supported by another witness. As to Mr. Longbottom, his conduct in all these transactions was extremely bad. He came to this country for the purpose of robbing, as his Lordship was sorry to think he had done, many families, to their utter ruin, and of deceiving others, as in the case of Sir John Hay, and several more. No language was too strong for the condemnation of the folly and want of sense of the persons who had been deluded. But that was not for this court now to consider. What had to be decided was, whether Mr. Eastwick had himself paid the £1,000 for the 40 shares (and the case was rested on that) to the company out of his own money? It was admitted that he had signed the articles of the company for the 40 shares, and was bound to pay the £1,000 for them. He said he had paid for them, and in this way:—He found, directly after he had become a director of the company, that it was expedient for him to go over to Canada to inspect the mines. He did go, and remained there till December, 1871. When he came back he found that a sum of £2,000 had been paid by Mr. Longbottom into Coutts's to his credit there. Mr. Eastwick was entitled to receive £1,000 from the company. The money was paid in two checks for £1,000 each. One was for his journey to Canada, and the other for £1,000, made payable to Prince, and endorsed by Mr. Longbottom. Now, Mr. Eastwick went to Canada on the very day of the resolution for the payment of the money, and he did not return to England till the 23rd of December, 1871. On the 27th, finding the £2,000 standing to his credit at Coutts's, he drew a check on them for £1,000 for the payment of his shares, and gave that check to the company in satisfaction of his debt to them. The official liquidator, however, objected to the propriety of that transaction. He contended that there was another check standing or paid in to Mr. Eastwick's account at Coutts's—viz. the check made payable to Prince and endorsed by Mr. Longbottom, and that it was with the £1,000 drawn out of the company's assets by that check that Mr. Eastwick purported to pay for his shares. His Lordship felt bound to confess, after all the arguments he had heard, that inasmuch as Mr. Eastwick had £2,000 standing to his account, paid to him out of the company's assets—as to £1,000 properly, and as to the other £1,000 improperly—there was no compulsion on the court to attribute the payment of the £1,000 made by Mr. Eastwick to the company to the £1,000 improperly paid to him. It had been said, and his Lordship agreed with the argument, that as to the £1,000 properly paid to Mr. Eastwick, he was at perfect liberty and fully entitled to apply it in any way he thought fit —to pay it to his baker, or his shoemaker, or any body else. Well, Mr. Eastwick said he paid it to the company. Why was not Mr. Eastwick, a gentleman of unspotted character, making such a statement, and on oath, to be believed? His Lordship regretted, so far as Mr. Eastwick was concerned, and as he had formerly said he regretted in the case of Sir John Hay, that he should have been mixed up with the affairs of this company. But against the personal honour and character of those gentlemen there was nothing. Mr. Eastwick on his oath contradicted the evidence of the official liquidator. Which ought the Court to believe? Although, as his Lordship had said, no language could too strongly describe the folly of these gentlemen, there was no fraud on their part, nor any intention to commit one, or even to deceive any body. Having regard, then, to the positive assertion of Mr. Eastlake, that he never intended to accept, and never did or would accept, from any one a qualification in any company, and admitting that he was rightly paid one sum of £1,000, the Court must conclude that the £1,000 which he paid to the company he paid rightly and out of his own resources. He must therefore be held to have paid the call which it was now sought to enforce against him. Mr. Longbottom's evidence was materially contradicted on several points; but, were it not so, the statements of a man whose conduct had been such as his must be received with qualifications. Now he swore that Mr. Eastwick never accounted to him for a sum of £100 which he owed him in respect of advances made by Mr. Longbottom to him for a journey to California. Mr. Eastwick was to receive £3,000 for that journey. Why a gentleman in Mr. Eastwick's position, in the service of the East Indian Government, should have made the arrangement he did with Mr. Longbottom was surprising; but at all events, there was nothing wrong or dishonest in it. His Lordship thought Mr. Longbottom must really have been a most fascinating man, to have persuaded so many persons that these oil wells and mines in other places were so valuable, but he certainly did so persuade them. No doubt Mr. Eastwick was not so wealthy a man as in his position he could have wished to be, and therefore he was induced to enter into these transactions, to take this directorship, and to make the journeys to Canada and California. He said he received the £2,000, and that one-half of that amount was for the journey to California. On the 3rd of January, 1872, he wrote to Mr. Longbottom—and *littera scripta manet*—telling him how £50 of the money for the California journey was disbursed; that in order not to mix up pounds and dollars in the account he had not entered in it the £100 advanced by Mr. Longbottom to him before he left England; nor another sum of £11, and one or two small items for hotel charges. But in that letter Mr. Eastwick said he owed Mr. Longbottom £80, and sent him a check for that amount, which he could get cashed in the mode suggested in the letter, the receipt of which he asked Mr. Longbottom to acknowledge; more than that, Mr. Eastwick added on the other side of the letter a receipt for the sum of £1,000, which he spoke of as an "honorarium" on account of his journey to San Francisco, and which Mr. Longbottom had paid into his account at Coutts's for him. That letter Mr. Longbottom received, and to it he sent a reply, stating that he had received Mr. Eastwick's letter, that the account was most satisfactory, and that he was much obliged. It was said in the argument that the payment by Mr. Eastwick of the £80, when there was money still owing, as he said, for the journey to California, was, to say the least, a very strange act on his part; £3,000 were to be paid to him for the journey, and he had only received £1,000. Why did he not retain the £80 on account of the balance due to him? But the £80 had been advanced to him for special purposes, and it might well be that he did not wish to mix up the different accounts. He had been to Canada, but had not discovered the frauds of which he had been the victim. He thought all was right, and there was no necessity for him to retain the £80. His pass-book, which was put in in evidence, showed that he had a good balance at his bankers when he paid the £1,000 to the company. So far, therefore, any discrepancy connected with Mr. Longbottom's assertion that it was paid out of the assets of the company was disposed of. There was, however, one other part of the case which was not very clear. Mr. Eastwick, having to re-

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ceive a sum of £3,000 for the Californian journey, and having received £1,000 on account of that, not only gave the receipt already referred to, but brought an action at law against Mr. Longbottom for £3,000, instead of the balance—viz. the £2,000 due to him. If a bill had been filed in respect of the claim in this Court, the true facts would have appeared on the face of the pleadings, and the particulars of demand in the action should have been equally accurate. It was urged that this was the pleader's doing, and that Mr. Eastwick's explanation was that, although he was not certain as to the instructions which he gave to his solicitor in the action, it was not his wish to recover more than the £2,000. Then, again, there was something said about the payment of a sum of £2,500 in relation to an alleged arrangement with reference to some subsequent acquisition from certain mines in California. There was, no doubt, a mystery about this part of the case. On the whole, however, his Lordship had come to the conclusion that although Mr. Eastwick had become liable for the £1,000 in respect of the 40 qualification shares, he had honestly and fairly paid for them with the check properly paid to him by the company. But then it was also insisted that, admitting that to be correct, still he had had £1,000 of the company's money which he ought not to have had. His Lordship was inclined to think that was the case; but what were the circumstances as to that? The company, being in difficulties, issued bonds. Mr. Eastwick was a creditor of the company in respect of those bonds for £800. The company could not meet them, and it was said, if Mr. Eastwick received the £1,000 improperly, it should be repaid so as to enable the company to satisfy their obligations. It was true Mr. Eastwick could not set off any thing against a call, but against a general debt he could. His Lordship came, therefore, to the further conclusion, on the whole case, that the two summonses must be dismissed, with costs, to be paid by the official liquidator out of the estate, but not exceeding £100. The liquidator's costs must, of course, come out of the estate.

(*Before Vice-Chancellor Sir* JAMES BACON.)

IN RE THE WELSH FREEHOLD COAL AND IRON COMPANY.—This was a winding-up petition by a creditor, who claimed either to be paid off or to have a compulsory winding-up order made *ex debito justitiæ*. Mr. Jackson, Q.C., and Mr. Brooksbank appeared for the petition, which was supported by Mr. A. E. Miller, Q.C., and Mr. Romer on behalf of creditors for £5,000, and Mr. Leeson for other creditors. Mr. Kay, Q.C., and Mr. B. B. Rogers, for the company (supported by Mr. Caldecott on behalf of secured creditors), asked that the Court would make an order to continue a voluntary winding-up already commenced under the supervision of the court, instead of a compulsory order, on the ground that the assets would be better realised in such manner. The Vice-Chancellor adopted this view, and made a supervision order.

IN RE GOSTLING AND CO.—A supervision order was made in the matter of this company, on the petition of the company itself, who applied by Mr. Warrington.

IN RE THE UNITED BITUMINOUS COLLIERIES COMPANY.—A compulsory order for winding-up this company was made. Mr. Robinson, Q.C., and Mr. Grosvenor Woods appeared in support of the petition; Mr. Bilton, for the company, did not oppose.

(*Before Vice-Chancellor Sir* C. HALL.)

IN RE THE NORWICH AND NORFOLK PROVIDENT AND BUILDING SOCIETY—SMITH'S CASE.—This was a case of considerable importance, as affecting the rights *inter se* of the numerous class of persons who are members of the various provident and building societies throughout the country. This society, which was established in 1852, appeared to have had a prosperous existence for some years, until, having suffered very heavy losses, said to be between £20,000 and £30,000, by the defalcations of their former secretary, Mr. Josiah Buttivant, they stopped payment early in 1873. At that time certain rules passed in 1863 were in force, and the society in March, 1873, partly with the view of providing for their liabilities, passed new rules. The society was ultimately, however, ordered to be wound-up on the 3rd of July, 1874. There were no outside creditors of the society, and the principal questions in the winding-up were in what manner the losses of the society were to be borne by its various classes of members *inter se*. There were four of these classes—1, investing, or "unadvanced" members; 2, borrowing, or "advanced" members; 3, withdrawing, or "withdrawal" members; and 4, realised members. The society's shares were £25 each, and the unadvanced members were those who subscribed for a share and paid for it in monthly payments of 3s. a share, yearly payments of £1 19s. or £3 18s. a share, or in one or more sums not exceeding in the whole £19 10s. per share. The "advanced" members were those who subscribed for shares in order to obtain an advance. The terms under which these advances were made were under the 15th of the Rules of 1863, as follows:—When the funds in hand of the society were sufficient, the chairman offered them to the members in shares of £25, and the member who bid the highest premium was declared the purchaser of that share. The amount advanced and this premium was then secured by mortgage, providing for periodical payments accordingly, and by the 21st of the rules of 1863 advanced members were to be discharged from liabilities as soon as they had by their periodical payments paid all moneys due from them. "Withdrawal" members were ordinary investing members, who, requiring their money elsewhere, had given certain notices of withdrawal, and "realised" members were the holders of shares which had been fully paid-up. Mr. Smith was an "advanced" member, who, for a premium of £130 10s., had obtained in 1866 an advance of £600. This advance was secured by an indenture of mortgage, by which he covenanted with the trustees of the society, that he would pay unto the society, at the times and in the manner prescribed by its rules for the time being applicable thereto respectively, the several sums of money payable periodically, by way of subscription or otherwise, in respect of the said several shares until (first) the same shares, together with interest at the rate of £4 per cent. per annum, on the amount thereof for the time being in advance should be realised and paid respectively, and until (secondly) the said premium of £130 10s., together with interest at the rate aforesaid on the unpaid part thereof for the time being, should be paid, and that in the mean time (except where varied by those presents) all the rules for the time being of the society should, in respect of the same shares, be observed and complied with by the mortgagee." The mortgage then contained a conveyance of certain property as a security, to be redeemed upon payment of the sums mentioned in the covenant. After it appeared that the society had incurred losses, but before their extent was ascertained, the Rules of 1873 were adopted, and one of those Rules—viz. Rule F—altered the terms on which members were entitled to withdraw, redeem, or realise. That Rule (upon which much of the argument in the case turned) was as follows:—

"The amounts to be deducted on withdrawal, redemption, or realisation under these rules shall in each case be such a sum as the directors may consider to be the just share of the member withdrawing, redeeming, or realising in the debts and liabilities of the society, including any losses on investments or otherwise, ascertained or reasonably probable at the date of the withdrawal, redemption, or realisation. But at each annual meeting the directors shall declare the amount per share which shall be payable during the following year, and such amount shall be the prescribed rate for that year, whatever the result."

Another of the new rules—viz. Rule 1, provided that

"So far as the Rules of Law and Equity will permit, these rules shall apply to all members as well present as future, and to all transactions as well past as future."

The question now argued upon a summons taken out by Mr Smith as a representative case was, whether advanced members

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who had borrowed money under the old rules were entitled to redeem their securities upon making the payments required by those rules, or whether they must make the additional payments required by the rules of 1873. Mr. Bristowe, Q C., and Mr. Badnall for Mr. Smith, contended that he was not responsible for any of the losses of the society; that the contract between him and the society was regulated by the terms of his mortgage deed and by the rules in force at the time it was executed, and that his rights could not be affected by rules passed subsequently to the terms of the contract, and that, consequently, he was entitled to redeem without making any contribution to the losses of the society under Rule F. Mr. Dickinson, Q.C., and Mr. Cozens Hardy, for the liquidator, took no part in the arguments. Mr. Graham Hastings, Q.C., and Mr. Bury for the investing members, contended that Mr. Smith was a member of the society, and as such bound by its rules, unless he had contracted not to be so bound, and that his contract in terms bound him to observe all the rules "for the time being" of the society, which was an express reference to future rules. He must, therefore, comply with Rule F before he could be allowed to redeem his property. The Vice-Chancellor said he could not construe the rules of the society, taken together with the terms of Mr. Smith's security, as operating to compel him to make any payments other than those which he was bound to make under the rules which were in existence at the time his contract was entered into. In other words, that the contract must be construed with reference to the rules as they existed at its date. In his Lordship's opinion there was a clear bargain between Mr. Smith, as an individual member (and there was no doubt that he was a member) of the society, and the society itself, that he should pay certain sums of money as a premium for getting his advance, and those sums he had paid. When his Lordship said the society itself he meant not so much the society generally as the unadvanced members of the society, into whose pockets the moneys paid by Mr. Smith would go. And the sums which Mr. Smith had bargained to pay must be taken to have been those sums only which he ought to pay by the rules then in existence, for the Vice-Chancellor could not hold that his contract, although it referred to rules for "that time being," left him exposed to the passing of a rule laying upon him a larger burden, although he had no share in the profits of the society. That would be a construction too unreasonable for him to put upon the contract, seeing that Mr. Smith was taking his money out of the society and leaving the rest of its property for those who came after him. The language of the covenant in the mortgage deed was that "in the mean time" all the rules for the time being of the society should be observed by the members, and this expression, "in the mean time," meant until the two descriptions of payments specified in the covenant had been made; and it would be a strange thing if such a bargain could be held to include another payment and an additional obligation merely because rules "for the time being" were referred to. Further, the new Rules of 1873 were, as expressed in Rule I, to receive a construction having regard to the rules of Law and Equity, and in his Lordship's view, he must accordingly read them so as to exclude from their operation members whose existing contracts would be varied by them. Upon the whole, Mr. Smith's right of redemption was not varied by the Rules of 1873, and there must be a declaration that advanced members in his position were not liable to make any payments under Rule F. This being a representative case, the costs of all parties would come out of the estate.

THE SAME SOCIETY—COLE'S CASE.—This was also a representative case arising out of the liquidation of the same society. It was, however, of less public interest, the question being whether, under the 20th and 21st of the Rules of 1863, investing members were entitled to be credited with compound interest after the rate of £4 per cent. to the date of this winding-up order. After argument, the Vice-Chancellor held that they were not so entitled unless there were profits sufficient for the purpose, and referred it to Chambers to ascertain whether such was the case. Mr. William Pearson, Q.C., and Mr. Freeman appeared for Mr. Cole; Mr. Dickinson, Q.C., and Mr. Cozens Hardy for the liquidator; Mr. Bristowe, Q.C., and Mr. Badnall for advanced members; and Mr. Graham Hastings, Q.C., and Mr. Bury for unadvanced members.

November 16.

(Before Vice-Chancellor Sir JAMES BACON.)

IN RE THE ST. PETERSBURG AND VIBORG GAS COMPANY.—This was a petition for winding-up the above company, brought by Mr. E. Herzberg Hartmont, a shareholder. In addition to a winding-up order, the petitioner asked that proceedings might be directed to be taken in the name of the company to obtain an account from the directors in respect of certain allegations of misconduct made by the petitioner. It appeared that the petitioner was in arrears of calls, and the company was in voluntary liquidation. Mr. Kay, Q.C., and Mr. Terrell appeared for the petitioner; Mr. Jackson, Q C, with Mr. Ward for the company, and with Mr. Brooksbank for creditors, opposed. The Vice-Chancellor said that on the merits no case had been made by the petitioner. The petitioner, moreover, a single shareholder, asked in effect that proceedings might be taken at his instance in the name of the company, a thing he clearly had no right to. He was also shown to be indebted in respect of calls, and before he had paid them he could not be allowed to ask for a winding-up order. The petition was therefore dismissed, with costs.

COMMON PLEAS DIVISION.

November 9.

(Sittings in Banco, before Mr. Justice GROVE, Mr. Justice DENMAN, and Mr. Justice ARCHIBALD.)

ARNOLD v. CITY BANK.—SAME v. CHEQUE BANK.—These were two actions tried before Lord Chief Justice Coleridge at Guildhall, when his Lordship decided the verdict in each case to be entered for the plaintiff for £1,000. His Lordship, at the same time, refused leave to move, but stayed execution upon the money being brought into court. Sir Henry James, Q.C. (with him the Hon. A. Theisger, Q.C., and Mr. R. T. Reid) moved for a new trial on the grounds of misdirection of the learned Judge and non-reception of evidence. The plaintiffs were merchants in America, and, in August, 1874, were desirous of remitting two sums of £1,000 each to correspondents in England. For this purpose they purchased of Stewart and Co., bankers, in New York, two draughts of £1,000 each. These draughts were drawn on Messrs. Smith, Payne, and Co., who had assets of Stewart's equal to or exceeding the amount. The draughts were payable on demand, and were endorsed to the order of the English correspondents. The draughts were stolen on their way to England, and payment obtained upon them from the defendants upon forged endorsements. Upon proof of these facts at the trial, a body of evidence was read on the part of the defendants as to what had happened in America, the object of it being to show that there had been gross negligence on the part of the plaintiff. The Lord Chief Justice, however, ruled that the evidence was not sufficiently proximate to the loss, and declined to submit it to the jury. This was the non-reception of evidence complained of, but Sir Henry James also submitted on general grounds that the plaintiff could not recover at all, irrespective of the evidence rejected. He urged, in the first place, that the action, being one of money had and received, the money had and received by the defendants was not the money of the plaintiffs; and, secondly, that, whosesoever the money might be, the defendants had never so received it as to entitle the plaintiff to recover. The Court granted a rule. In the course of the day, the Lord Mayor, accompanied by the Recorder of London and the usual civic officials, attended in court, according to ancient custom,

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and invited the judges to the banquet at Guildhall. Mr. Justice Grove, in acknowledging the invitation, said some of their Lordships would have the honour to attend.

November 11.

(*Sittings in Banco, before Lord Chief Justice* COLERIDGE, *Mr. Justice* GROVE, *and Mr. Justice* ARCHIBALD.)

IN THE MATTER OF JAMES C. MARTIN AND JAMES MARTIN, SOLICITORS.—This case came before the court on the 10th instant, in the form of a rule to be made absolute, when their Lordships intimated that, though they were fully agreed upon what they ought to do in point of substance, they were not so certain as to the form in which, under the new Act, a solicitor should be struck off the rolls, and they, therefore, reserved their judgment until they had consulted the other judges, and could announce that a uniform practice by all the Divisions had been agreed upon. The Lord Chief Justice now delivered the judgment of the court. It appeared from the facts, he said, that Mr. J. C. Martin was an attorney, residing at Deal, in Kent, and that James Martin, his son, was also an attorney in Kent, but residing at Sandwich. They were either in partnership together, or the son was the representative of the father, and discharged for the father's benefit, under certain arrangements, such business of the two as arose at Sandwich. An account was opened at the bank in Sandwich in the name of the father, in which all moneys received by the son for their common business were paid. Both had powers of drawing, though this power was chiefly exercised by the son, but it was the father's account, and he, also, had power. It appeared that at Sandwich there was a Benefit Building Society, of which one Charles Baker, who made the application in this case, was secretary. The society was, as its name purported, for the benefit of persons with limited means, and the funds of the society and its affairs became, of necessity, very much intrusted to the hands of Mr. Martin. If, said his Lordship, in any case absolute integrity is the duty of an attorney to his client in this case peculiarly, though not more than to others, it was the duty of the attorney to deal in the fairest, most upright, and honourable manner with the funds of this society. These being the facts, application has been made to the Court in respect of three distinct transactions, the broad result of them being that into the hands of the two had passed a sum of £1,000 belonging to the society; which, in point of truth and of fact, they had since embezzled. His Lordship then, after going minutely into the facts of each transaction, said he conceived it to be the bounden duty of the Court, when it was proved that an attorney had abused and misemployed for purposes of fraud and dishonesty, a character in which he had been originally clothed by the Court itself, to take that character away. The Court, therefore, ordered that both gentlemen be struck off the existing rolls of the Old Court, which still existed, and were in the custody of the Master of the Rolls. And the Court further ordered that if, under the new system, there was a Registrar of Solicitors of the Supreme Court of Justice, their names should be struck off that register; and if the register itself was not yet complete or in existence, that their names should not be inserted upon it, and notice of this order would be given by the court to the Master of the Rolls.

November 12.

EDWARDS v. HANCHER.—This was an action for goods sold and delivered, tried before Mr. Justice Brett at Middlesex in January last, when a verdict was found for the plaintiff. The facts of the case were few and undisputed. It was admitted that a debt was owing by the defendant to the plaintiff, and that, while it was still due, the defendant became bankrupt, and was obliged to file a petition in liquidation. At the regular meeting of creditors which followed, certain resolutions were passed, of which the first was "that a composition of three shillings in the pound shall be accepted in satisfaction of the debts due to the creditors." The second provided that the money should be paid in instalments, and the third and last, "that the security of one Henry Smith be accepted for the whole of the composition, and for the receiver's and solicitor's fees to be given in the joint promissory notes of the debtor and Henry Smith." After the confirmation of these resolutions, three promissory notes for the composition in instalments were prepared, of the first of which the following is a copy:—

"Three months after date we jointly and severally promise to pay to Messrs. Edwards Brothers, or order, the sum of £4 10s. 10d. for value received.

"JOHN HANCHER.
"HENRY SMITH.

"Payable at the National Provincial Bank of England, at Birmingham."

Other notes similar in form to this were sent to the plaintiff, and with them a form of receipt in these words:—"Received of Mr. Luke Sharp, trustee of estate, three promissory notes, respectively amounting in the aggregate to £13 12s. 6d., being a composition of 3s. in the pound on our debt of £90 17s. 4d., resolved to be accepted at a general meeting of the creditors, and in discharge of our debt." When the first promissory note became due, the plaintiff presented it at the bankers named, but there were no funds to meet it. The plaintiff then applied personally to the defendant, but he refused to make payment. Action was then brought, and a verdict found for the plaintiff for the full amount. A rule was afterwards obtained upon the ground that the rights of the plaintiff, which had, without doubt, been suspended by the resolution of the creditors, were, in point of law, superseded upon the proper interpretation to be placed upon the different documents, which, construed together, must be taken to mean that the plaintiff agreed to accept the resolution of the creditors in satisfaction of his claim. Mr. Anstie showed cause against the rule. Mr. A. L. Smith (with him Mr. Day, Q.C.) and Mr. Arbuthnot argued in support of it. The Lord Chief Justice, in giving judgment against the rule, said it was too clear for dispute that it was the composition by the terms of the Act of Parliament, and not the resolution to accept the composition, which was the consideration for the suspension of the plaintiff's remedy; and it was also plain that if this had been an agreement by the debtor himself, and the debtor himself had made default, that the plaintiff could have brought his action, but it had been said there was a difference if some solvent person was taken as security for payment of the debt. In point of fact there was a difference, inasmuch as the creditors were doubtless influenced by the addition of the surety's name, but in point of law there was no difference. It was true that the composition, like any other document, must be interpreted by its meaning, and it was also true that in giving it an interpretation the receipt was not to be lost sight of. This receipt might possibly bear the interpretation relied upon for the defendant, and it was certainly not drawn up in the most precise English; but if the resolution meant "payment," it was a strong proposition to say that the receipt was intended to produce ambiguity. In his opinion the receipt fairly construed meant that these notes had been received, and represented £13 12s. 6d.; that composition of 3s. in the pound which had been resolved to be accepted, and which so resolved to be accepted and so paid would discharge the debt. Mr. Justice Grove said he was of the same opinion, though the interpretation of the receipt, if it had stood alone, would have caused some doubt in his mind. The argument for the defendant went to show that something taken as a new debt was a substitution of the old debt; but the word "security" in the third resolution meant something in addition to the rights of the creditors, and could not be regarded as meaning a substitution. Standing alone, the receipt was ambiguous; but taken with the resolution, he agreed in the interpretation which had been given to it by the Lord Chief Justice. Mr. Justice Archibald also concurred. A composition accepted by creditors required performance, and it was only for non-

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performance that the right to sue would revive. In this case he thought the fair interpretation was the money itself should be paid, and as this had not been done the original debt revived. Rule discharged. Mr. Anstie said he believed under the Judicature Act, Order 40, Rule 1, he ought now to apply for judgment by motion. The Lord Chief Justice pointed out that the Act itself provided that in all cases transferred from the old courts they should be continued in the same and like manner, and the court thought it better in all pending cases before it the old procedure should apply. Mr. Herschell, Q C., made an application with respect to a case in the new trial paper in the Exchequer. The rule had been obtained in that Court when it existed, but as the case was one from the Lancaster Court of Common Pleas, it was assigned under the Judicature Act to the Common Pleas Division. The learned counsel said it was thought most convenient that the rule should be argued in the Exchequer, and all difficulty could be avoided under Order 51, Rule 2, of the Judicature Act, by transferring the case to the Exchequer Division, with the consent of the President of that Division—that consent in this case had been obtained. The Lord Chief Justice.—We can have no possible objection.

EXCHEQUER DIVISION.

November 11.

(*Sittings in Banco before the* Lord Chief Baron *and Barons* Cleasby *and* Amphlett.)

Eley v. the Positive Government Security Life Assurance Company, Limited.—This was a special case stated by an arbitrator for the opinion of the Court. It has an important bearing on the relations of companies and their solicitors and other officers. Mr. Douglas Kingsford argued for the plaintiff; Mr. Finlay (with whom was Mr. Day, Q.C.) argued for the defendants. The petitioner is a solicitor, and brings this action for a breach of contract, alleging that he was appointed and employed on the terms that the defendants would, so long as he continued solicitor to the company, employ him to transact all their legal business. The breach is that the company sent business elsewhere while the plaintiff continued to hold the office; and so, practically refused to employ him. The plaintiff prepared articles of association, which were signed and registered in January, 1870. These articles were signed by the seven subscribers to the memorandum of association. Clause 118 was "that Mr. W. Eley, of 27 New Broad-street, in the City of London, solicitor, shall be the solicitor to the company, and shall transact all the legal business of the company, including Parliamentary business, for the usual and accustomed fees and charges, and shall not be removed from his office unless for misconduct." This clause was inserted in the articles in pursuance of a preliminary arrangement made with the promoter of the company, Mr. T. H. Baylis, to the effect that the plaintiff should be appointed solicitor on the said terms in consideration of an advance by him to the company of £200. That sum was advanced, the first advance being for the registration of the company, and various other sums were paid by the plaintiff between January and May, 1870. These moneys were paid to Mr. Baylis, who, early in February, 1870, had been appointed out-door manager to the company, and were applied by him to the purposes of the company. In the minutes of the proceedings of February 2nd, the first meeting of directors, the plaintiff's name appeared as solicitor to the company. The plaintiff transacted all the legal business of the company up to near the end of 1871. From that time the company ceased to employ him as solicitor, although his name appeared occasionally in the prospectus with the names of other solicitors. In December, 1870, at the first allotment of shares, the plaintiff accepted 200 shares in payment of his advance. Mr. Kingsford contended that the clause in the articles of association, having been signed by the whole of the then members of the company, bound the company either as a contract to appoint or an appointment of the plaintiff. At any rate, that the assent of the plaintiff to the terms of the articles and his employment by the company were only referable to an appointment of him as solicitor on those terms. Mr. Finlay, on behalf of the company, submitted that no such contract existed. If it did, it was not on the terms of the plaintiff being the permanent or sole solicitor. To hold such a contract to exist would lay the defendants open, being *ultra vires*, to perpetual and vexatious actions whenever they employed another solicitor. This was not an action of wrongful dismissal. The employment of a solicitor must be conducted on the usual terms, and did not preclude another solicitor being employed for other business. Even if there were such a contract, it was not sufficiently reduced into writing to satisfy the requirements of the Statute of Frauds as to contracts not to be performed within the year. The Lord Chief Baron intimated that the majority of the Court wished the learned counsel for the plaintiff to confine himself to the last point. Baron Amphlett said as he differed from the majority of the Court it did not matter much what his opinion was; but he thought no such contract could be set up. Mr. Kingsford, in reply, urged that the Statute of Frauds did not apply to contracts which, though possibly permanent, might be determined at any time in certain events—as, for instance, the plaintiff's misconduct. Even if it did that, the articles of association being signed by all the members of the then company, directors till others were appointed under a clause in the articles, was a sufficient memorandum of the contract to satisfy the statute. The Court took time to consider its judgment.

COURT OF BANKRUPTCY.

November 10.

(*Before Mr. Registrar* Murray, *sitting as Chief Judge.*)

In re Raffael Brothers.—The debtors, Messrs. M. and E. Raffael, trading as merchants at St. Benet's-chambers, City, and also at Corfu and Rio Janeiro, under the firm of Raffael Brothers, have filed a petition for liquidation. Their liabilities are estimated at £60,000, with assets comprising consignments and furniture of considerable value. Upon the application of Mr. J. Linklater, for the petitioners, and with the concurrence of a creditor, his Honour appointed Mr. G. A. Cape, accountant, receiver and manager of the business.

In re Henry Wainright.—The bankrupt is the person against whom a charge of murder has been preferred. He is described in the petition as a brush manufacturer, of 215 Whitechapel-road, and the petitioning creditor, Mr. Joseph Hobinstock, is a wholesale furrier and importer of bristles, carrying on business in East-road, City-road, the act of bankruptcy being the non-compliance with the terms of a debtor's summons, issued for the recovery of a debt of £59 14s. for goods sold to the bankrupt. The petition was filed on the 30th of June last, and adjudication was made on the 10th of July, no notice to dispute having been given. At the first meeting, proofs amounting to about £300 were admitted, and claims representing a very much larger sum stood over for investigation. This was a sitting for public examination. Upon the case being called on, the bankrupt did not appear, and Mr. J. Barrett, as representing the trustee, said the reason for his absence was notorious. He asked that an adjournment *sine die* should be ordered. Mr. Registrar Murray observed there was no evidence upon the file that the trustee had given notice to the creditors of the present meeting. Mr. Barrett said a difficulty had occurred in consequence of the bankrupt's books and papers being in the hands of his late solicitor in the action against the Sun Fire Office. That gentleman claimed a lien for costs, and declined to give them up. He had served the bankrupt with a summons to attend, and also with notice to file his accounts. Mr. Registrar Murray said that if the bankrupt did not attend, all he could do was to order a memorandum of

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non-appearance to be entered. The name having been again called without any response, the memorandum usual in such cases was drawn up. It was stated during the proceedings that the only "asset" which vested in the trustee was the claim against the fire office.

November 13.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE E. M. DE BUSSCHE.—This was an adjourned sitting for public examination. The bankrupt, Edward M. de Bussche, was a steamship owner, carrying on business at Ryde. He did not now appear, and it was stated that an arrangement was pending under the 28th section, and a further adjournment had been agreed to. His Honour said that the bankrupt ought to have attended the sitting, and ordered a memorandum of his non-appearance to be entered. The bankrupt's accounts show the following figures:—Creditors unsecured, £35,727; creditors partly secured, less the value of securities, £53,450; book debts estimated to produce £10,000; and surplus from securities in the hands of creditors, £9,250.

November 15.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE FORD, RE CAUGHEY.—This was an appeal from a decision of the Liverpool County Court. The debtor, William Francis Caughey, formerly carried on business at Liverpool with his brother, under the firm of J. and A. Caughey, as dealers in cotton and corn. In July, 1870, the firm got into difficulties, and filed a petition for liquidation. At the first meeting of creditors a resolution was passed for a liquidation by arrangement, appointing Mr. Read as trustee, and providing that the debtors should be entitled to their discharge when the creditors had received 2s. in the pound upon their respective debts. Mr. Read took possession of the existing assets of the debtors, and a sum of 10½d. in the pound, and no more, was paid to the creditors in respect of the agreed composition. William Francis Caughey afterwards resumed business alone as a corn merchant in the same town, under the style of Caughey Brothers, and incurred fresh debts, and, in August, 1873, he filed a second petition for liquidation. The creditors under that petition passed a resolution for liquidation by arrangement, and appointed Mr. Ford trustee. The assets realised the sum of £475, which was claimed by Mr. Ford for division among the present creditors, and also by Mr. Read, the trustee under the former liquidation, on the ground that the bankrupt was undischarged, and that the proceedings had not been closed, and the learned judge decided that Mr. Read was entitled to the fund. The trustee under the second petition appealed. Mr. Read in his evidence stated that he had no knowledge of the debtor having recommenced business, except by meeting him in the streets of Liverpool which were devoted peculiarly to the corn trade. Mr. Finlay Knight and Mr. W. R. Kennedy were counsel for the appellant; Mr. James was counsel for the respondent. The Chief Judge said that no doubt there was an apparent want of equity in giving to old creditors the fruits of a subsequent trading, but, if creditors would deal with undischarged bankrupts, they must take the consequence. The law was settled that, to entitle new creditors to participate, there must be evidence the trustee had knowledge of the subsequent trading, and neglected to avail himself of his rights as to after-acquired property. There was nothing of the kind here. He regretted that he must affirm the order of the Court below. Appeal dismissed.

IN RE GILEAD A. SMITH AND CO.—This was an adjourned sitting for public examination. The bankrupts, Messrs. Gilead Abijah Smith, John Dennis Phillips, Robert Lyon Burnett, and Henry Eagle Smith, are merchants carrying on business at 23 Change alley, and New York, as Gilead A. Smith and Co. In July last they filed a petition for liquidation, but the proceedings fell through and an adjudication was obtained. A statement of affairs returns the following items:—Creditors unsecured £40,586; creditors partly secured, less value of securities, £38,855; creditors holding bills for which security purported to be given £37,565; other liabilities, £67,901; and debts in respect of the Vacuum Break Company, £261; with assets, £20,212. Mr. W. Clarke, solicitor, appeared for the trustee; Mr. Linklater, solicitor, for the bankrupts. It was stated that Messrs. G. A. Smith and Phillips attended the sitting, the other partners being engaged at New York on business connected with the estate. His Honour allowed the bankrupts who were in attendance to pass their examination; as to the others, he directed a memorandum to be entered showing the cause of their non-appearance.

November 17.

(*Before* Mr. REGISTRAR BROUGHAM, *sitting as Chief Judge.*)

IN RE H. A. E. DRAMBURG.—The debtor, who carries on business at 2 Tower Royal, and is largely engaged in the paper trade, has filed a petition for liquidation. His liabilities are estimated at £9,000, with assets, consisting of stock, book debts, and other property, of considerable value. Mr. Lucas, for the petitioner, and with the concurrence of creditors, asked that Mr. Chandler, accountant, should be appointed receiver and manager of the business. It appeared that an action was pending against the debtor, and it was necessary the property should be protected. His Honour granted the application.

LIVERPOOL COUNTY COURT.

November 5.

(*Before* Mr. J. F. COLLIER, *Judge.*)

IN RE JAMES BOARDMAN HILL.—This bankrupt, a lard refiner in Blackstock-street, appeared on his public examination. A statement of accounts prepared by Mr. Banner, the trustee, showed unsecured debts £1,391, and those partly secured £15,442. The latter represented a debt to a Liverpool broker, on open account £6,042, and on acceptances £9,500, against which he holds securities valued at £7,600. The assets consist of stock-in-trade, £1,000; book debts, £4,000; and other property, £661. Mr. Jenkins, on the part of Mr. Banner, said there was no opposition to the bankrupt passing his public examination, and he was accordingly allowed to pass.

IN RE AUGUSTUS DE METZ.—This was also a sitting for public examination, the bankrupt being a civil engineer, and the projector of the proposed railway under the Mersey. The trustee was not represented, but the registrar stated that he had intimated to him there was no objection to the examination being passed. Mr. Etty said he represented Mr. De Metz, and, anomalous as it might appear, he objected to pass his examination. The trustee had failed in the discharge of his duties, and, instead of asserting his rights to property which should form part of the bankrupt's estate, he had allowed matters to remain quiescent; and as the bankrupt had an interest in whatever his estate might produce over 20s. in the pound, he preferred not to pass until the trustee had taken such action as was necessary for the due realisation of the estate. His Honor said he much doubted the right of a bankrupt to interfere with the discretion of his trustee. If a trustee neglected his duties the creditors who had appointed him might call him to account, but not the bankrupt. The administration of an insolvent's estate under the present system was left entirely to the creditors, and the aid of the court could only be invoked to enforce rights not otherwise enforceable. If the trustee had not done his duty it was for the creditors to move; but as they would not suffer by an adjournment of the public examination, he should, on the representation of the bankrupt's solicitor, assent thereto. An adjournment was then taken to the 19th inst.

IN RE ANONYMOUS.—This was a debtor's summons heard *in camerâ* which involved a point of interest to the public,

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A bankrupt it appeared had effected an arrangement with his creditors by which, on payment of 2s. 6d. in the pound, the bankruptcy was to be annulled, and on the basis of that arrangement being *bona fide* the Court approved thereof, and annulled the bankruptcy. The present claim was on a promissory note given to one of the creditors, the consideration alleged being that, on his assenting to the arrangement, the original debt was to revive. His Honour, on hearing the evidence, at once dismissed the summons, and said that without using a stronger expression, he thought the action on the part of the claimant most objectionable.

AMERICAN FAILURES.

A daily contemporary publishes the following statistics :—

Mercantile, commercial, and financial failures afford one means of estimating the prosperity of a country, just as diseases and deaths carefully reported show us the condition of a country as to its health. The mercantile agency of Dunn, Barlow, and Co., in New York, has just published some interesting figures upon the subject of failures, and if these are trustworthy, as we may hope they are, they are very important. I give them for what they are worth, resting as they do upon the authority of a firm whose success must depend upon their accuracy. The figures given cover only the nine months preceding the annual report —that is, the second, third, and fourth quarters of the fiscal year.

Taking the American States by sections, we have in the Eastern States the numbers of failures and amounts of liabilities given in the two columns of figures :—

Maine	90	904,000 dols.
New Hampshire	57	880,900
Vermont	49	472,500
Connecticut	141	2,368,569
Massachusetts	564	15,628,321
Rhode Island	59	995,594
Total	960	21,259,884 dols.

The population of the Eastern States being 3,487,924, the above exhibit shows in the last nine months one failure to every 3,633 inhabitants, with an average of 6.09 dollars to every inhabitant, and an average of 22,145 dollars each failure.

The Middle States—following the division of Maury in his series of geographies—show as follows :—

New York	476	8,474,857 dols.
New York City	546	31,696,350
New Jersey	77	1,804,103
Pennsylvania	419	13,019,883
Delaware	15	154,500
Maryland	85	9,324,566
District of Columbia	15	139,924
Total	1633	64,704,283 dols.

The population of these Middle States is 9,848,255; and the above figures show in the same period one failure to every 6030 inhabitants, with an average of 6.57 dols. to every inhabitant, and an average of 30,623 dols. to the failure.

The Southern States show as follows :—

Virginia & W. Virginia	90	1,480,370 dols.
North Carolina	44	671,409
South Carolina	118	2,554,518
Georgia	123	4,318,430
Florida	12	241,800
Alabama	22	543,000
Mississippi	29	813,465
Louisiana	24	702,484
Texas	193	1,876,239
Arkansas	20	221,000
Tennessee	83	598,743
Total	758	14,021,478 dols.

The population of these Southern States is 9,929,400, and the above figures show in the given period one failure to every 13,112 inhabitants, with an average of 1.41 dollars to every inhabitant, and an average of 18,494 dollars to the failure.

The Western States and Territories show as follows :—

Ohio	260	4,686,834 dols.
Kentucky	106	2,582,300
Indiana	236	3,654,012
Illinois	277	6,013,970
Michigan	172	2,490,652
Wisconsin	198	1,523,027
Missouri	145	2,725,793
Iowa	131	1,014,805
Minnesota	109	1,363,200
Kansas	57	543,400
Nebraska	29	176,400
Colorado Territory	53	552,402
Montana Territory	1	35,000
Total	1774	27,371,295 dols.

The population of these States and Territories is 14,348,400; and the above figures show in the given period one failure to every 8,088 inhabitants, with an average of 1.91 dollars to every inhabitant, and an average of 15,429 dollars to the failure.

The Pacific States and Territories show as follows :—

California	165	3,134,111 dols.
Oregon	15	210,418
Nevada	23	411,700
Utah Territory	3	53,500
Idaho Territory	1	3,000
Washington Territory	1	2,804
Total	208	3,815,563 dols.

The population of these States and Territories is about 820,000, and the above figures show in the given period one failure to every 3941 inhabitants, with an average of 4.65 dollars to every inhabitant, and an average of 18,344 dollars to the failure.

Reviewing the United States by sections we have :—

	Failures.	Liabilities.
Eastern States	960	21,259,884 dols.
Middle States	1633	64,704,283
Southern States	758	14,021,478
Western States	1774	27,371,295
Pacific States	208	3,815,563
Total	5333	131,172,503 dols.

The calculations given above are, similarly grouped, as follows :—

	Inhabitants to each Failure.	Dollars to each inhabitant	Average Liabilities.
Eastern	3,633	6.09	22,145 dols.
Middle	6,030	6.57	39,623
Southern	13,112	1.41	18,944
Western	8,038	1.91	15,429
Pacific	3,941	4.65	18,344
Averages	6,961	4.13	22,807 dols.

There have been, that is to say, in the United States, within the last nine months, 5,333 failures, aggregating 131,172,503 dollars, which is an average of one failure to every 6961 inhabitants, 4.13 dollars to each inhabitant, the liabilities being 22,807 dollars each failure.

The following table shows the number of failures and the liabilities during the corresponding period (the first nine months of each year) since 1871 :—

	Failures.	Liabilities.
1872	3,050	90,791,000 dols.
1873	3,887	171,374,000

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1874	4,371	116,429,000
1875	5,333	131,172,000

This shows a gradual increase in the number of failures, but the liabilities were heaviest in 1873. The average number of failures for the four years is 4,160, and the present year is 1,173 in excess of the average. The average amount of liabilities in these four years is 127,442,250 dollars. The liabilities of the present year are 3,729,750 dollars in excess of the four years' average.

The failures in New York City indicate hard times there in excess of those in the country at large. The following table will exhibit that city's history of failures in round numbers:—

	Failures.	Liabilities.
1872	315	15,000,000 dols.
1873	498	69,000,000
1874	483	24,000,000
1875	546	31,000,000
Average	460	35,000,000 dols.

This shows an excess this year of 86 failures over the average, and an excess of 4,000,000 dollars over the average of the four years.

The circular of Dunn, Barlow, and Co. gives also some figures regarding the failures in British America. In the last nine months there are reported 1569 failures, with 22,000,000 dollars liabilities, in Canada.

EMBEZZLEMENT.

"Public Accountants" write to a Liverpool paper as follows:—

Sir,—Owing to the frequent cases of embezzlement in this town of late, we are emboldened to write you respecting the method in which money is paid into the various banks without any acknowledgment being given at the time for the same. When banking transactions are frequent, how is a principal to know that the amounts charged in his cash book by his clerk have ever reached the bank? Moreover, it frequently happens that the cashier cannot leave his post until after banking hours, and has of necessity to depend upon his subordinates paying in the various sums intrusted to them by him, and has no check until he obtains the bank pass book, duly posted up, which cannot be obtained daily.

To obviate this state of things, we would suggest that the usual slip that has to be filled up when paying money into the bank should be in duplicate something like the enclosed:—

Liverpool, 187	Liverpool, 187
Credit	Credit
Notes ....£	
Gold	
Silver	Cash, &c., as per slip.
Cheques on	£
	Stamp of the bank embossed or ink.
Bills	
£	

Lodged by

The teller at the bank would simply have to stamp the counterfoil with the embossed stamp of the bank, which, although not being a receipt, would be satisfactory evidence to those sending money to the bank that it had been lodged there. If parties will not wait for the counterfoil, that is their look-out. Not wishing publicity, we ascribe ourselves.

PUBLIC ACCOUNTANTS.

AUDITING.

The following additional communication on the subject of auditing is extracted from a contemporary:—

"Arthur-street, Rochdale, Nov. 5.

"Sir,—In my letter which appeared in your columns of the 2nd inst. I called attention to the loose system of auditing as at present exercised, and ventured to point out some means whereby it might be improved. Your remarks of yesterday are exceedingly pertinent to the question, and your suggestion of the formation of a wholly independent body of professional auditors is one that would dissipate many of the existing evils.

"Your correspondent 'Auditor' remarks 'that audits are too often regarded as tedious formalities, to be disposed of at the least possible amount of expense; and the fee allowed is frequently such as to make it well understood that merely a superficial discharge of the duties is required.' If any thing were required to confirm the justice of my remarks it is to be found in this sentence, where we are gravely told by a professional gentleman that we are to judge of the worth of the audit by the amount of fee paid for its performance. Such is not my opinion of the duty. Either a gentleman should refuse to audit where the fee is insufficient, or the public should be informed of its relative value. An auditor's certificate should be based upon totally disinterested grounds, the result of careful and honest investigation.

"If you will allow me, Sir, to make another remark on this subject, I would like to suggest that, when such a body as you refer to has been formed, every proposed new company should submit its plans to the Board of Trade, and receive its sanction before the public are invited by specious prospectuses to invest their capital. This would have, palpably, a very beneficial effect in keeping out fraud. The promoters of any new company that was honest would not complain of such a step as this on the ground of unwarrantable interference, as the public have a perfect right to a proper guarantee against the designs of schemers and those who make their fortunes by plausible representations and by cleverly working the share markets. If a body of independent auditors were attached to the Board of Trade, to whom all new schemes would be referred for approval or otherwise, and, if sanctioned, were periodically audited by this body, a powerful check would, in my opinion, be put upon the issuing of many delusive schemes which now cause incalculable ruin.

"Permit me also to hope that measures will be taken to amend the clause in the Municipal Act which has been recently defined as confining the duties of an auditor to the examination of the books and vouchers in a borough treasurer's department only, and which, through being so interpreted by the legal adviser of a corporation, has materially helped to prevent an earlier discovery of the defalcations lately reported in a neighbouring borough.

"Allow me to thank you for your assistance, and I hope it will promote an improvement in our commercial system of auditing.

"Your obedient servant,
"JOHN LOWE."

CREDITORS' MEETINGS.

HALLETT, MANNING, AND PRENTIS.—A meeting of the creditors of Messrs. Hallett, Manning, and Prentis, of No. 150 Leadenhall street, in the City of London, merchants and insurance brokers, who suspended payment in September last, was held at the London Tavern on the 6th inst., when a statement of affairs, prepared by Messrs. J. S. Saffery and Company, of 14 Old Jewry Chambers, was submitted, showing gross liabilities amounting to £15.804 3s. 1d., and assets amounting to £7,264 1s., expected to realise £2,278 12s. 9d. Resolutions were passed to liquidate the joint and separate estate by arrangement, Mr. Saffery being appointed trustee to act with a committee of inspection.

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*

Mr. W. H. Pannell has been appointed trustee of the estate of Robert Scarlett, butcher, Air-street, Regent-street, in liquidation; also, trustee of the estate of Alfred Ebenezer Schultz, of 21 King's-road, Chelsea, in the county of Middlesex, wine, spirit, and beer merchant.

OFFICIAL CORRESPONDENCE.—The estimate of correspondence carried by the Post Office for the public offices during the past year shows that in Great Britain 11,254,440oz. were conveyed, at an estimated value of £87,460. In Ireland 3,199,330oz were conveyed during the year, at a cost of £11,780. The largest items are £16,590 on account of the Admiralty, £19,750 for the War Office, £8,500 for the Colonial Office, £9,550 for the Inland Revenue, and £6,210 for the Home Office. These items include a large amount of material charged with book postage.

BANKERS' CLEARING HOUSE.—The following is the official return of the checks and bills cleared in the Bankers' Clearing house for the week ending Wednesday, November 17:—

Thursday, November 11	£14,089,000
Friday, November 12..............	39,115,000
Saturday, November 13............	20,426,000
Monday, November 15	16,340,000
Tuesday, November 16	15,532,000
Wednesday, November 17	12,849,000
	£118,351,000

The total at the corresponding period of last year which also comprised a Stock Exchange settlement, was £132,673,000.

LATE ADVERTISEMENTS.

ACCOUNTANCY.—Wanted by a firm of Accountants possessing a large and valuable business in the provinces, a Gentleman qualified to take the management of London offices about to be opened for better facilitating the working of that part of the business which may more conveniently be worked in London, such as Liquidation in Chancery and Bankruptcy. To a Gentleman with connection and influence in London, arrangements might be made which might ultimately lead to a partnership in the London branch of the business. Address, W W. C., care of Alfred W. Gee, Advertising Agent, 62 Gracechurch-street, E.C.

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Registered according to Act of Parliament, Head Offices, No. 3 Craven-street, Charing Cross, W.C. The organisation and working system of the "Syndicate" are;—1st.—The Sale, as Auctioneers, or Agents, Ground of Rents, Freehold and Leasehold Land, Farms, Estates, Houses, Hotels, Public Honses, Inns, Beer Houses, Restaurants, Coffee Houses, Tobacconists, Drapers, and every other description of Business, Furniture, Objects of Art, or Goods of any description by Auction or Private Contract. 2nd.—The letting, or disposing of, as Auctioneers, or Agents, Land, Farms, Estates, Furnished, or Unfurnished Houses Chambers, or Offices under private contract. 3rd.—The Collection of Rents and the recovery of outstanding accounts. 4th.—The Surveys and Valuations of Land, Farms, Estates, and Houses; also Valuations of Furniture, Jewellery, and other Effects, for probate and other purposes. 5th.—The transaction of all other business usually transacted by Auctioneers, Surveyors, Land, House, Estate and Insurance Agents. 6th. —The negociations of partnerships, and from unlimited connection with capitalists, monetary advances on real and personal securities, as well as merchandize, and every other description of property intended forabsolute sale, or otherwise. 7th. Generally the carrying out of all things instdental or conducive to the above objects, and every of them; also the laying out of estates and surveys for delapidations. The "Syndicate" from their extended connection with the Trades' Protection Societies and other sources, undertake expeditiously for Clients and others to ascertain reliably the status of parties, and make inquiries of a private and confidential character Liberal terms to Accountants in town or country introducing business.

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Dinners from 12 till 4 o'clock, from the joint, with soup or fish, vegetables, cheese and bread, 2s.
Dinners from 6 till 9 o'clock, from 2s. 6d. to 10s. 6d.
Private Dining Rooms for large and small parties on the Second Floor.

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Assurance and Annuity Fund	1,216,115	13	5
Annual Income (1874)	223,613	2	0
Bonuses Apportioned	581,774	6	2
Claims Paid	1,140,151	1	8

Copies of the Report, Balance Sheet and Prospectus can be obtained on application to the Head Office.

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The Accountant.

A MEDIUM OF COMMUNICATION BETWEEN ACCOUNTANTS IN ALL PARTS OF THE UNITED KINGDOM

VOL. I.—NEW SERIES.—No. 51.] SATURDAY, NOVEMBER 27, 1875. [PRICE 6D.

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The Accountant.

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The Accountant.

NOVEMBER 27, 1875.

The position of official liquidators, trustees, and other persons who have to assume the control and

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direction of property which does not belong to them, is, in itself, sufficiently onerous, without an additional burden in the shape of a personal liability in respect of the solicitors they employ. They are responsible for mistakes of judgment, for acts of the slightest negligence; and no good intentions on their parts will save them from loss if they have departed one hair's-breadth from the strict letter of the instrument which, in language not always intelligible to the world, defines their duties. Trustees are responsible in every degree; they are responsible to their *cestuis que trustent* for the safety of the property, they are personally responsible to the solicitors they employ to explain to them the limits to which they may safely go, and if by any chance the assets are insufficient to pay the amount they must bear the ultimate loss. What the liabilities of a trustee in bankruptcy are, is painfully familiar to many of our readers. But an official liquidator is in a more fortunate position than his humbler brethren. He is one of the very few persons who may employ a solicitor, without taking thought how he shall provide for the necessary costs. Serenely confident in the security of reported decisions, he may enjoy all the luxury of an action at law, heightened by the consciousness that the assets must pay the bill or the solicitor must suffer. But solicitors are by no means content to sit quiet under affliction. Some of them fill the columns of legal journals with the record of their wrongs; while others boldly seek the intervention of the Court of Justice, in defiance of the proverb about the physician who never takes his own physic. One of the pugnacious portion of the profession has lately, with praiseworthy public spirit, appealed to the Lords Justices, only to meet with disappointment; and a case which we report under the somewhat verbose title of "Re the Anglo-Moravian Hungarian Junction Railway Company" chronicles the result.

We will not refer to the facts in detail, as they are fully set out in our report. The liquidator of the company had occasion to change his solicitors, and the usual order was made directing the delivery up of all papers, and that the costs should be taxed and paid within twenty-eight days from the filing of the taxing master's certificate by the official liquidator. The case was slightly complicated by questions of date, and by the intervention of the long vacation; but it was finally disposed of on the simple issue. An attempt was made to show that the direction that the liquidator should pay the costs imposed upon him the personal obligation of providing for them, but this was scarcely seriously pressed, and the point may now be considered as finally settled that a liquidator is merely the agent to pay the costs out of the assets of the Company. It seems abundantly clear from every precedent that this was the law; and indeed it has been decided that where during the proceedings the solicitor is changed, and the assets are not sufficient to pay the whole of his costs, they will in general, as between the solicitors, be applied in payment of their costs *pro rata*. The remuneration of the official liquidator himself is, however, not to be paid until all the costs of the winding-up have been provided for; so solicitors may console themselves, if they are capable of consolation, under the loss of any part of their claims, that they are not the only sufferers, but that no one can more earnestly have desired an abundance of assets than the official liquidator himself.

Judicial terseness of expression is a very rare gift on the bench, and Vice-Chancellor Malins has lately developed an epigrammatic style which is at times very effective. Nothing can be happier than some of his comments on the attempt made by the liquidator of the Taly-y-drws Slate Company to place the executrix of a deceased director on the register of shareholders. Mr. Mackley, the director in question, had signed the memorandum of association for fifty shares, but though agreeing to become a director, he in fact took no further part. No shares were allotted to him, though the whole of the shares were applied for and allotted to various individuals. But when the Company fell into trouble and underwent the process of winding up, the liquidator placed Mr. Mackley's executrix on the register in respect of these shares. This proceeding the Vice-Chancellor set aside in a judgment vigorously and cleverly expressed, but differing somewhat boldly from some previous cases which scarcely seem capable of being distinguished. As regards the rights of creditors, said his Lordship, "considering that Mr. Mackley's name was never on the register of shareholders—a copy of which was at the offices of the company, and that no one knew, or could know, that it might have been there—it was plain that no creditor trusted the company on the faith of its being on the register, and so far no injury was done to the creditors, and the other contributories were not damnified." "It did," continued the Vice-Chancellor, "seem somewhat unjustifiable that the

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company (when found to be a losing concern) should be allowed to say that a man, who could not have a share when he might have asked for one, was nevertheless liable to the company for shares in his lifetime, and that his estate remained subject to that liability after his death." It certainly does seem hard on Mr. Mackley, but the various reported cases are very strong in laying down that, if persons will sign memorandums of association, and for a space of time, however brief, hold themselves out to the world as shareholders and directors, they must take the consequences of their acts, and that they can only be relieved from liability by taking shares and then making a formal transfer of them. If Mr. Mackley ever made formal application and was refused, the point is clear, and the inference drawn by the Vice-Chancellor from the remarks of Lord Cairns is a good specimen of acute reasoning. But in future, gentlemen who wish to avoid difficulties either to their executors or themselves, will do well not to sign memorandums of association, unless they are fully prepared to accept in their entirety the corresponding liabilities.

The decision of the Court of Appeal in the matter of the petition of Mr. Huxham to have the Dunraven Adare Coal and Iron Company wound-up compulsorily at his instance is of a very technical nature. Mr. Huxham claimed £218 from the company, and served them with the requisite statutory demand, of which the company took no notice. Previously, however, to presenting his petition, he brought an action for the amount he claimed; and this step was unfortunate for his interests. It was held, that by bringing an action and submitting to arbitration, Mr. Huxham had waived the effect of his notice, and therefore had lost his right to present a petition for winding-up. He was, in fact, a victim to the separation of law and equity. Had he proceeded with his petition in the Court of Chancery without fitting another string to his bow in the shape of an action at law, he might have been more prosperous. The petition would have stood over to abide the result of his action, and the costs of the petition would have followed the result. The case is one in which the petitioner has to pay for the mistakes of his advisers. His claim was, as it turned out, sufficient to support a petition, and the order might have been made on it, but for his resort to law. Under the circumstances, it is to be hoped that the assets of the company will be sufficient to pay Mr. Huxham's debt in full; otherwise, though the decision seems unimpeachable, and indeed could hardly have been different, he will find that a minute acquaintance with the technicalities of law and equity is occasionally scarcely worth the price at which it is bought.

Winding-up.—A petition for the winding-up of the Court Grange Silver Lead Mining Company, Limited, is to be heard before Vice-Chancellor Malins on the 3rd December.—A petition to wind-up the Christon Bank Colliery Company, Limited, has been presented to the High Court of Justice.

Attorney at Law.—Wednesday the 24th inst. was the last day for applicants to be sworn in before the Master of the Rolls; Wednesday, the 1st *proximo*, will be the last to leave the necessary documents. It is the first occasion since the operation of the Judicature Act. The term "attorney" is now abolished, and all are to be designated "solicitors of the Supreme Court," and officers of the same are to be admitted by the Master of the Rolls. The Judicature Act of 1873 contained provisions as to solicitors, and the same were amended by the statute which came into force on the 1st inst. The certificate duty by solicitors is now payable, and must be paid before the 16th of December. According to a recent Parliamentary paper the number was 14,419. In London, Edinburgh, and Dublin the annual duty is £9, and elsewhere £6. Only half duty is payable for the first three years of being in practice.

The Cheque Bank.—The *Times* of Nov. 19th says:—It was decided to-day, at a meeting of 27 shareholders of the Cheque Bank, Limited, to wind-up the bank voluntarily. For some time past a section of the shareholders has been dissatisfied and unwilling to wait the issue of an extended trial of the system, and as it has not been found possible to buy these out this resolution was the only alternative. It is one to be regretted for several reasons. The worst was past, and as there was nothing speculative in the Bank's business its risks were now fairly measureable and small, while in one direction it has made very considerable progress. Some of the ramifications of its business were not of a kind to command popular support very readily, but where it devoted its organisation to post checks it was not only doing real service to the community but meeting with a fair amount of popular support. In a statement issued lately it was shown that as rapid progress had been made by the Cheque Bank in selling post checks as was made by the money-order system on its first introduction, and there can be no doubt that the post check is as safe, and a much cheaper and more negotiable instrument for transmitting money than the cumbrous and costly post-office order. There is some talk still of reorganising the Bank, but if it cannot be set on foot again the Government might do worse than remodel its money-order business on the Cheque-Bank plan.

Imprisonment for Debt.—There were as many as 4,438 persons imprisoned in the course of the year 1874, by order of Judges of County Courts in England and Wales. The largest numbers are the following seven:—94 persons were imprisoned under orders made at the County Court held at Bristol; 99 persons under orders made at Leicester; 106 at Derby; 136 at Leeds; 162 at Birmingham; 173 at Ulverston and Barrow-in-Furness, where the whole number of plaints entered was but 3,034; and, lastly, 196 at Wigan. This last town belongs to Circuit No. 7, on which the number of persons imprisoned in the year was 423, or not very far from double the number imprisoned on any other circuit. The number of plaints entered on that circuit was 23,404, but there were five other circuits with a still larger number of plaints. Circuits No. 57 and 59, in rural or small-town districts in the South-west, had little more than 10,000 plaints each, but had to send only ten persons to prison in the year, six in one circuit and four in the other.

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SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, LINCOLN'S-INN.

November 18.

(*Before Lords Justices* JAMES, MELLISH, BAGGALLAY, *and Mr. Justice* BRETT.)

IN RE THE DUNRAVEN ADARE COAL AND IRON COMPANY, LIMITED.—This was an appeal from the refusal of Vice-Chancellor Bacon to make an order for the winding-up of this company. The petition was heard in the Long Vacation. It was presented by Mr. Hortensius Huxham, a mining engineer at Swansea, who claimed to be a creditor of the company for £218 in respect of work and labour done for and services rendered to them, and by Mr. J. H. Morrell, a shareholder in the company. Huxham in June last served a statutory notice on the company, demanding payment of his debt, and the company neglected for three weeks to pay it. It appeared, however, that he afterwards brought an action against the company for his claim. The company defended the action, and ultimately Huxham consented to have the case referred to arbitration. The arbitrator found that there was due to Huxham more than £50, but considerably less than he claimed. On the 17th of September last a meeting of the shareholders resolved that it was desirable that the company should be wound-up. Soon after that the petition was presented, and it was heard by the Vice-Chancellor on the 5th of October, and dismissed: the petitioners appealed. Mr. Marten, Q.C., and Mr. C. H. Turner were heard on behalf of the appellants. Mr. Locock Webb, Q.C., and Mr. Grosvenor Woods, for the company, were not called on; Mr. Whitehorne appeared for a committee appointed for the reconstruction of the company and for other shareholders; Mr. Warmington appeared for debenture holders. Lord Justice James said that the petition must be treated as that of a creditor only. His claim was one as to the amount of which there was a *bona-fide* dispute. By bringing the action and consenting to the arbitration he waived the effect of his previous notice, and could not be allowed afterwards to proceed with his petition, which had been therefore rightly dismissed. The other learned judges concurred.

November 19.

IN RE THE ANGLO-MORAVIAN HUNGARIAN JUNCTION RAILWAY COMPANY, LIMITED.—EX PARTE T. E. WATKIN.—This was a case of considerable importance to official liquidators and their solicitors, involving the question whether the solicitor of an official liquidator has any claim against him personally for his costs, or whether the solicitor's right is only a right to be paid his costs out of the assets of the company in liquidation. Mr. F. B. Smart is the official liquidator of the above company. Messrs. T. E. Watkin and Frederick Clift formerly acted as his solicitors in the liquidation, but on the 5th of August, 1874, he obtained an order to change his solicitors, and Messrs. Lawless and Co. were appointed in place of Messrs. Watkin and Clift. On the 28th of January, 1875, an order was made that Watkin and Clift should deliver over the books and other documents relating to the winding-up upon payment of their taxed costs, and it was referred to the taxing master to tax and settle their bill of costs, and it was ordered that the official liquidator should pay the taxed amount of the costs within 28 days after the filing of the taxing master's certificate. Watkin and Clift did not carry in their bill of costs for taxation until April, and the taxing master's certificate was not obtained until the 7th of August, just before the Long Vacation. Mr. Watkin at once pressed for payment, but as the chief clerk of Vice-Chancellor Hall, who had the conduct of the winding-up, was away, Lawless and Co. told Watkin that in all probability they could not obtain a check for him until after the Long Vacation. Ultimately he threatened to take proceedings against Mr. Smart personally to recover the costs, and on the 31st of August Vice-Chancellor Bacon, as Vacation Judge, granted an injunction to restrain Watkin from issuing a subpœna for his costs, or from taking any other proceedings against the official liquidator, or his estate, or the estate of the company, or from seeking to enforce payment of his costs until further order; and the time for payment of the costs was extended until the 10th of November, 1875. From this order Watkin now appealed. Mr. Cracknall, on behalf of the appellant, argued that as a matter of general law an official liquidator is personally liable to his solicitor for costs, but, moreover, in the present case, the order of the 28th of January, 1875, amounted to an agreement on the part of the liquidator to be personally liable for the costs. At any rate the Vice-Chancellor's order must be wrong, inasmuch as it prevented the appellant from taking any steps whatever for the recovery of what was due to him. Mr. Dickinson, Q.C., and Mr. Everitt, for the liquidator, were not heard. Lord Justice James said that on the question of general law the argument was that the relation between the liquidator and his solicitor was the ordinary relation between a client and his solicitor, and that the solicitor was retained by the liquidator on his personal responsibility. It had, however, been expressly decided to the contrary several years ago in the cases of "In re Massey" (Law Reports," 9 Eq., 367), and "In re Trueman" (Law Reports," 14 Eq., 278), in which it was held that in cases of this kind credit is given by the solicitor to the assets of the company. In a voluntary winding-up the liquidator was only an agent of the company, and in a compulsory winding-up the official liquidator was a person appointed by the court to act as the agent of the company, and the only contract made by him with the solicitor was a contract to pay him out of the assets of the company. This court would be very loth to disturb decisions which had been acted on for some years. Then the only question was whether the order of the 28th of January had introduced any new contract. It would require very strong words indeed to show that the liquidator was making himself personally liable without any consideration for that for which he was not previously personally liable, while the solicitor was not altering his position at all. The language of the order was not sufficient to lead to any such conclusion. The order appealed from was not intended to prevent an application being made by the solicitor to the Vice-Chancellor in chambers for payment of what was due to him. The appeal must be dismissed, with costs. Lord Justice Mellish concurred, observing that the position of a liquidator differed from that of a trustee in bankruptcy in this respect—that the assets of the company were not vested in him, and, in the absence of an express bargain, it must be assumed that the solicitor trusted for payment only to the assets of the company. Lord Justice Baggallay was of the same opinion, adding that Vice-Chancellor Bacon's order was on the face of it intended to keep matters *in statu quo* until an application could be made in chambers to Vice-Chancellor Hall, who had the conduct of the winding-up of the company. Mr. Justice Brett agreed, adding that, even if the assets of the company were insufficient to pay the solicitor's costs in full, there was, in his opinion, no personal liability on the part of the liquidator to make good the deficiency.

November 24.

EX PARTE GORDON—IN RE GOMERSALL.—This case involved an important question with regard to the right of a person who just before the bankruptcy of the acceptor of a bill of exchange purchases the bill from the drawer for a sum very much less than its nominal amount, to prove against the estate of the acceptor for the amount of the bill. The case was argued on the 18th inst., and the judgment of the Court was given on the 24th. Mr. De Gex, Q.C., and Mr. Finlay Knight were for the appellant; Mr. Marten, Q.C., and Mr. E. C. Willis were for the respondents. The appeal was from two orders made by the Chief Judge in Bankruptcy, admitting two proofs

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tendered against the estate of John Gomersall and James Francis Gomersall, who were woollen manufacturers at Dewsbury, and who were adjudicated bankrupts on the 6th of October, 1874, upon an act of bankruptcy committed by them in filing a liquidation petition on the 3rd of September, 1874. One of the proofs in question was tendered by Mr. Joseph William Bennett, a stock-dealer, of Moorgate-street, London, for £3,593 18s. 6d., the amount of ten bills of exchange accepted by the bankrupts, and drawn upon them by John Searby and Co., of Honey-lane Market, London. According to Bennett's evidence, the bills were brought to him on the 25th of August, 1874, by Mr. J. F. Lovering, an accountant, and were offered to him for discount. He made inquiries and received information that the acceptors would be unable to pay the bills in full, as they were in difficulties, but that they were possessed of property, and if they failed there was a reasonable prospect that a dividend would be paid from their estate. On the 3rd of September he agreed to purchase the bills for £250, and the same day he gave a check for that sum on his bankers, payable to Searby and Co., and the next day the check was paid by the bankers. From the evidence of John Searby it appeared that he had acted for several years as commission agent for the bankrupts in London, and that he had been in the habit of accepting for their accommodation bills drawn by them on him to the extent of many thousands of pounds, and till the beginning of 1874 they always supplied him with funds to take up the bills at maturity. During that time he had a large quantity of stock belonging to them in his possession, but at the beginning of July, 1874, he, at their request, sent back to them all their stock which he then had. The ten bills in question, together with four others, were drawn by him and sent down for their acceptance in August, 1874, as a security to him against the bills then current which he had accepted for them. This was done in pursuance of a letter written to him by the bankrupts on the 20th of August, 1874, in which they said, "What we want you to do is to draw on us for same amounts we have drawn upon you." The 14 bills thus drawn and accepted bore various dates from the 22nd of April to the 1st of August. Searby said that he could not get the bills discounted himself, and so he handed them to Lovering to get them discounted or to do the best he could with them. Searby had no interview with Bennett about them. Lovering deposed that he received the 14 bills from Searby on the 22nd, 23rd, or 24th of August, 1874, and he said, "I offered them to several persons, but no one would discount them. I offered to sell them at last. I was fully aware that Gomersalls were talked about in London. I tried to get £1,000 for them, but afterwards less. I was down in Yorkshire about that time, and I knew that Gomersalls were between wind and water." The other four bills, which were for sums amounting to £1,727 2s., were purchased on the 31st of August, 1874, for £200, by Mr. Jesse Jones, of Camden-road, under similar circumstances. In his evidence he said, "I inquired of one or two clerks I knew in the City about the credit of Messrs. Gomersall. I thought it a very risky thing from the information I received. The Judge of the County Court at Dewsbury rejected the proofs of Bennett and Jones, but allowed them to receive from the bankrupt's estate the sum which they had actually paid for the bills held by them respectively. The Chief Judge decided that the proofs must be admitted for the full amounts of the bills held by Bennett and Jones respectively. The trustee of the bankrupt's estate appealed. Lord Justice James, after reviewing the facts, said it was quite clear that, as far as regarded Gomersall and Searby, the bills in question were mere shams—fictitious things got up for a fraudulent purpose connected with their then impending bankruptcy. The question was whether Jones was affected with notice of the fraud so as to disentitle him to prove upon the bills. It was to be noted that, though Jones in his evidence said that he made inquiries about Gomersall, he did not suggest that he made any inquiries about Searby, and he did not say what he knew about him; but it was clear that he must have known that Searby was hopelessly and recklessly insolvent, for no man who was not in that state would have made himself personally liable for the sum of £1,700 in consideration of £200, when as to part of it he could be proceeded against in bankruptcy within a few weeks, inasmuch as one of the bills for £227 was to fall due on the 26th of September. Suppose this had been the case of a purchase for £20 of bills for £17,000, could the transaction have stood? Suppose bills to that large amount had been brought to Jones by the sweeper of a neighbouring crossing. Clearly in such a case the transaction could not stand. And his Lordship was of opinion that what occurred then came really to the same thing. Jones, when he took those bills from such a man as Searby, and under such circumstances, must have known that Searby had not got them honestly. The whole transaction was saturated with fraud, and Jones had notice of it. He bought these sham bills knowing that they were shams, and consequently he was not entitled to prove upon them. The County Court Judge thought that Jones was entitled to prove as the holder of accommodation bills, and to receive dividends up to the amount which he had actually given for them; but they were not, in truth, accommodation bills; they were shams. The transaction was really a payment of £200 to Gomersall through his agent Searby, and the holder of the bill was entitled to prove and receive dividends for that sum only. The case of Bennett was in substance exactly the same, and a similar order must be made. Lord Justice Mellish said that the County Court Judge held that Jones and Bennett were not entitled to receive more than they had actually given for the bills, and he did so upon the authority of some old cases mentioned in Cook's "Bankrupt Law." In his Lordship's opinion, those cases had nothing to do with the present. They related not to a case where bills had been brought out, but to a case where money had been advanced upon the security of bills for a larger amount. In those cases it was held that, if the bill was one given for value as between the drawer and acceptor, the holder might prove in bankruptcy against the acceptor for the full amount of the bill, and receive dividends until he had been paid the sum which he had advanced to the drawer. But those decisions had no bearing on the present case, which was not an advance made on the credit of a bill, but a purchase of the entire amount of the bill. His Lordship thought that the Chief Judge was right in holding that in such a case as this the purchaser of the bill might, if he had no notice of fraud, prove for the full amount of the bill; but in the present case his Lordship thought that the bills were drawn and accepted for a fraudulent purpose, in order to cheat the creditors both of the drawer and the acceptor, and that both the holders had notice of the fraud. This raised a very important question; for this, his Lordship thought, was a new kind of fraud. What would be the nature and result of a similar transaction if it had occurred between the bankrupt and one other person? If an insolvent debtor had some assets it would be quite possible for him, on the eve of bankruptcy, to raise money from a person who was aware of his insolvency on such terms as to enable that person to obtain afterwards the full value of the goods he had supplied by means of dividends in the bankruptcy. The debtor might say, If you will let me have goods on a month's credit I will enter into a written contract to pay you four times the value of the goods at the end of the month. But in such a case as that the Court of Bankruptcy would say, without any hesitation, You cannot be allowed to prove for four times the value of the goods. Such a case as this had never happened, and probably never would happen. Suppose, again, that the debtor went to a money lender and said to him, If you will lend me £200 for a month I will enter into a written agreement to pay you £2,000 at the end of the month, the lender, speculating that by means of the dividends on the £2,000 he would be able to make a handsome profit on the sum which he advanced. The Court of Bankruptcy would certainly not be taken in by such a transaction as that. What difference, then, was there between that transaction and a case where there was, as here, a bill between two parties? The

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only difference was that the Court must be able to arrive at the conclusion that the person who had discounted the bill had notice of its invalidity—had notice that it was not a good bill as between the drawer and the acceptor. This was the only part of the present case about which his lordship had entertained any doubt; but he thought that there was evidence that the holders of the bills in this case knew such facts as would have led a jury to say that any reasonable man must have concluded that the transaction was tainted with fraud, and even that he knew the particular nature of the fraud. What right had the purchaser of the bills to suppose that such a man as Searby would have kept the bills in his possession for two or three months after they were drawn if he had a good title to them? They wilfully shut their eyes to the facts which made it clear that the bills had been recklessly drawn and accepted on the eve of bankruptcy, and the Court of Bankruptcy ought to deal with the case just as if there had been a contract for the sale of goods such as his Lordship had suggested. The fraud was not one upon the holders of the bills, but upon the general body of the creditors. This Court would be an unworthy successor of the great Judges who first set up such doctrines as that of fraudulent preference if it allowed this kind of fraud to prevail. The consequence of doing so would be that any man who wanted a sum of money in order to stave off his bankruptcy for a week, or in order to make a payment in favour of a particular creditor, or to make a provision for himself and his family, would be able to do this at the expense of the general body of his creditors. Lord Justice Baggallay was of the same opinion. He fully recognised the well-established principle that negligence on the part of the holder of a bill of exchange was not of itself sufficient fo deprive him of his right of proof, but yet that negligence accompanied by the surrounding circumstances might be evidence of *mala fides*. He was not prepared to say that the mere fact of giving a very small sum for a bill of exchange would of itself be evidence of fraud. The holder who had originally given full value for the bill might, when he afterwards found that the acceptor had become hopelessly insolvent, honestly sell the bill for one-fifth or one-tenth, or even a less proportion of its nominal value; but the facts of the present case were very different. The circumstances were, in his Lordship's opinion, such as must have brought to the mind of the purchasers of the bills knowledge that there was some fraud in their preparation, and if they wilfully omitted to make inquiries they must take the consequence. Mr. Justice Brett said he apprehended that the argument in favour of admitting the proof for the full amount was this—that the bills in their inception were honest bills as between the drawer and the acceptor, and that the persons who bought them did so honestly, or that, if the bills were fraudulent as between the drawer and the acceptor, the persons who bought them did so without any notice of the fraud. On the other side, the argument was that the bills were fraudulent in their inception, not, indeed, as between the drawer and the acceptor, for they both knew that, as between them, it was not intended that either of them should be responsible for the bills, but that the bills were fraudulently concocted as against their creditors, and that the purchasers of the bills knew when they bought them that they were fraudulent, and even though they did not know all the circumstances, yet knew enough to affect them with notice that the bills were fraudulent. In determining the question of fact, the Court must, as a jury would do, make use of their ordinary knowledge of business and of mankind. His Lordship reviewed the evidence at considerable length, coming on it to the conclusion that the intention of the parties was that the money obtained by the sale of these bills should go to Gomersall, and that it did in fact go to him, Searby being a mere agent of Gomersall. As to Bennett, he said that he made inquiries about Gomersall, and the fair inference was that when he paid the £250 for the bills he did so in the expectation that Gomersall's estate would be able to pay him in dividends more than £250 if he could prove for the full amount of the bills, and that he knew that both the drawer and acceptor were insolvent, and were going into immediate bankruptcy. The bill-holders ought, therefore, only to be allowed to prove for what they actually advanced, which was, in fact, a loan to Gomersall.

HIGH COURT OF JUSTICE.

CHANCERY DIVISON.

November 19.

(*Before Vice-Chancellor Sir* RICHARD MALINS.)

IN RE THE ELLAND-ROAD, WORTLEY, FIRE CLAY COMPANY, LIMITED.—In this matter a petition was presented, praying for an order to wind-up the company. It was stated that another petition was about to be presented to the Master of the Rolls for a similar order, and leave was asked, with the view of covering the costs of both petitions, to transfer this one to the Rolls Court. Mr. W. Barker was for the petitioner here; Mr. F. C. J. Millar was for the company; Mr. Francis Webb was for the other petitioner. The Vice-Chancellor said he had no power to direct this petition to be transferred, and could do nothing as to the one at the Rolls. There must be the usual winding-up order in the petition to this court, and the parties could arrange as to the costs.

IN RE THE WEDGEWOOD COAL AND IRON COMPANY, LIMITED.—In this matter a petition was presented praying for an order to wind-up the company. Mr. Glasse, Q.C., and Mr. F. C. J. Millar were for the petitioner; Mr. S. Pearson, Q.C., was for the company, and Mr. Williams was for other parties. The Vice-Chancellor made an order to continue the voluntary winding-up of the company under the supervision of the court, and appointed Mr. Smart as liquidator in the place of Mr. Banner.

IN RE THE KENT TRAMWAYS COMPANY, LIMITED.—In this matter a petition was presented praying for an order to wind-up the company. Mr. Glasse, Q.C., and Mr. Solomon were for the petitioner; Mr. W. Barber was for some of the creditors of the company; Mr. Cracknall, for other creditors, opposed the petition. The Vice-Chancellor made the usual order to wind-up the company, but gave no costs to Mr. Cracknall's clients.

(*Before Vice-Chancellor Sir* C. HALL.)

IN RE THE EQUITABLE PERMANENT BENEFIT BUILDING SOCIETY.—This society was ordered to be wound-up compulsorily on the petition of a member and creditor. The society was established in 1868, but, as in another recent well-known case—that of the Norwich and Norfolk Provident and Building Society—had got into difficulties through the misappropriation of its funds by its manager, Martindale, who died in August last. Mr. Graham Hastings, Q.C., appeared for the petitioner; Mr. Langley for the society.

November 20.

(*Before the* MASTER *of the* ROLLS.)

IN RE THE DUNRAVEN ADARE COAL AND IRON COMPANY, LIMITED.—The usual winding-up order was made in this instance on a creditor's petition, presented by the Sheffield Waggon Company. Mr. Chitty, Q.C., and Mr. F. C. J. Millar appeared in support of the petition; Mr. C. H. Turner for creditors; and Mr. Warmington for shareholders holding debentures.

IN RE THE CONTINENTAL AND SHIPPING BUTTER COMPANY, LIMITED.—EX PARTE MEGE.—This company was incorporated in January, 1874, with the object of purchasing a Frenchman's patent for the treatment of fatty bodies for a purpose which may be guessed from the title of the company. It was ordered to be wound-up in July, 1874. The patent never had been assigned to the company, and the question now was, whether

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2,000 shares which had been allotted to Messrs. Mège and Augier in part payment for their patent, and which appeared opposite to their names in the register as fully paid-up shares, were to be treated as shares on which nothing had been paid, by reason of the requirements of the well-known Section 25 of the Companies Act, 1867, not having been complied with. Messrs. Mège and Augier's case was that the shares in question were properly issued as fully paid-up shares under the contract for the sale of the patent which was made prior to the incorporation of the company between their agent of the one part, and a person described as "trustee for a company in course of formation, and intended to be incorporated under the title of the Continental and Shipping Butter Company Limited," which agreement, they contended, being printed at length in the articles of association, was notice to every body concerned, and entitled them to say that the shares were fully paid-up. Mr. Chitty, Q C., and Mr. W. C. Druce appeared for the official liquidator; Mr. Waller, Q.C., and Mr. Cottrell for Messrs. Mège and Augier. The Master of the Rolls said it had been thought that a contract entered into between a promoter and nominee of his own as trustee for an intended company might be a contract within the meaning of Section 25; but this could not be correct, for the company could not adopt or ratify a contract made prior to its own existence. The company might, of course, have entered into a new contract to perform the old contract, but it had not done so. He should have thought, therefore, that there was no contract between the company and Messrs. Mège and Augier that the shares registered in their names should be payable otherwise than in cash. In the case of the Western of Canada Oil Lands and Works Company he had decided that some directors were liable to pay up certain nominally paid-up shares which had been transferred to them by the promoter, who received them under a contract entered into, as in this case, between himself and a nominee of his own prior to the formation of the company. He had so decided on the ground that such a contract was no contract at all—that there was no registered contract, as required by the section. It appeared, however, that the Court of Appeal had reversed his decision on the assumption that there was such a contract. He was, of course, bound by that decision, and should therefore decide, against his own opinion, that the contract between Messrs. Mège and Augier and the trustee for the company prior to its incorporation amounted to a contract binding the company. It appeared, too, that for some reason or other the company had not got the patent. This might entitle the liquidator to sue Messrs. Mège and Augier for breach of contract, or to have back the shares for failure of consideration, but not to say that the shares were not fully paid-up.

(Before Vice-Chancellor SIR RICHARD MALINS.)

IN RE THE TAL-Y-DRWS SLATE COMPANY, LIMITED.—This was a summons taken out by a Mrs. Mackley to remove her name from the list of contributories of the above-named company. The company was formed in 1863, with a capital of £20,000 in 2,000 shares of £10 each. Mr. Mackley agreed to become a director of it, and signed the memorandum of association for 50 shares in it. No shares, however, were allotted to him, and his name was not entered in the register of shareholders. Moreover, he never acted as a director, or in any way interfered in the affairs of the company. In the month of August, 1864, the directors allotted all the 2,000 shares to other and solvent parties. In 1868 they, under a power in the articles of association, declared 89 shares forfeited. On the 6th July, 1869, Mr. Mackley died, leaving the applicant his widow and executrix. On the 30th of March, 1874, a resolution was passed for the voluntary winding-up of the company; and in the following month an order was made to continue the winding-up under the supervision of the court. The name of Mrs. Mackley, as executrix of her husband, was then placed by the official liquidator on the list of contributories in respect of 50 shares, on the ground that he, in his lifetime, and his estate now, was liable to the company on account of the shares for which he signed the memorandum of association. Mr. Glasse, Q.C., and Mr. Dixon appeared in support of the summons; Mr. J. Napier Higgins, Q.C., and Mr. W. D. Griffiths were for the official liquidator. The Vice-Chancellor said that after all the arguments which he had heard in this case he could not think that the official liquidator was justified in raking up this gentleman's name for the purpose of putting his widow on the list of contributories, and the attempt to maintain her in that position was unsustainable. The company having been formed in 1863, Mr. Mackley made up his mind to be a director of it, and signed the memorandum of association accordingly for 50 shares. Although he had intended to act as a director, he never did. On the 15th of August, 1864, the whole of the 2,000 shares of £10 each were allotted to other persons, presumably solvent, and remained in their hands till March, 1868. On the 18th of March in that year the directors declared 89 of the shares to be forfeited, so that from 1864 to 1868 there was not a single share which could have been allotted to Mr. Mackley, even if he had then applied for them. The company, however, went on for some time longer, till, in April, 1874, his Lordship made an order to continue the voluntary winding of it up under the supervision of the court. Considering that Mr. Mackley's name never was on the register of shareholders—a copy of which was at the offices of the company, and that no one knew, or could know, that it might have been there—it was plain that no creditor trusted the company on the faith of its being on the register, and so far no injury was done to the creditors. So with regard to the other shareholders in the company, the contributories, they were not damnified. It was impossible, therefore, for the shareholders *inter se* or by the official liquidator now to call on this gentleman's estate to help to pay their debts. In answer to that, however, it was said that Mr. Mackley was liable because he signed the memorandum of association for the 50 shares. No doubt, as a general rule, that was true. His Lordship had so decided in more than one case; and other branches of this court had taken a similar view. But that rule, like others, must depend on the surrounding circumstances in each particular case. The present case was, no doubt, a novel one; but it did seem somewhat unjustifiable that the company (when found to be a losing concern) should be allowed to say that a man who could not have had a share when he might have asked for one was nevertheless liable to the company for shares, in his lifetime, and that his estate remained subject to that liability after his death. His Lordship thought it clear that the view which he took of this case would have been taken by the Court of Appeal in Evans's case ("Law Reports," 2 Chancery Appeals 427) if the facts of that case had been the same as those of this one. Then Lord Justice Turner said:—"Mr. Evans originally subscribed the memorandum of association, and became one of its first directors, and, therefore, his first duty was to take care that his name was entered upon the register. It was, therefore, the plain duty of Mr. Evans to enter his own name on the register. This, however, he did not do, but went on leaving the matter exactly as it stood. Then could he take advantage of his own neglect? for if he had entered his name on the register, he could only have got rid of his liability by regular transfer, and it was impossible to say that he transferred the shares." Then the Lord Justice added this, which was most important with reference to the present case:—"If, indeed, all the shares had been allotted to others, a question might have arisen." If, that was to say, the very fact which occurred in this case had been found in that, the Lord Justice Turner would have considered there would have been some question about it. Lord Cairns, the other Lord Justice, said this:—"It was said that the shares which Mr. Evans would have had were allotted to other people, but it seemed that the allotment was not final, and there were left at all times sufficient to answer the right of Mr. Evans." Could any thing, therefore, be plainer than this, that if there had been no shares for Mr. Evans when (if ever)

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he wanted them he would have been relieved by the Court? There were also some remarks of Lord Cairns in other cases with respect to the argument deduced from the fact that no mischief actually arose from, and that no one had been deceived by, what had been done. Upon the whole of this case his Lordship thought it very vexatious and unjust on the part of the official liquidator, representing not only the creditors, but also the contributories of the company, to bring this lady so improperly before the Court. He should, therefore, order her name to be removed from the list of the contributories, and she must be paid her costs out of the estate. The official liquidator must also be paid his; and if the estate was insufficient for the payment of all the costs, the parties must have liberty to apply again to the Court on the subject.

IN RE THE BIRMINGHAM, BLAKELEY HALL, AND COLLIERY COMPANY.—The voluntary winding-up of this company was directed to be carried on under the supervision of the Court on the petition of Mr. Kean, a creditor. Mr. King and Mr. E. Ford appeared for the petitioner, Mr. Beale for other creditors, and Mr. Fellows for the company.

November 22.

(*Before Vice-Chancellor Sir* RICHARD MALINS.)

THE PHOSPHATE SEWAGE COMPANY, LIMITED, v. HARTMONT AND OTHERS.—The plaintiffs in the suit were the above-named company alone; the defendants were Messrs. Hartmont and Begbie, who were merchants in partnership together as Hartmont and Co.; a Mr. Ogle, a promoter of the company: Messrs. Englebach and Keir, accountants in the City, and also promoters of the company; Messrs. Cockburn, Grant, Green, and Lonsdale, who with Mr. Keir signed the memorandum of association of the company; Messrs. Elmslie, Forsyth, and Sedgwick, solicitors; a Mr. Ramsden (who since the opening of the case has been dismissed from the suit on certain terms); and a Mr. Malleson, the assignee in the bankruptcy of Messrs. Lawson and Son. The bill in the suit stated that Messrs. Hartmont and Co., Lawson and Son, and Engelbach and Keir were the promoters of the company, and that Messrs. Elmslie, Forsyth, and Sedgwick acted first as the solicitors of Messrs. Hartmont and Co., Lawson and Son, and Mr. Ogle, in the promotion of, and afterwards for, the company itself. In 1869 the Government of the Dominican Republic authorised Messrs. Hartmont and Co. to raise a loan of £420,000 for it, and on the 8th of May in that year granted them a concession for 50 years of the guano or phosphate of lime on the island of Alto Vela, belonging to the Republic. The articles of that concession, to which it is at present necessary to refer, were these:—Messrs Hartmont and Co. were themselves to bear all the expenses of working the guano, guanito, or phosphate of lime in the island; to carry out the agreement at the latest by the 1st of January then next, and to export annually a quantity of at least 10,000 tons of guano, guanito, or phosphate of lime; to pay a specified tax for each ton of material exported; and the Revenues resulting to the Dominican Government from the operations were to be devoted to the loan contracted for it by Messrs. Hartmont and Co. It was further provided that, in case the grantees should not export the *minimum* quantity stipulated for, the Dominican Government should have the right to declare that concession null and void and to dispose of it as they should see fit. An arrangement was then come to by which Messrs. Hartmont and Co. became trustees of the concession for themselves and Messrs. Lawson and Son and Mr. Ogle. Messrs. Lawson and Son had the working of the island of Alto Vela. Up to the 31st of December, 1870, no guano or phosphate of lime had been exported from the island; but 1,981 tons and no more, of a substance known as phosphate of alumina was exported from the island. By reason of that the Dominican Government acquired the right to annul the concession, which was then voidable and liable to forfeiture. In 1870 Professor Forbes and a Mr. Price took out patents for the manufacture of artificial manures in the West Indies and other islands, and in the early part of 1871 Messrs. Hartmont and Co., Lawson and Son, and Mr. Ogle determined to form a joint-stock company to purchase the original concession. Accordingly, a provisional committee was formed, which consisted of the defendants Begbie, Engelbach, Keir, and Grant; and while Mr. Ramsden acted as the solicitor of the committees, Messrs. Elmslie and Co. were to be the advisers of the proposed company. The bill stated, further, that the committee determined that the price to be paid for the concession should be £65,000, of which £50,000 was to be paid by Messrs. Hartmont and Co., Messrs. Lawson and Son, and Mr. Ogle, in shares agreed upon between them; £15,000 to Messrs. Engelbach and Keir; £262 10s., to Messrs. Elmslie and Co.; and £420 to Mr. Ramsden, out of the intended company's moneys, for assisting in its formation. To carry out that arrangement, on the 20th of April 1871, Messrs. Hartmont and Co. assigned their interest in the concession to Messrs. Lawson and Son. On the 28th of April, in the same year, the Messrs. Lawson and Son (called "the vendors") entered into a contract with Messrs. Engelbach and Keir (called "the purchasers") "for and on behalf of a company then intended to be forthwith incorporated." That contract recited the concession that Messrs. Hartmont and Co. had assigned or agreed to assign it to "the vendors;" that the purchasers believed that the working of the deposits on the island of Alto Vela and the other patents of Professor Forbes and Mr. Price would be very profitable, and that a company should be formed to work the patents and products of the island with a capital of £200,000, divided into 20,000 shares of £10 each; the first issue to consist of 12,000 shares. The contract then provided that the consideration for the sale of the concession should be the sum of £65,000, of which £20,000 was to be paid in fully paid-up shares, and the rest in cash. The contract then specifically stated that the vendors had delivered to the purchasers copies of all the documents of title showing their rights to the concession, and had produced to the purchasers' solicitors, who had examined the same, all the original documents of title; "and the purchasers by the now stating agreement testified their acceptance of the vendors' title thereto," and the purchase was to be completed on or before the 3rd of July, 1871. The plaintiffs contended that the object of the parties to that agreement was not the *bonâ-fide* working of the concession or patents, but to obtain the control of a large number of shares in the plaintiffs' company and procure a settling day on the Stock Exchange and quotation of the shares in order to speculate for their own benefit. The plaintiffs' bill also stated that the last-mentioned agreement was prepared by Mr. Ramsden, and approved by Messrs. Elmslie and Co.; the former having insisted on and the latter having struck out a clause protecting the proposed company from the consequences of a forfeiture of the concession, although warned by counsel that the due compliance with the requisitions in that respect was essential to the existence of the concession. On the 8th of May, 1871, the plaintiffs' company was duly registered under the Acts of 1862 and 1867, with the prescribed capital of £200,000, divided into 20,000 shares of £10 each; and Messrs. Cockburn, Grant, Green, Lonsdale, and Keir signed the memorandum of association. It is unnecessary, at this stage of the case, to refer more particularly to the articles of association of the company, which were fully set out or referred to in the bill in the suit. Soon after the formation of the company, Mr. Hartmont was appointed a director, and afterwards chairman of the Board of Directors, which office he held till November, 1872. Immediately after the incorporation of the company the directors issued a prospectus, stating, among other things, "that the vendors had expended more than £39,000 up to that time in connexion with the island of Alto Vela, besides the payment to the San Domingo Government." The plaintiffs alleged by their bill that that statement was, as the defendants knew,

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untrue, and inserted in the prospectus on the sole authority of Mr. Forsyth. The prospectus also stated that £5,000 in fully paid-up shares had been allotted to those parties who subscribed the money necessary for thoroughly testing the various processes connected with the patents. That sum, the plaintiffs alleged, was to be in full satisfaction of all the claims of those parties. After the issuing of the prospectus, applications came in for shares, and 8,107 were allotted; but of these shares 4,500 were applied for by Messrs. Hartmont and Co. and others of the defendants and their nominees. On the 29th of May, 1871, Messrs. Lawson and Son sold the concession and letters patent to the plaintiff company for £65,000, subject, as to the concession, to the payment of the royalties and the other matters stipulated for by it. The £65,000 was to be paid or provided for in the manner mentioned in the contract. The bill in the suit then set forth a number of details, to which, also, a precise reference is not now required, and stated, among other things, that the defendants, Messrs. Hartmont and Co., Mr. Ogle, and Messrs. Engelbach and Keir, requested the directors of the company, and the directors obtained for those defendants on a certificate which the plaintiffs alleged was untrue, a settling day on the Stock Exchange for the quotation of the shares in the company. Hartmont and Co. then obtained the leave of the directors of the company to enter into a contract, through Messrs. Oppert and Co. with some eminent French financiers for the sale to them of some of the patents belonging to the company for a sum of £250,000, payable in 12 months. A meeting was called, and in lieu of that it was stated that a sum of £150,000 in cash might be procured immediately. The shares in the company then rose considerably, and Mr. Hartmont, in March, 1872, sold 1,000 of his shares at £56 per share. The proposed acceptance of the £150,000 was, however, afterwards declined at a meeting of the company, and Messrs. Oppert paid, on account of the other sum, as much as £14,000. The plaintiffs insisted that Mr. Hartmont furnished the Messrs. Oppert with that amount in order to give colour to the transaction which he had really been throughout instrumental in furthering. No other sums were ever paid in respect of the proposed contract with the French financiers. The result of the dealings between the defendants was that the shares of the company fell so low as £3 per share in the market. The Dominican Government, also, in August, 1872, cancelled the agreement for the concession under the powers which they had originally reserved to themselves, and refused to recognize the transfer of it to the plaintiff company. The bill in the suit prayed that the sale of the concession to the plaintiff company was fraudulent and ought to be set aside; that the combination alleged in the bill of the defendants (other than Mr. Malleson) might also be declared fraudulent; that the payment by the directors of the £65,000 or that concession was a breach of trust on their part, and that all the defendants engaged in the transaction as vendors, or as promoters, directors, or solicitors of the company were bound (together with the estate of Messrs. Lawson and Son) to make good to the company the sum of £65,000 so improperly paid, as above mentioned; or that, at all events, the £15,000 wrongly paid to Messrs. Englebach and Keir should be repaid by them to the company. The bill also prayed that some of the defendants should repay other money improperly paid (as it was alleged) to them out of the company's assets, and for other relief. The above is a condensed statement of the case as it is disclosed on the plaintiff's pleadings. The arguments on behalf of the company, which had already occupied four days, were not yet concluded. Mr. J. Napier Higgins, Q.C. (who was two entire days in opening the case for the plaintiffs), contended that, on the facts and evidence of the whole of it, there had been, as regarded the Messrs. Hartman and Co., the most extraordinary and unprecedented course of dealing which this Court, or, indeed, any Court, had ever been called upon to consider, and argued that on every ground of fraud and breach of trust on the part of the defendants (whom and whose misconduct respectively he particularly referred to) the company were entitled to the relief they sought in this suit. Mr. Horace Davey was with Mr. Higgins, Q.C., and Mr. Melville was with them; Mr. Glasse, Q.C., Mr. J. Pearson, Q.C., Mr Cotton, Q.C., Mr. H. M. Jackson, Q.C., Mr. Westlake, Q.C., Mr. Locock Webb, Q.C., Mr. Montagu Cookson, Q.C., Mr. Whitehorne, Mr. Romer, Mr. J. R. Griffith, Mr. Cepo, and Mr. Terrell were for the several defendants.

QUEEN'S BENCH DIVISION, WESTMINSTER.

November 20.

(Before Mr. Justice MELLOR, *Mr. Justice* QUAIN, *and Mr. Justice* FIELD.)

WALKER v. THE BANAGHAR DISTILLERY COMPANY.—This was a case of importance as to the procedure under the Judicature Acts. By the Companies' Act, 1862, the Court of Chancery is empowered to grant injunctions staying proceedings when actions are brought against companies which are in the process of being wound-up. This was the case with the defendants' company, the dates of the proceedings being as follows:—On the 6th of October notice was given of a meeting to wind-up the company. On the 18th of October the meeting was held, and the requisite consents obtained to a resolution for voluntarily winding-up; the plaintiff attended and voted in favour of the resolution. On the 19th of October notice was given of a general meeting to confirm the resolution. On the 22nd of October the plaintiff issued a writ in an action in this Division for money paid. Mr. Meadows White now moved to stay further proceeding in this action. There had been a difference of opinion in the profession as to whether the proper course under the Judicature Act is to apply to the Division in which the action is brought or to that in which the company is being wound-up. Mr. White stated that the two days' notice of the application required by the Judicature Act had been given, but the plaintiff did not appear to show cause. The Court, without giving reasons, made the order on the terms that the costs already incurred by the plaintiff should be added to his debt.

COURT OF BANKRUPTCY.

November 19.

(Before Mr. Registrar PEPYS, *sitting as Chief Judge.)*

The Court was occupied during nearly the whole day in hearing arguments upon an appeal from a decision of Mr. Registrar Keene, allowing registration of a resolution for a liquidation by arrangement in the case of Thomas Stammers Webb, colliery proprietor, of Gracechurch-street. Mr. Hemming, Q.C., and Mr. Leeson were counsel for Mr. Gibbs, the appellant; Mr. Winslow, Q.C., and Mr. Goodman for the respondent. The case is not likely to be disposed of for some time.

IN RE M. COIN.—This was a sitting for public examination. The bankrupt formerly carried on business in Wilson-street, Finsbury, and Cutler-street, Houndsditch, as a wholesale clothier. Upon the case being called on, the bankrupt did not appear, and Mr. Townend, for the trustee, stated that he had absconded. His Honour ordered the usual memorandum of non-attendance to be entered.

IN RE V. CHARD.—The bankrupt was described as a stock and share broker, of 31 Threadneedle-street. He appeared before the court on a statement which returned debts of £4,938, and assets, £150. His Honour now confirmed a scheme of arrangement, whereby the creditors would receive a composition of 2s. 6d. in the pound, and the adjudication be annulled.

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November 20.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE LESLIE.—This was a sitting for examination. The bankrupt was an East India agent, carrying on business at 32 St. Mary-Axe as Leslie, Rivington, and Co., and his accounts disclosed liabilities £47,121, chiefly in relation to Messrs. Collie and Co., with assets £355. The bankrupt passed his examination without opposition.

IN RE ARMIT.—This was a sitting for examination. The bankrupt, Robert Henry Armit, was described as a commission and financial agent, of 33 Abchurch-lane, and 93 Regent-street; and it appeared he was engaged in a scheme for the colonisation of New Guinea. His balance-sheet returned liabilities of £23,778, with book debts estimated to produce £1,123; unliquidated claims, £98,000; other property, £4,000; and surplus from securities in the hands of creditors, £724. Mr. H. Brett, the trustee, opposed in person, on the ground that the balance-sheet was insufficient. After an examination of the bankrupt, who stated he desired to complete his bankruptcy in order that he might proceed to New Guinea, his Honour gave the trustee leave to hold a private sitting, at which further inquiry might be made, but declined to grant any order for further accounts.

November 22.

(*Before Sir* J. BACON, *Chief Judge.*)

EX PARTE ROBINSON—RE ROBINSON.—This was an appeal arising out of the failure of T. M. Robinson, a woollen merchant, carrying on business at Leeds. The question mainly in issue was whether a surety with whom the liquidating debtor had, without the knowledge of his creditors, deposited goods as security for the amount agreed to be paid by him, was entitled to the benefit of the goods so deposited, or whether, in the event of a subsequent liquidation by arrangement, the trustee appointed thereunder was not entitled. The county court judge sitting at Leeds came to the conclusion that inasmuch as the arrangement with the surety had been concealed from the creditors, the trustee under the second liquidation was entitled to the goods, and Mr. Robinson, the surety, appealed.—Mr. Little, Q.C., and Mr. G. W. Lawrance appeared for the appellant; Mr. De Gex, Q.C., and Mr. Northmore Lawrence supported the order of the county court judge.—The Chief Judge said that there was no evidence of fraudulent concealment from creditors of the deposit of the goods as security, and it appeared that the property had been parted with for full value. It would be unreasonable, under the circumstances, to hold that the trustee under the second liquidation was entitled to the property deposited with the appellant, and his lordship therefore discharged the order of the county court judge.

(*Before Mr. Registrar* KEENE.)

IN RE W. H. AND J. R. CARTER.—The debtors were licensed victuallers and proprietors of the Saint Helena Gardens, Rotherhithe. They had petitioned under the liquidation clauses, and the creditors have determined to liquidate by arrangement; the accounts showing debts to the amount of £1907, and assets £121 7s. 6d.—Mr. Field applied for leave to register the resolutions, and stated that although the assets appeared to be small it was proposed that the business of the Saint Helena Gardens should be continued with a view to benefitting the creditors. No resolution granting the discharge had yet been passed. Mr. Hardwick opposed registration, upon the ground that there were practically no assets divisible among the creditors. His Honour said it was clear that after payment of the expenses of the proceedings there would be nothing available for the creditors, and upon the authority of a decision of the Chief Judge in the case of "Staff" refused registration.

November 23.

(*Before Mr. Registrar* PEPYS, *sitting as Chief Judge.*)

IN RE ALEXANDER COLLIE AND CO.—This was a sitting for public examination. The bankrupts, Messrs. Alexander and William Collie, were merchants, carrying on business at 17 Leadenhall-street, and Aytoun-street, Manchester, under the firm of Alexander Collie and Co. They were adjudicated upon the petition of the London and Westminster Bank, in respect of a debt of £1,400 due upon a bill of exchange dated the 4th of January, 1875, drawn by the debtors upon and accepted by Charles Carnie, and payable six months after date; and the act of bankruptcy upon which the adjudication proceeded was the presentation by the debtors of a petition for liquidation. A joint statement of affairs filed by Mr. William Collie returns the following items:—Dr. — Creditors unsecured, £90,025; ditto, subject to payment of their acceptances, £1,274,292; creditors partly secured, less value of securities, £?9,418; creditors for rent, rates, &c., £844; and liabilities on bills discounted, estimated to rank £464,579. Cr.—Stock-in-trade at Manchester, £38,789; book debts estimated to produce £22,767; cash in hand, £9,914; bills of exchange and other similar securities, estimated to produce, £7,363; freehold premises, furniture, fixtures, and fittings, at Aytoun-street, Manchester, estimated surplus after payment of balance of purchase-money, £75,000; other property, £32,160; bills of lading in hand, £2,427; surplus from securities in the hands of creditors, £31,046; and sundry assets requiring time for realisation, a judgment against a debtor, and further amounts, estimated at £509,875. A statement of the affairs of Alexander Collie, filed but not signed by him, shows debts of £1,641, with assets, £45,054, inclusive of bankrupt's house at Palace-gardens, Kensington, furniture, and effects, subject to lien, £28,755; pictures, water-colour drawings, and paintings, £14,500. The debts of William Collie separately, are returned at £68, with assets, comprising property of various descriptions, £14,936.

Mr. J. Linklater, for the trustee, said the facts of this case were so notorious that he would scarcely be justified in bringing them before the court again. The bankrupts failed a short time since, and the trustee had every reason to suppose that one of them would not be in attendance. The other had filed a statement which the trustee considered wholly insufficient, but he was in this difficulty, that he could not examine the bankrupt thereon, seeing that the whole matter was pending before another tribunal, and appointed to be heard on the 18th of December. He would ask for an adjournment for three months. Alexander Collie, on being called, did not appear. Mr. Registrar Pepys asked whether the other bankrupt objected to an adjournment until after Christmas. A solicitor's clerk, by whom he was represented, said he did not object. His Honour granted an adjournment until the 12th of January.

IN RE SHAND AND CO.—The bankrupts, Messrs. Charles Shand, Alexander Shand, and Ralph Abram Robinson, were merchants, carrying on business at 23 Rood-lane and elsewhere, and they had been adjudicated upon the petition of the London and County Banking Company. A statement of affairs returned liabilities of £341,980, with assets, comprising book debts, bills of exchange, and other property, inclusive of surplus from securities in the hands of creditors, £38,368. There was also an estimated surplus from the separate estates in the case of Mr. C. Shand of £5,425; A. Shand, £2,714; R. A. Robinson, £223. This was a sitting for examination. The trustee did not oppose; Mr. Finlay Knight appeared for the bankrupts. The bankrupts passed their examination.

November 24.

(*Before Mr. Registrar* MURRAY, *sitting as Chief Judge.*)

IN RE ALEXANDER COLLIE AND CO.—This case was again brought before the Court this morning upon an application by the trustee to restrain an action commenced against him by

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Mr. Palin, a cloth manufacturer, carrying on business in Mosley-street, Manchester. It would appear that on the 6th of April last Mr. Palin received an order from Messrs. Collie for 2,000 pieces of grey shirtings, of certain dimensions, at 8s. 4½d. per piece. One thousand pieces were delivered on the 29th of May, and 1,000 on the 9th of June, to the debtors. Messrs. Collie rejected 340 of the pieces as not being according to the order, and Mr. Palin assented to the rejection, and afterwards Messrs. Collie became bankrupt. The trustee took possession of the 340 pieces as part of the property of the bankrupts, and Mr. Palin had since commenced an action in the High Court of Justice to recover the shirtings and damages for the detention. Another action, brought under similar circumstances by another creditor, against the trustee was also pending, and the Court was asked to restrain the second action too. Mr. Linklater appeared for the trustee in support of the application. Mr. Finlay Knight, for the plaintiffs in the actions, raised the objection that, having regard to the terms of the 24th Section, 5th Sub-section, of the Judicature Act, 1873, the Court had no longer jurisdiction to restrain an action brought against a trustee under a bankruptcy, and contended that even if the jurisdiction remained, the court would not exercise it in a case of this description. After hearing Mr. Linklater in reply, His Honour held that, having regard to the provisions of the 72nd Section of the Bankruptcy Act, and the authorities which had been decided under it, this court was the proper tribunal to deal with a case of this nature, and that the right course for the respondents to have taken was to have applied to this court to decide the question between themselves and the trustee. It was clear that, under the 9th Section of the Amendment Act of 1875, the jurisdiction of this court remained unaffected; and the 24th Section, 5th Sub-section, of the 1873 Act did not apply to this particular case. The goods had been taken possession of by the trustee as part of the property of the bankrupts, and that seemed to bring the matter within the 72nd section of the Bankruptcy Act. He thought the trustee was entitled to an injunction restraining the actions, but upon an undertaking to accept service of notice of any application in the case to be made in this court supported by affidavit.

In re Kilburn and Kershaw.—This was a sitting for the public examination of H. W. Kilburn. Messrs. Kilburn and Kershaw carried on a very large business as silk piece brokers at 28 St. Mary Axe, and were adjudicated in July last. Kershaw absconded, a reward of £200 being offered for his apprehension. The joint statement produced by Kilburn shows a total unsecured liability of £201,456, as against assets of £6,577 12s.; his separate statement shows debts of £10,513, against assets £7,300. No opposition was made to the passing of the bankrupt, and His Honour accordingly allowed him to pass. The usual memorandum was entered against Kershaw.

In re A. and W. Collie.—This case was again before the Court upon an application by the trustee to stay proceedings instituted by creditors in the Manchester Court to recover the value of certain parcels of goods rejected by the bankrupts as not being in accordance with contracts with these creditors, but which were at present in the hands of the trustee, forming a part of the property on the bankrupt's premises at the time the petition for liquidation was presented. After hearing Mr. J. Linklater for the trustee and Mr. Finlay Knight for the creditors, His Honour stayed the proceedings at Manchester, holding that the proper tribunal to try the questions at issue was the London Bankruptcy Court.

Messrs. Samuel Freeth and Co., of the Phœnix Iron Works, Millwall, and the West Drayton Iron Works, whose failure we announced in September last, have obtained a settlement for seven shillings and sixpence in the pound. The instalments of cash and bills are now payable by the trustee, Mr. Robert A. McLean, 8 Old Jewry.

LIVERPOOL COUNTY COURT.

November 12.

(*Before* Mr. J. F. Collier, *Judge.*)

In re William Hughes.—This was an application for the court's approval of a resolution of creditors whereby they agreed to accept a composition of 1s. in the pound, and consent to the bankruptcy being annulled. The bankrupt was described as a metal merchant's clerk in Argyle-street, and his statement of accounts disclosed debts £301 and assets £382. Mr. Monkhouse, for Mr. Byrne, the trustee, stated that he had investigated the affairs of the bankrupt, and had made an affidavit to the effect that in his opinion, the offer of the bankrupt was a reasonable one to accept, having regard to the unrealisable character of the assets, which consisted of equities in cottage property. His Honour, on perusing the affidavit, said he was not satisfied that the offer was a reasonable one. The court stood in the position of guardian of the interest of the minority of the creditors unrepresented by the resolution of the statutory majority; and seeing the wide variance between the bankrupt's estimate of his assets and that of the trustee, he thought more detailed information should be given as to the precise value of the assets. Mr. Monkhouse respectfully submitted that where the court found that the resolution was carried by the statutory majority of creditors its functions were simply to approve thereof and give effect to their wishes. Under the previous Bankruptcy Act, in a similar proceeding to the present, the court had to be satisfied that the terms of the resolution were reasonable and calculated to benefit the general body of creditors; but the omission of such a provision from the present act, as well as its general scope, namely, to give effect to the wishes of the statutory majority of the creditors, pointed to the action of the court being purely ministerial. His Honour thought otherwise, and considered the court had a discretion in granting or withholding its approval. Mr. Monkhouse bowed to the ruling of the court, and applied for an adjournment to supply the requisite information, which was granted to the 3rd December.

In re Maurice Williams.—This bankrupt, a cotton broker in Liverpool, was allowed to pass his public examination. Mr. Rutherford (from the office of Messrs. Miller, Peel, and Hughes) represented Mr. Bolland, the trustee, and Mr. Sampson the bankrupt.

In re F. J. Granville and Co.—This was a bankruptcy which took place in 1872, the firm then being cotton brokers in Liverpool. The present was an adjourned sitting for the public examination of Mr. Granville, the other member of the firm having already passed and been allowed his discharge. Messrs. Bateson and Co. appeared for Mr. Banner, the trustee; and Mr. George Norris for the bankrupt. The trustee having stated that the bankrupt had been fully examined, he was allowed to pass his examination.

In re Thomas Byrne.—This bankrupt was a merchant in Walmer-buildings, and the present application was for his discharge, in conformity with a resolution of the creditors approving of the same. The liabilities were £3,629, and assets £20. Mr. Kennedy, instructed by Messrs. Tyrer and Kenion, appeared for Mr. Banner, the trustee. The court granted the desired discharge.

In re George Stead.—This was a motion for an order to declare void a transfer made by the debtor, a druggist at Widnes, to his shopman, shortly prior to his liquidation, of his stock-in-trade and effects. Mr. Kennedy (instructed by Messrs. Tyrer and Kenion) represented Mr. Bolland, the trustee, and Mr. Etty the respondent. Mr. Etty took exception to the motion proceeding, on the ground that it was not supported by affidavit, as required by rule 50. Mr. Kennedy, in reply, submitted that the rules were merely directory, and not imperative; and where, as in this case, the motion was founded upon the evidence of the party sought to be affected, there was no necessity to serve him with a copy thereof; for, if he had spoken the truth, he must know what he had said; and if he

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had not spoken the truth, it gave him an opportunity to place a different complexion on the transaction now that he saw it was impeached. Further, on the examination Mr. Etty attended, and had full liberty to examine his client and elicit the whole account of the transaction if it had been left imperfect by the examination in chief; and therefore, even if he had been served on the present motion with a copy of the examination, it was too late either to add to or amend the same. His Honour said, as he understood the practice had hitherto been to serve the party sought to be affected by the application with a copy of the evidence upon which it was founded, he saw no sufficient reason to deviate therefrom in the present instance, but he would consult with his learned colleague as to the future practice. The motion was then adjourned to the 19th instant.

MANCHESTER COUNTY COURT.

(*Before* MR. J. A. RUSSELL, Q.C., *Judge*.)

RE HAND C. O'HANLON.—An application of importance to debtors whose affairs are in liquidation was made in this court by Mr. Edgar, of the firm of Boote and Edgar, solicitors, Manchester, on behalf of the debtors to register the resolutions passed at the first meeting of the debtor's joint and separate creditors for liquidation of the debtor's affairs by arrangement and not in bankruptcy. Mr. Best, solicitor, Manchester, for Mr. Turner, a creditor for £463, opposed the registration of the resolutions on the ground that they had not been passed *bona fide* for the benefit of creditors, but obviously in the sole interest of the debtors. This, he contended, was clearly evidenced by the fact that the debts shown to be due from the debtors on their separate statement of affairs were put down at £2,951 11s. 7d., whilst the only asset disclosed was a mortgaged reversionary interest estimated by the debtors to produce £52, and that estimate was wholly unreliable. On the joint estate the liabilities were £3,906, and the only asset disclosed was a claim of £259 15s. 3d. alleged to be due from a Mr. Robin, who also appeared on the other side of the account as a creditor for £521 12s. 7d., and would of course exercise his right of set-off. His Honour held that the statement of affairs disclosed a state of things which he could not sanction. It would not only be against the principle of, but a fraud on the law of bankruptcy to permit registration under the circumstances, and he accordingly refused to allow the resolution to be registered.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*

A petition to wind-up the Carmarthenshire Anthracite Coal and Iron Company, Limited, has been presented to the High Court of Justice.

Vice-Chancellor Bacon has appointed Mr. J. Waddell official liquidator of the Tinfoil Decorative Painting Company, Limited.

Mr. J. H. Tilly, of Messrs. Tilly and Company, has been re-elected auditor of the Frontino and Bolivia Gold Mining Company, Limited.

Messrs. Tilly and Company, Victoria Buildings, Queen Victoria Street, have been appointed auditors of the Vale of Neath Dinas Fire Brick and Cement Company, Limited.

Vice-Chancellor Malins has this day made an order to wind-up the Wedgewood Coal and Iron Company, Limited. Mr. Frederick B. Smart, accountant, 85 Cheapside (F. B. Smart, Snell and Co.), being appointed liquidator.

Vice-Chancellor Bacon has appointed Mr. Frederick Warwick, of Bucklersbury, the official liquidator of the United Bituminous Collieries Company, Limited, on the petition dated 13th November, 1875.

FAILURES.

ENGLAND.—The failure is announced of Mr. Sloane Richards, metal merchant, of Birmingham, with liabilities amounting to £100,000 or thereby. The cause of stoppage is understood to be serious losses through the failure of several of Mr. Richards' customers. These losses have crippled his operations for some time past, and a large claim for £50,000, and an alleged contract which could not be carried out, compelled suspension. The assets are set down at £18,000. Mr. C. A. Harrison is the accountant, and Messrs. Tyndall, Johnson, and Tyndall the solicitors.—C. E. Ochsenbein: this debtor who carried on business as a corn, seed, and oil merchant, in Crutched Friars, has filed a petition for liquidation, estimating his total liabilities at £60,000, of which about £30,000 is expected to rank against the estate, the value of the assets being as yet unascertained. Mr. William Cornish Cooper, of No. 7 Gresham-street, public accountant, has been appointed the receiver and manager by order of the Court, on the nomination of creditors.

It is notified by Mr. Ferdinand Wolfskehl that the 22nd drawing of Debentures Royal Hungarian 1870 Loan took place at Pesth on the 15th inst. These debentures will be cashed by Messrs. Wolfskehl of Liverpool.

BANKERS' CLEARING HOUSE.—The following is the official return of the checks and bills cleared in the Bankers' Clearing house for the week ending Wednesday, November 24:—

Thursday, November 18	£13,181,000
Friday, November 19	12,667,000
Saturday, November 20	14,881,000
Monday, November 22	13,349,000
Tuesday, November 23	14,755,000
Wednesday, November 24	12,824,000
	£81,657,000

The total at the corresponding period of last year was £88,752,000.

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The Accountant.

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TO ADVERTISERS.

The Proprietor desires to call the attention of Advertisers to the special advantages offered by the paper as an Advertising medium. Starting with a good guaranteed circulation, and with the entire concurrence and hearty support of the leading members of the profession, the ACCOUNTANT has achieved a large measure of success in a wide field hitherto unoccupied by any professional organ. The ACCOUNTANT thus secures to Advertisers an excellent circulation of an exclusive character; and is particularly valuable as a medium for the announcements of members of the profession, as to Estates and Declaration of Dividends, and the appointment of Trustees and Receivers; for Publishers, Printers, Law Stationers, Auctioneers, and Estate Agents; for the Advertisements of Insurance and Public Companies; and for Notices as to Investments, Vacant Partnerships, &c. Advertisements intended for insertion in the current number, should reach the office on Thursday; late announcements can, however, be received up to 12 o'clock (noon) on Friday.

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The Accountant.

DECEMBER 4, 1875.

The doctrine of novation has received a fresh illustration from the judgment of the Court of Appeal in two

representative cases in the European Assurance Company's Arbitration. The Lord Chancellor, assisted by the two Lords Justices, has decided these cases in the manner in which it was generally anticipated he would decide, but the grounds of the decision differ apparently from those principles of legal presumption which were so strongly contested before the arbitrators. The battle raged on the point as to what acts on the part of a policy-holder constituted a novation, or a release of his claim against the old company, and an acceptance of the new one as his sole debtor. If his opinion were consulted, and he agreed to the transfer, he was bound by his action, and his rights against the old company went at once. But in those numerous cases in which a man was transferred from one company to another, *nolens volens*, many nice points arose, and the three arbitrators differed mightily among themselves as to the main principle by which these cases were to be governed. Hence Hort's case excited some interest, and was looked upon with eager expectation as finally setting the point at rest. The result in both cases was curious. The Court decided in favour of the presumption of novation, but on curiously commonplace grounds. The fine-drawn distinctions as to the meaning of the policy-holders' acts were summarily disregarded, and the case was decided on the plain words of the contract. There was, it seems, a power given to the Royal Naval and Military Assurance Company to make over their funds to any other society which would take upon itself the obligation of paying their policy-holders. That being so, Mr. Hort's claim failed. He had signed away all his rights; the company had transferred him and his claim, in pursuance of the power he had consented to allow them, and it was too late for him to complain.

There is an obvious moral to be drawn from this case, which we commend to our readers' attention, and which should be carefully laid to heart by every one who has any dealings with Assurance Companies;—that is, that before signing any agreement, terms, or conditions, they should be carefully read over, and professional advice taken on any doubtful points. Nothing is more striking in the way in which large companies of every kind do business, than the cool manner in which they hedge themselves round with conditions and stipulations which place the unlucky person who has to contract with them completely at their mercy. The ordinary conditions of a policy are hard enough on the insurer, without such a clause as that to which Mr. Hort fell a victim. There are plenty of pitfalls for the unwary, in the shape of conditions, which may at any moment vitiate the policy, and proofs of various matters which, at the time when they are required, may be almost impossible to obtain, without an additional power enabling the company at any time to make a clean sweep of its liabilities. Doubtless in the present case every thing was done with the most perfect fairness and openness, but such a power is open to the greatest abuse. The companies urge, in answer to those who complain of the over-stringency of their conditions, that they are intended as a necessary protection against rogues, and not to be pressed severely against honest claimants. But insurers would do well to insist upon such terms as could not, by any possible interpretation, be made instruments, in the hands of a penurious or illiberal company, of oppressing and delaying those who ask for their own. But if people will enter into agreements without reading or endeavouring to comprehend them, they must take the necessary consequences.

The anticipations which we expressed a week or so back as to the ultimate decision in the crossed cheque case have been realised, and our indignation at the short-comings of those draftsmen who frame acts of parliament which no one can construe, must be tempered with admiration for the skill of those judges who can construe a statute in a mode directly opposed to its plain grammatical sense, and to the avowed intentions of its framers. Why an act which is on the face of it intended to restrict the negotiability of a cheque, should have its plainest phrases wrested from their meaning, because they fulfil the very purpose they were intended to fulfil—that of making a cheque less negotiable, it is hard to see. The interpretation which the judges have put upon the act renders it almost a dead letter. There is one point, too, that they do not seem to have sufficiently considered. Granting that a cheque is intended to be as transferable as a bank note, so far as the drawer is concerned, it is hard to interfere with the rights of the holder. A man who has no banker may reasonably complain if he has to open a banking account, or seek the aid of a friend, to get his due, and may ask to be paid by a document which is easily negotiable. But surely, if he chooses himself to restrict his powers of negotiation he is at liberty to do so. As the law now stands, a man who receives a cheque after banking hours, cannot make

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it secure. The thanks of the felonious are due to the judges for the assistance that has been extended to them in carrying on their nefarious career.

THE PAPYROGRAPH.—We are glad to call the attention of Accountants to the advantages to be derived from the use of Zuccato's Papyrograph now introduced into the offices of professional and mercantile firms in the City by Mr. W. Henry, of 409 Strand. In cases where circular letters or a considerable number of copies of any document are required, the papyrograph is of great service. In ordinary cases it is necessary either to write each copy separately, or to use the somewhat slovenly manifold, by which from four to six copies may be written at once, but with the Papyrograph process a letter written on prepared paper can be reproduced to the extent of a couple of hundred clean respectable looking copies in about an hour by a smart office boy, and a much greater number can be printed from the original, of course, in a proportionately longer space of time.

The *Banker's Magazine* furnishes the returns of the circulation of the Private and Joint-Stock Banks in England and Wales for the four weeks ending the 30th of October. These returns, combined with the circulation of the Scotch and Irish Banks for the same period, and the average circulation of the Bank of England, for the four weeks ending the 27th October (the nearest date furnished by their returns), will give the following results of the circulation of notes in the United Kingdom when compared with the previous month:—

	Oct. 30.	Oct. 2.	Increase.	Decrease.
Bank of England	£28,326,747	£28,135,792	£690,955	—
Private Banks............	2,694,427	2,496,421	198,006	—
Joint-Stock Banks... .	2,400,648	2,312,926	87,722	—
Total in England ...	33,921,822	32,145,139	976,683	—
Scotland	6,238,417	6,098,978	139,439	—
Ireland	8,238,863	7,140,293	1,098,570	—
United Kingdom......	£48,399,100	£46,184,412	£2,214,692	—

And as compared with the month ending the 31st of October, 1874, the above returns show an increase of £1,467,232 in the circulation of notes in England, and an increase of £2,334,863 in the circulation of the United Kingdom. On comparing the above with the fixed issues of the several Banks, the following is the state of the circulation:—

The English Private Banks are below their fixed issue	£1,113,565
The English Joint-Stock Banks are below their fixed issue	252,345
Total below fixed issue in England	£1,365,910
The Scotch Banks are above their fixed issue............................	£3,489,146
The Irish Banks are above their fixed issue	1,884,369

The average stock of bullion held by the Bank of England in both departments during the month ending the 27th of October was £24,841,920, being a decrease of £3,043,138 as compared with the previous month, and an increase of £2,965,969 when compared with the same period last year. The following are the amounts of specie held by the Scotch and Irish Banks during the month ending the 30th of October:

Gold and Silver held by the Scotch Banks	£4,401,849
Gold and Silver held by the Irish Banks..................................	3,393,001
Total	£7,794,850

—being an increase of £644,587 as compared with the previous return, and an increase of £565,966 when compared with the corresponding period last year.

SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, LINCOLN'S-INN.

November 25.

CANNOT v. MORGAN.—Mr. J. Pearson, Q.C., applied in this case under the 51st order of the new Rules of Court for an order to transfer this action, which was, on the 11th instant, commenced in the Chancery Division of the High Court, to the Queen's Bench Division. The action, which was to recover damages for an alleged untrue representation made by the defendants, was stated to be one which ought to be tried before a jury, and would be more conveniently tried in the Queen's Bench Division. It appeared that in February last the plaintiff commenced an action in the Court of Queen's Bench against the same defendants for the very same matter, and on the 30th of October discontinued such action on the usual terms of paying the costs. Under the old practice if he had commenced another action at law against the same defendants for the same matter, the defendants would have been entitled to have the proceedings in the second action stayed until the costs of the first action had been paid. Those costs had not yet been paid, and this was an additional reason for making the transfer asked for. The Lord Chancellor.—Under the present practice there is no reason why an action for damages should not be brought in the Chancery Division, and there tried by a jury. I think I should be doing what was never intended if I were to fetter in any way the right which the rules give to the suitor to choose the Division in which he will bring his action, merely because some persons may think that another Division would be more convenient than the one which he has selected. The other ground urged may be a good reason for applying to the Judge of the Chancery Division, to whom the action is attached, to stay the proceedings in it until the costs of the former action have been paid, by analogy to the old practice of the Common Law Courts, but it is no reason for making the transfer which is asked for.

IN RE THE EUROPEAN ARBITRATION ACTS.—HORT'S CASE.—GRAIN'S CASE.—CONQUEST'S CASE.—The hearing of the appeals in the last two of these cases was resumed from the point at which the argument broke off, as long ago as the 6th of November. The first of the cases—that of the Rev. C. J. Hort, Chaplain of the Forces at Portsmouth, was argued on the 3rd of August, on the eve of the Long Vacation, and at the conclusion of the arguments their Lordships intimated that they should not decide Hort's case while the other cases, which must stand over until November, remained unheard. The first case argued during the present sittings was that of Pratt and Harman *in re* the Anglo-Australian and Universal Family Life Assurance Society, in which their Lordships held, upon grounds hardly touched upon in the former decisions, that Messrs. Pratt and Harman were bound by the amalgamation and had lost all right of proof against their original company. The arguments in Grain's case were resumed this morning and soon terminated; and the case on behalf of the official liquidator in Conquest's case had been alone finished when their Lordships rose for lunch. On their return into court they proceeded to give judgment not only in Conquest's case, in which it had been intimated that they would not call upon counsel for Mrs. Conquest, but also in the reserved and very important case of Hort, upon which from the conflict of decisions it had been expected that their Lordships would deliver a written judgment, after due notice to all parties interested. From the sudden and unexpected decision of that and the other case it will be necessary first briefly to state the particulars of each case, in order to render the judgments at all intelligible, and the more so as the ground of decision was, in Hort's case at least, quite different from that taken by either Lord Romilly or Lord Westbury.

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IN RE THE ROYAL NAVAL AND MILITARY, &c., ASSURANCE CO.—HORT'S CASE.—In 1855 and 1857 the Rev. C. J. Hort effected policies upon his own life for £200 and £300 in the Royal Naval Society. In August, 1866, negotiations for the transfer of the business assets and liabilities of the Royal Naval to the European Assurance Society were entered into by the directors. Circulars were sent out to the policy-holders of the Royal Naval (including Mr. Hort) informing them that the arrangements required by the deed of settlement for dissolving the society had been duly performed, and that an arrangement had been made with the European for undertaking the obligation of their policies and securing the interest of the assured, and that the European would in future be the substitute of the Royal Naval. The terms and conditions of policies would remain unaltered by the arrangement, and, although each policyholder was fully guaranteed by the covenants of the European Society in the deeds carrying out the arrangement—"Any of the assured desiring it may for greater security either have an endorsement to that effect or may have a policy guaranteeing the existing policy, or a new policy of the European Society. All communications should now be addressed and all premiums paid to the European Assurance Society, at the office, 17 Waterloo-place, Pall-mall, where the Royal Naval, &c., Department will be conducted." A circular from the manager of the European Society, which was enclosed in the Royal Naval circular, after dwelling upon the advantageous position of the European and the great benefits insured to the policy-holders of the company thus fortunately amalgamated, called attention to the option given to the Royal Naval policy-holders of having their policies endorsed, signed by three directors, and sealed with the seal of the European, or of having a new policy of the European, in lieu of the one then held in the Royal Naval. Mr. Hort sent his policies to the European Society, and they were returned to him with endorsements, sealed with the seal of the society, and signed and countersigned, to the effect that its funds and property were liable for the sums assured by the policies, provided all future premiums were paid to it. Mr. Hort continued to pay his premiums at 17 Waterloo-place, the place of business of the Royal Naval Society, and where, according to the circulars, the "Royal Naval, &c., Department" of the European Society would be conducted. The receipts for the premiums presented—if the term may be allowed—a series of dissolving views, in which, while the Royal Naval, &c., gradually, and by almost imperceptible changes, faded away and melted out of sight, the European assumed shape and prominence, until at last "European Assurance Society, Chief Office No. 17 Waterloo-place," figured boldly alone as the head and front of the premium receipts and notices. The case came before Lord Westbury, sitting as Arbitrator in the liquidation of the European Assurance Society, in April, 1873, upon a claim by Mr. Hort to retain his original right as against the Royal Naval, and his Lordship, without hearing counsel for Mr. Hort, gave a most elaborate judgment, deciding that there had been no novation of contract between the European Society and Mr. Hort, and accordingly that Mr. Hort's original right as a policy-holder of the Royal Naval continued in all its integrity. Lord Romilly, on succeeding Lord Westbury as Arbitrator, took an entirely different view upon these questions of novation; and accordingly, under the powers of the Act of last Session, Mr. Reilly, the newly-appointed Arbitrator, had stated special cases on this and other questions for the opinion of the Court of Appeal. Mr. Higgins, Q.C., and Mr. Romer appeared for the official liquidators; Mr. Ince, Q.C., and Mr. F. C. J. Millar for Mr. Hort.

IN RE THE ROYAL NAVAL AND MILITARY, &c., CO.—GRAIN'S CASE.—In 1861 Colonel Grain effected a participating policy on his own life in the Royal Naval for £400. He received the circulars which were issued upon the occasion of the amalgamation with the European in August, 1866, and paid his premiums at the European office down to the winding-up of that society in 1872. No bonus had ever been declared by the European in respect of his policy. In September, 1867, Colonel Grain being desirous of going to reside temporarily in Jamaica without forfeiting his policy, applied to the European Society for permission, which permission was granted on the term of his paying an extra premium of £16 per annum, and a memorandum to that effect was endorsed on the policy by the European Society. The policy when originally granted contained a condition that it would become void on the assured going into (among other places) Jamaica, unless he should communicate his departure to the directors (of the Royal Naval Company) and pay the additional premiums for the increased risk according to the company's existing rates for the time being, or as a Board of Directors should specially determine. The additional premium was paid by Colonel Grain to the European Society as long as he resided in Jamaica, the original premium being also paid to the European after the date of the amalgamation. The receipts given by the European for Colonel Grain's premiums contained the words "Royal Naval, &c., Department." His policy was not endorsed upon the amalgamation, and he never received any bonus from the European. In this case, Lord Romilly was of opinion that no novation had been established, and, following Lord Westbury's decision in Hort's case, that Colonel Grain had not lost his rights as a creditor against the Royal Naval. Mr. Higgins, Q.C., and Mr. Romer appeared for the official liquidators upon the present appeal; Mr. Jackson, Q.C., and Mr. F. C. J. Millar for Colonel Grain.

CONQUEST'S CASE.—This was also a case of novation. In 1861 the Wellington Reversionary, &c., Society granted to Mrs. Conquest (then a widow) a policy on her own life for £300, with profits, "such profits to be appropriated so as to make this policy payable during the lifetime of the assured." In 1863 the Wellington, having agreed to transfer its business to the British Nation, issued a circular to its own policy-holders announcing the union of the two companies and stating:—"The terms and conditions contained in the policies issued by this society will remain unaltered by the arrangement. The policy-holders are fully guaranteed for all claims under their present policies by the British Nation, by the agreement between the two companies, but any of the assured desiring or can have the endorsement to that effect on their policies of can receive new policies from the British Nation." "The Wellington policy-holders will have not only the security it the large annual income of the joint business, but it has been arranged that in all future bonuses they shall participate on an equality with all the other policy-holders in the conjoint companies." Mrs. Conquest did not have her policy endorsed nor take a new policy, but she paid her premiums to the British Nation and took their receipts until 1865, when the British Nation transferred its business to the European, after which time she paid her premiums at the office where the amalgamated business was carried on, and took the receipts, which were by a gradual process transmuted from British Nation to European. In 1867 a bonus was declared by the European, and a circular was prepared for the Wellington policy-holders, which, in the case of Mrs. Conquest, would have informed her that a bonus would be payable to her at 85 if she lived to attain that age. The letter, however, which in mistake was sent to Mrs. Conquest announced that a reversionary sum of £2 8s. had been added to her policy. Mrs. Conquest took no notice of this letter. Upon a claim by Mrs. Conquest to prove against the Wellington as a preliminary step to presenting a petition to wind it up, Lord Westbury held that there had been no novation, and that she was entitled to rank as a creditor of the Wellington Company. Mr. Higgins, Q.C., and Mr. Romer appeared for the official liquidators in support of the appeal from this decision; Mr. H. M. Jackson, Q.C., and Mr. R. J. Cust, for Mrs. Conquest, were not called upon. The Lord Chancellor.—The first question was how far the receipt from the European Society, signed by

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two of its directors, which was produced by Mrs. Conquest in support of her claim, showed payment of premiums in the Wellington Society. His Lordship, after stating the successive assignments from the Wellington to the British Nation in 1863, and again from the British Nation to the European in 1865, said that as between the British Nation and the European it was right and proper that premiums of the old Wellington payable to the British Nation should then become payable to the European, and therefore the production by Mrs. Conquest of these receipts given by the European would be evidence of payment to the right quarter. Then the question arose *quo animo* these payments were made to the European. They might have been made by Mrs. Conquest as acting on that *catena* of representation without any intention of altering her original contract with the Wellington, or payment might have been made on her consent to the substitution first of the British Nation for the Wellington and then of the European for the British Nation. In all these cases which had been called cases of novation it had always appeared to him to be a question of fact in the particular case. With what intent was that different payment to a different company made? Was it made with the intention of accepting as the body to whom the policy-holder was to look for payment some different body from that by which the policy was originally granted? It was important to consider what was the amount of information conveyed to Mrs. Conquest as to the arrangement between the British Nation and the European. With respect to the policy-holders there was nothing to convey to them any notice that for the future they were to pay their premiums upon any different contract from that on which they had hitherto been paid. Nothing whatever was proposed to them as to any option or choice between the accepting and rejecting the arrangement. They were told as a matter of course and as a direction which they must follow that they were to pay their premiums at the office where the two businesses were being carried on with one staff. But there was nothing calling upon them for the exercise of any choice or election; no intimation that they were to pay their premiums under any different contract or with any different result. The case was complicated by the fact that Mrs. Conquest had again married since she took out her policy in the Wellington, and he had great doubts, to say the least, whether her husband was armed with sufficient power to alter a contract by which, during her widowhood, a reversionary sum of £300 payable on her death had been secured. Neither on the first nor on the second transfer was there anything calling on Mrs. Conquest to elect. With respect to the bonus declared by the European in 1867, the circular sent to her was erroneous, and referred to a different class of policies. No notice was taken of that circular. There had been no dealing with the bonus and no assent to it, and therefore the circular issued as to the bonus did not affect the question. He was of opinion, without any doubt, that there was nothing in this case which as between the Wellington, the British Nation, the European, and Mrs. Conquest had released the Wellington from their obligation to Mrs. Conquest; that the Wellington policy still continued in force, and that Mrs. Conquest was entitled to rank as a creditor on the policy against the Wellington Company. It was to be regretted from the complications introduced by Mrs. Conquest's marriage, that this had been taken as a representative case, as it could hardly govern any other case. Lord Justice James was also of opinion that there had been nothing amounting to contract or bargaining on the part of Mrs. Conquest or her husband to accept the liability of any other company in substitution for that of the Wellington. Lord Justice Mellish concurred. On the question whether Mrs. Conquest had *ex animo* agreed to take the liability of the British Nation in lieu of that of the Wellington not a jury in all England would have turned round in the box for the purpose of considering whether she had assented to this substitution of liability. It was the business of directors to frame their circulars in plain terms, so as to let the shareholders understand that they had the choice between the old and the new company. Here, however, the circular was altogether ambiguous and contained nothing more than an announcement that the policy-holders must pay their premiums at a certain place, and not the same as where they had previously been paid. There was no sufficient evidence to induce the Court to say that Mrs. Conquest had ever lost her right against the Wellington.

HORT'S CASE.—The Lord Chancellor then proceeded to give judgment in this case. After referring at considerable length to the provisions of the deed of settlement and the terms of the policy, his Lordship said that the contract between the Royal Naval and the policy-holders contained in it the elements of power, proceeding on the course laid down by their own deed, to enter into an engagement to dissolve and make over the funds available for payment of the policies to any other society which would take upon itself the liability of providing funds for payment, always provided such transfer was made *bona fide* and without any fraudulent intent. The Royal Naval, acting upon this power contained in their deed of settlement, and following its provisions, agreed to make over the business to the European Society, and the transaction was carried out by deeds executed on the 17th of September, 1866. There was no imputation on the good faith of this arrangement, which was done openly and not in a corner. The parties professed to follow, and evidently did follow, the terms of the deed of settlement under which they were acting. The call was not in any way a case of novation, and the simple questions were, whether the Royal Naval were authorised to do what was done by them; and next, whether Mr. Hort was bound by what was so done. His Lordship, after stating the facts attending the amalgamation, said that Mr. Hort was not, under the terms of his contract with the Royal Naval, entitled in all events to come against them. It was a contract in its nature open to the chance of shifting as the Royal Naval by the terms of their deed were at liberty to hand over the funds, against which alone Mr. Hort had a claim. Mr. Hort had clear notice of what had been done. He could not, in his Lordship's opinion, have objected, and in point of fact he never did object. He was therefore a creditor of the European Society and not of the Royal Naval. Lords Justices James and Mellish also delivered judgment, and agreed with the Lord Chancellor that the case was entirely one turning upon the construction of the deeds of settlement and the terms of the policy, and that it had been too much treated on former occasions as a question of novation.

GRAIN'S CASE.—The Lord Chancellor said that this case was exactly similar to Hort's case, with this peculiarity added to it that Colonel Grain made an arrangement with the European, by which on payment of a higher premium he obtained leave to go to reside in Jamaica. It was quite unnecessary to repeat what had been already said in Hort's case, and the result was that Colonel Grain was entitled to prove as a creditor against the European only.

WINDING-UP.—A petition to wind-up the City and County Investment Company (Limited) has been presented to the High Court of Justice.

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HIGH COURT OF JUSTICE.

CHANCERY DIVISION.

November 24.

(Before Vice-Chancellor Sir RICHARD MALINS.*)*

THE PHOSPHATE SEWAGE COMPANY, LIMITED, v. HARTMONT AND OTHERS.—The arguments in this case were continued on Wednesday: Mr. J. Napier Higgins, Q.C., argued generally, on behalf of the plaintiff company, that when the concession was sold to them in April, 1871, through Messrs. Engelbach and Keir as trustees for the company, the concession was voidable, if not void, because the clause of it which prescribed the time within which the *minimum* amount of material was to be exported from the island had not been complied with; that all the parties concerned in the matter, including some of the directors of the company, knew that this was the case; that even if a foreign tribunal might hold the forfeiture of the concession to have, under all the circumstances of the case, been waived, still it was a breach of trust on the part of the directors of the company to foist upon it a property the title of which depended upon such a contingency as the possible view of the law to be taken by a foreign court; that as a matter of fact the concession had since been forfeited by the Dominican Government; that there was, really, no guano or phosphate of lime in the island, but only phosphate of alumina; that the Messrs. Lawson and Son, the alleged vendors, had, at the time of the contract for the sale of the concession to the company, no interest in it at all, and that the pretended sale of it by them was, therefore, a fraud on the company; that the price of the concession was improperly increased in various ways, and notably by the sum of £15,000 in favour of Messrs. Engelbach and Keir; that the prospectus was false in several respects, and in particular in asserting that £39,000 had been spent by the Messrs. Lawson and Son on the island; and that, otherwise, as regarded the issuing and distribution of and dealing with the shares in the company, the defendants, the directors and officers of it, had so acted as to entitle the plaintiff company to the relief against them which they prayed by their bill. Mr. Horace Davey, Q.C., and Mr. R. Melville, who were with Mr. Higgins, Q.C., contended that as regarded Messrs. Elmslie, Forsyth, and Co.—or rather Mr. Forsyth—it was the plain duty of a solicitor who in any transaction, but especially in such a one as the present, acted for both vendor and purchaser, or indeed for any two parties to a contract, to give each party the best and most independent advice. The solicitor was bound to afford each party the benefit of any knowledge he might derive from the other of them, assuming, of course, that the client afforded him any such knowledge. Applying those principles to the conduct of Mr. Forsyth with respect to the preparation of the contract in this case, it was difficult, if not impossible, to see how—though no doubt the ingenuity of his counsel might, however severely taxed, make some defence for him—still it was not easy to see how those defendants, Messrs. Elmslie, Forsyth, and Co., could resist the claim which was made against them, or their firm, through Mr. Forsyth, in this suit. Mr. Davey then commented upon the remaining facts of the case, in their relation to Messrs. Engelbach and Keir—who, though trustees for the company, had seemed to think they were not bound to take so much care of its property as they would have done of their own—and also with reference to the respective positions of the other directors and officers of the company, whose cases, though in some respects similar, were yet distinguishable; and he concluded the arguments on behalf of the plaintiff company by asking for a decree as to the £65,000—or certainly, in the alternative, for the repayment of the £15,000 by Messrs. Engelbach and Keir. The right of the plaintiff company to the lesser relief sought by their bill would, he said, depend on their obtaining the greater, and needed not to be particularly discussed at this stage of the proceedings. Mr. Glasse, Q.C., for the defendants, Messrs. Hartmont and Co., Mr. Cockburn, and Mr. Begbie's assignees in bankruptcy, said that when all the facts of this case were fully stated to the court it would be found that the bill in the suit was wholly misconceived. It was based entirely on "fraud," and on the assumption that when the contract for the sale to the company of this concession was entered into the concession was voidable, if not void, and therefore valueless. But the concession was not then either voidable or void. The contract was entered into between the Messrs. Lawson and Son, in April, 1871, and the Messrs. Engelbach and Keir, on behalf of the company. It was not true that Messrs. Lawson and Son then had no interest in the concession, for they were to be paid out of the profits for their working of it; and they had, as a fact, spent not only £39,000, as stated in the prospectus, but quite £40,000 on the island. There was, therefore, no misrepresentation either as to the concession or in the prospectus. But, further than that, the bill in this suit actually referred to a letter, written in August, 1872, in which the Dominican Minister, on behalf of his Government, treated the concession as subsisting in April, 1871; and though he asserted the right of his Government to forfeit it if they thought fit to do so, yet he at the same time—August, 1872—offered to place the company in possession of the island and other mines if the company paid £8,000 extra for future royalties. The original concession could not, by the Code Napoléon, which prevailed in San Domingo, have been invalid at the time of the contract for the sale of it to the company. Where, then, was the equity of the plaintiff company against Messrs. Hartmont and Co. on that part of the case? Then it must not be forgotten who the present plaintiffs were—they were the company itself. But who were they? Why, the very persons who had signed the memorandum and articles of association, and who perfectly well knew every thing that had been done in the course of these transactions. At the time, too, of the contract, Mr. Hartmont had no interest whatever in the concern, and all those matters about which so much had been said at the bar—viz. the dealing with and distribution and appropriation of the shares, the French contract for the £250,000, and the sale of the shares for such large amounts on the Stock Exchange, after the obtaining of the settling day—had really nothing to do with the merits of this case. As to the £15,000 that was to be paid to Messrs. Engelbach and Keir as the owners of the two patents, and in respect of them alone. That payment had no reference to the island of Alto Vela. Above all, it was not a bonus or "bribe," as it had been called, to those gentlemen. He then commented on the other facts of the case in relation to Messrs. Hartmont and Co. and his other clients, and, in conclusion, said the evidence showed that phosphate of alumina was, in its nature, guanitic; and there was nothing whatever in the facts of this case to render Mr. Hartmont liable, as the plaintiff company wish to have it supposed he was. In fine, if the £65,000 were paid to the plaintiff company, they would be in possession of a sum larger than their share capital; and who would be really entitled to the surplus, and what would be—what could be—done with it? At all events, his clients should not be made liable for it. Mr. Terrell (who was with Mr. Glasse, Q.C.) then proceeded to read the defendants' evidence; and after a short time, Mr. Hartmont was called and cross-examined by Mr. Higgins, Q.C. Mr. Hartmont said that his name had not always been Hartmont, but that he assumed that name when he came to England in 1867, instead of the name of Hertzberg, as he believed the name of Hartmont could be more easily pronounced by English people. He admitted having been a bankrupt, but said that he had since paid 20s. in the pound in respect of the bankruptcy. He further admitted that he had been concerned in promoting several other companies, which had not been successful, and that in all, or most of them, the directors were the same as in the Phosphate Sewage Company. Mr. J. Pearson, Q.C., and Mr. Locock Webb, Q.C., for the assignees in bankruptcy of Messrs. Lawson and Son (who were seedsmen of London and

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Edinburgh), stated that an application had been made to the Scotch Courts in connexion with the bankruptcy there to appropriate a portion of the assets in Scotland belonging to the firm to the payment of the claim contested in this suit, but without success, and that this application was now under appeal to the House of Lords. Mr. Cotton, Q.C., Mr. Westlake, Q.C., and Mr. Terrell were for Messrs. Elmslie, Forsyth, and Co.; Mr. H. M. Jackson, Q.C., and Mr. Terrell were for Mr. Ogle and Mr. Lonsdale; Mr. Montague Cookson, Q.C., and Mr. A. B. Cope were for Colonel Grant; Mr. Whitehouse and Mr. J. R. Griffith were for Messrs. Engelbach and Captain Keir; Mr. Romer was for General Green. Mr. Terrell had not concluded his address on behalf of the first defendants when the court rose on this day.

The arguments in this part-heard case were continued on Saturday.—Mr. Cotton, Q.C., for Messrs. Elmslie, Forsyth, and Co., said that it had been insisted that Mr. Forsyth was guilty of a participation in the fraud alleged to have been practised upon the company, and had, moreover, exhibited negligence in the discharge of his duties as solicitor. He would take the charge of fraud first. As to that the plaintiff company complained that they had been induced to purchase, at a large price, a concession subject to a stipulation which, not being complied with, reduced the concession itself to a nullity. But the company knew of the stipulation, and unless Messrs. Elmslie, Forsyth, and Co. knew that when the company purchased the concession it was forfeited, those gentlemen—or, rather, Mr. Forsyth—could not properly be accused of any fraud in the matter. The evidence showed that in April, 1871, when the contract was entered into with the company, there was no suggestion whatever on the part of the Dominion Government of a forfeiture of the concession. That Government never raised that question till 1872; and even if it had, "fraud" could not be "presumed" in this court against any one. It must be strictly proved, and that proof must extend to the establishment against the incriminated party of such a complete knowledge of the facts as would alone render him liable for the consequences. The evidence here showed that Messrs. Elmslie and Co. did not know, in 1871, that the exports from the island were deficient, and in that very year royalties were paid on the cargoes exported. A good deal had been said about the Messrs. Lawson and Son not being the real vendors, but did Mr. Forsyth know they were not? The Dominion Government itself dealt with them as the persons in possession, and the report of the Government which was in evidence spoke of some concessions, of which it gave a list, being in force and others forfeited. That report mentioned the concession in this case as "now being carried out." The certificate showing that was dated in February, 1871. Mr. Forsyth did not know of any deficiency on the exports till October, 1872. But it was only in that year, when the Government was discussing the question of royalties for the future, that they first adverted to a forfeiture, which they said they had a right to make, of the concession, and that, too, "in the future," clearly showing that up to that time they had had no idea of the concession not being an existing one; but if that were so, where, so far, was the fraud? At all events, there could be none on the part of Mr. Forsyth. Then as to the preparation of the contract and the statements in the prospectus; unless Mr. Forsyth knew that the Lawsons were not the vendors, there was nothing to convict him of any fraud, certainly not as against the company; and it must never be forgotten that the plaintiffs here were the company, who could not say they did not know all that was being done. How, again, could they be heard to complain at all—how in any way against Mr. Forsyth in respect of the French contract for the purchase of the patents for £250,000? The company, at all events, had actually received no less a sum than £14,000 on account of that very transaction. Even if they could say any thing as to that branch of the charge, the matters there in dispute occurred long after the contract which it was now said should be set aside. All the proved facts showed that Mr. Forsyth could not be implicated in the alleged fraud (if any there were) in this case. Then with regard to the charge of negligence. Mr. Forsyth was not the solicitor of the plaintiff company, but of the vendors, on the occasion of drawing up the contract, and it never yet was known that a solicitor could be arraigned for negligence by any one else than his own client in the matters in dispute between them. Mr. Ramsden was then the solicitor for the plaintiff company; but that was not all. Even if Mr. Forsyth could be held liable to any one for negligence, it would not be to the plaintiff company, nor in the mode attempted by them. They did not seek "damages" against him for the consequences of his alleged negligence in not properly investigating the title to the concession, but asked a decree against him for the repayment of the whole £65,000 purchase money. Mr. Forsyth never had any interest in the company, and never derived any benefit from it as a company. Mr. Cotton then went into several details of the case to show, *inter alia*, that the plaintiff company were to blame for the non-success of the undertaking, which, if it had been allowed to go on, would in due course have been a prosperous affair. As to the form in which the articles of the contract were drawn, they merely enabled the plaintiff company to purchase that which it was of the very essence of its constitution it should acquire. On both heads, therefore, of fraud and of negligence, he asked the judgment of the Court in his client, Mr. Forsyth's, favour.

The arguments in this part-heard case were continued on Tuesday. Mr. Montague Cookson, Q.C., for the defendant Colonel Grant, said the bill in the suit must be regarded as praying relief against all and each of the defendants on the grounds of conspiracy, collusion, and fraud, and, so regarded, it called on Colonel Grant to pay either a sum of £65,000 or £15,000. There were lesser sums claimed, but these two were the principal ones. Colonel Grant's case was quite different from those of his co-defendants, and there was no foundation for the charges against him, either from a legal or a moral point of view. He was a Colonel in the Fusiliers, and also Colonel of the Tower Hamlets Militia. In 1871, Captain Kerr spoke to him about the company. Colonel Grant was a gentleman who took great interest in the sewage question, but beyond that he knew nothing whatever of the parties interested in getting up this company. He was aware that Mr. Hartmont was the Consul-General of St. Domingo, but that was all that could so far implicate him with any one. In that state of things Colonel Grant found that the affairs of the company seemed to be all regularly conducted. There was a provisional committee formed; there was a responsible solicitor, Mr. Ramsden, acting for it; and there was a broker, Mr. Walker. Colonel Grant joined the provisional committee, and after subscribing £150, out of a total of £1,500, towards some experiments at Tottenham, went down himself with Mr. Engelbach to that place and took part in the proceedings there. For his services he was to receive some bonus shares on condition that allottees of the whole were found, sufficient to take up a sum of £25,000. The facts of the bonus shares, in which Colonel Grant was to participate, being issued, and their amounting to £5,000, were mentioned in the prospectus, and so far, therefore, there was no concealment. But then, it was said, the concession was worthless in 1870, because it did not comprise phosphate of allumina, and that Colonel Grant, as a member of the provisional committee, knew, or must, or ought to, have known that. The answer to that was that, as a matter of fact, the concession did comprise phosphate of allumina, as the evidence showed. In 1870 the concession was not forfeited, and the question of its voidability was one with which the company was the proper hand to deal when it had commenced its operations, not sooner. That question, however, never assumed a definite form till 1872. Suppose, that instead of the company being the plaintiffs in this case, an original allottee of shares had filed the bill, complaining of the misstatements in the prospectus, and, assume that the plaintiff company was in the position of such an allottee—a position really superior to their actual one—Colonel Grant

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would have a complete answer to any thing which, for the reasons alleged, the supposed allottee-plaintiff could say against him. Much more then could he successfully resist the present plaintiffs. The provisional committee of the company must not be confounded with Messrs. Engelbach and Keir. Colonel Grant, as a member of that committee, had nothing whatever to do with the alleged bad title to the concession, and he neither did nor could, know any thing of the so-called sham assignment to the Lawsons, and sham sale by them to the company. The bill in this suit charged that the provisional committee was formed for the purpose of carrying out the alleged fraudulent transaction, and insisted that Colonel Grant was an accomplice in those transactions because he was a member of the committee. It was very easy for a corporation, a body without a soul and without a conscience, and possessing a balance at its bankers, to institute a suit and make the most serious charges against honourable men; but it was an abuse of the powers of this Court so to launch grave imputations at the head of any man. The plaintiff company could only attempt to get the relief they prayed against Colonel Grant by straining the equitable doctrine of constructive notice beyond all possible and proper limits. Was Colonel Grant, a director of the company, bound to take more care of its property than he did of his own? He was bound to take as much care; and if he deviated from that he ought, perhaps, to try and take more care. In this instance Colonel Grant had every reason to think all was right. There was the protection afforded by Mr. Ramsden, acting for the committee, and Mr. Forsyth for the company, the one before, the other after its formation. There was, so to say, no solution of continuity. There was every thing to put him off his guard, because he had no reason to doubt the honesty of any one connected with the affair. All the shares he applied for and had allotted he paid for with his own money; any others (and there were some) were allotted under circumstances perfectly legitimate in themselves. Then with respect to his signing the certificate as to the shares, in order to obtain a quotation of them on the Stock Exchange, he was in Scotland when he signed it. It was sent to him there for signature by the secretary of the company, and with the approval of Mr. Walker, its broker. How could Colonel Grant for one moment imagine that the shares were not *bonâ fide* ones, and that the holders of them were mere nominees of Mr. Hartmont? He signed the certificate believing its statements to be true; but his belief in the truth of the certificate was a sufficient answer to the charge of fraud brought on that account against him. With respect to the alleged French contract for the £250,000, to be paid at the end of one year, rather than the sum of £150,000 at once, it was proved that Colonel Grant voted at the meeting for the immediate payment of the £150,000, and afterwards retired from the directorship because his views were not endorsed by the action of the company. Therefore, as to the claim against him for the £65,000, there was absolutely no ground whatever. Then with regard to the £15,000, the plaintiff company said Colonel Grant must have known that that was a "bribe" to Messrs. Engelbach and Keir. Why? An equity of a novel kind was relied upon by the plaintiffs in opening their case, an equity of "magnitude." They tried to make out that the fraud in this case was "vast," and the guilt of the defendants, one and all—except Mr. Ramsden—the deeper as the fraud grew greater. Now Colonel Grant knew nothing of the Lawsons and had no understanding whatever with the Messrs. Engelbach and Keir. Those gentlemen were to receive through Mr. Ogle, from the Lawsons, the £15,000 in respect of the patent of which they were the owners, and which patents were afterwards assigned to the company. Unless Colonel Grant had been possessed of some "divine instinct of fraud," how could he, in so regular a transaction, have suspected a fraud if there was one? But in this as in all such cases when charges so groundless were brought against gentlemen of character and position, it was very proper to consider the reputations of the persons attacked. Here was Colonel Grant, an officer of the highest and most unblemished fame, and who had long held a commission in her Majesty's service, was it likely that he would in so short a time as he was proved to have been acquainted with this company have lent himself to the frauds so lavishly imputed to him? Certainly not. The Vice-Chancellor: *Nemo repente fit turpissimus.* Mr. Cookson: But there was no ground for suggesting any thing of the sort against Colonel Grant at any time. The learned counsel then went minutely through the details of the case in their relation to 90 bonus shares, with the improper possession of which Colonel Grant was also charged by the bill; and after refuting those charges, and commenting on the other lesser claims against him, and on the peculiar form and constitution of the suit, concluded by insisting that the case attempted to be made against Colonel Grant wholly failed, and that so far as he was concerned the bill should be dismissed against him, with costs.

November 25.

(*Before the* Master *of the* Rolls.)

In re Joseph Suche and Co., Limited.—This was a summons by partially secured creditors of the company, which was ordered to be wound-up under supervision in January last, raising an important question under Section 10 of the Judicature Act, 1875—namely, whether in estimating the amount for which the applicants were to be allowed to stand as creditors against the assets of Joseph Suche and Co., Limited, the value of their securities ought first to be deducted, as in bankruptcy; or, whether according to the rule in Equity, they were to be allowed to stand as creditors for the whole nominal amount of their debt. The case resembled that of the Phœnix Bessemer Steel Company, decided by his Lordship at the commencement of the present sittings, with this distinction—that whereas in the Phœnix Bessemer Company's the creditors' claim had been ascertained and admitted before the commencement of the Act, in the present case the claim, though sent in before the 1st of November, had been neither admitted nor rejected. Mr. Whitehorne, in support of the summons, contended that the old rule must be followed, by admitting his clients to prove for the full amount of their debt, for the section was prospective, nothing in it being applicable to companies ordered to be wound-up before the commencement of the Act. Mr. E. B. Rogers, for the liquidators, contended that the new rule—namely, the rule in bankruptcy, must prevail; for the applicants' rights had not been ascertained before the winding up, and statutes dealing with procedure only formed an exception to the general rule that legislation is not retrospective unless expressed to be so. The Master of the Rolls said he abstained in the previous case from laying down any general rule as to the meaning of Section 10, and purposely decided the case on the narrowest possible ground, because he hoped the opinion of the Court of Appeal would be taken on the point. And in the present case he might, if he thought fit, confine himself to the particular circumstances of the case and decide that the old rule applied, on the simple ground that the claim was carried in before the commencement of the Act. But his Lordship, having consulted some of the other Judges on the subject, now preferred to decide the case on the general ground, that the section was not intended to apply to companies which were already in liquidation at the commencement of the Act. It was a general rule of the Legislature, when it took away a right of action that previously existed or created a right of action that did not previously exist, to interfere as little as possible with existing rights. It had been said that the Judicature Acts constituted a mere code of procedure, and so were applicable to all pending proceedings; but he declined to take that view of the Acts. His Lordship, in support of that view, referred to several subsections of Section 25 of the Act of 1873, to show that most important alterations of the law were effected thereby. Then, returning to Section 10 of the Act of 1875, his Lordship

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showed that it had no application to the case of such companies as were already in liquidation, whether the claims of creditors had already been admitted or not, and decided that the proof was to be admitted for the full amount.

November 27.

(*Before Vice-Chancellor Sir* RICHARD MALINS.)

RE THE BESSEMER STEEL AND ORDNANCE COMPANY, LIMITED.—The above-named company was ordered to be wound-up compulsorily on the 24th of July, 1874; and in the next month Mr. Kemp and Mr. Aylmer were appointed the official liquidators. The total amount of the debts of the company was about £170,000, of which some were admitted and others disputed. Among the admitted creditors was a Mr. Dixon, one of the directors of the company, for a sum of £44,275; his claim being for £45,000, or thereabouts. In the month of June in this year the official liquidators, on behalf of the company, entered into an agreement with Mr. Dixon for the sale to him of the assets of the company in consideration of his paying the costs of the winding-up and a composition to the other creditors of the company in discharge of their several claims. On the 24th of September last a meeting of the creditors of the company was ordered by the court to be held, and was attended, either personally or by proxy, by 69 creditors, whose debts, either allowed or appearing in the company's books, or admitted to be due, amounted in the whole to £120,002 12s. 3d. All the creditors then present at the meeting (with the exception of one who claimed £4 10s. 1d. in full for poor rates) approved the proposed arrangement with Mr. Dixon, and desired that it might be sanctioned by this court. The only persons who objected to the arrangement were the lessors of the company's premises at Greenwich, who, however, had since withdrawn their objection, and the Messrs. Payne's Fire Brick Company, who were creditors for £113 17s. The official liquidator, deeming the proposed arrangement with Mr. Dixon to be beneficial to the company, presented a petition under the Joint-Stock Companies Arrangement Act, 1870, praying for an order confirming the agreement. Mr. Glasse, Q.C., and Mr. Whitehorne, for the petitioners, said the only question was whether the agreement had been approved by the proper number of creditors required by the Act. The second section of the Act provided that the meeting of the company's creditors might approve and sanction the agreement:—"If a majority in number representing three-fourths in value of such creditors, or class of creditors, present either in person or by proxy at such meeting should agree to the arrangement or compromise," and the arrangement or compromise should, if sanctioned by an order of the court, be binding on all "such" creditors or class of creditors (as the case might be), and also on the liquidators and contributories of the company. The question, therefore, was, whether "the majority representing three-fourths in value" was to be the majority of all the creditors—in which case the £120,002 12s. 3d. were not three-fourths of £170,000, or the majority representing that value of the creditors present at the meeting? In the latter case all the creditors but one, for a very small amount, approved the agreement. Mr. Carson was for Mr. Dixon. The Vice-Chancellor thought the Act intended the majority of creditors present at the meeting, and made the order asked for by the petition.

IN RE THE RIVERS PROTECTION AND MANURE COMPANY, LIMITED.—NEEDHAM V. THE SAME COMPANY.—In this matter an action had been brought against the company in the Common Pleas Division of the High Court of Justice. The company was being wound-up voluntarily. Prior to the Judicature Acts, 1873, 1875, this court would, on an application to stay the action, have had power, under the Companies Acts, 1862 and 1867, to stop the proceedings as a matter of course. But it has recently been the subject of some difference of opinion between this and the other Divisions of the High Court of Justice whether the court intrusted with the winding-up of a company which—up to the passing of the Judicature Act had unquestionably been the Court of Chancery—or the Court in which the action was brought should stay it. The Court of Common Pleas, in a case of "Kingchurch v. the People's Garden Company, Limited," declined to make such an order, and referred the matter to the Master of the Rolls, who was then about to make an order to wind-up that company. The Master of the Rolls differed from the Common Pleas Division, and remitted the case to that Division, in accordance, as his Lordship thought, with the requirements of the Judicature Acts. In "Fawcus v. Garbutt," however, this branch of the High Court still more recently differed from the views entertained by the Master of the Rolls, so far as that learned judge thought the jurisdiction to stay actions in winding-up matters was taken from the Chancery Division of the High Court by the late statutes. Mr. Glasse, Q.C., and Mr. Berrill, now moved for an injunction to restrain the action brought by Mr. Needham against the Rivers Pollution and Manure Company, Limited. Mr. Methold, for Mr. Needham, admitted that the action would have to be stopped; but said it should—in accordance with the Judicature Act, 1873, sec. 24, sub-division 5—be stopped by the Common Pleas Division of the High Court, and not by this one. The Queen's Bench Division had, on Monday last, in a case of "Walker v. the Banagher Distillery Company," assented to a motion to stay proceedings in an action against a company in the course of winding-up. The Vice-Chancellor said the question raised in this case had been much discussed lately. In his Lordship's opinion there was nothing in the Judicature Acts that interfered with the jurisdiction of this Division of the High Court, in the winding-up of companies. This company was being wound-up voluntarily, and although that process did not bring the parties before the court, yet it gave power to apply to the court if any questions of difficulty arose in their proceedings. Creditors, however, had no right in such a winding-up to apply to the court, except by presenting a petition for an order to wind-up the company compulsorily. Whatever applications were necessary, however, must be made to this court. Before the Judicature Acts they would have been mere matters of course. His Lordship, being unable to find any thing in those Acts to take away the jurisdiction—and, he might add, the useful jurisdiction of this court—to stay actions in winding-up matters, said he thought the true meaning of these Acts was that all actions brought against companies which were being wound-up by this Division of the High Court should be stayed by that branch of this Division in which the company was being wound-up. Looking at the words of the 24th section of the Judicature Act, sub-division 5, no doubt in one sense there was no court in which this company was being wound-up, because the winding-up was voluntary. But in another sense there was a court, because this was the Court to which if this company should make any application in the winding-up it must resort. The Common Pleas Division really had nothing to do with winding-up matters, and, with every deference to it, knew from experience but little about them. His Lordship wished it to be reported as his opinion that now, in all cases of the winding-up of companies, applications of the nature of that here in question should be made to this Division of the High Court. At the same time he would say that he thought both the Court of Common Pleas Division in the case recently before it and the Court of Queen's Bench Division in the case cited were right in the views they respectively took.

EXCHEQUER DIVISION.

(*Sittings in Banco before the* LORD CHIEF BARON *and Barons* CLEASBY *and* AMPHLETT.)

November 12.

SHELTON V. WIGHTON.—This was an appeal from the County Court of Middlesex holden at Edmonton. It involved an im-

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portant point as regards the rights of landlord and tenant. The action is one of detinue; and at the trial a verdict was found for the plaintiff,—damages £10, and £20 16s. 4d., the value of the goods, unless returned. Mr. Bush Cooper argued for the defendant, the appellant. Mr. John Cook appeared for the respondent, but was not called on by the court. The complaint is for taking the plaintiff's goods, furniture, a piano, &c. The plaintiff was a tenant of the defendant, and the alleged detention took place on the 29th of September, 1874, when the tenancy expired. The evidence was that while the plaintiff was removing her goods on the 29th, the defendant, at 12 o'clock (noon), called and claimed his rent. Thereupon the plaintiff asked for time; but this the defendant refused to grant. The defendant then came with a policeman, and ordered the goods, which were placed in a van, to be returned to the house. The goods were accordingly brought back. Afterwards the defendant got the key of the house from the plaintiff's daughter, Mrs. Herbert, who was then superintending the removal. The house was then given up to the defendant, but the goods were never returned. On the 30th of September application, in writing, was made by the plaintiff's solicitor for the return of the goods. But to this the defendant made no reply, and the writ was issued on the 3rd of October. Mr. Cooper, for the appellant, contended that there was no evidence to go to the jury of the detention. There was no tortious act done by the defendant—no physical seizure. The Lord Chief Baron said:—This seems a pretty clear case. The law invests the landlord with great, with extraordinary powers. The day after rent is due he may distrain. Any other creditor, except the Crown in certain cases, must bring an action and wait for execution. That is a power, however, which ought not to be abused, as in the present case. The defendant has a tenant who owes him rent at Michaelmas. He would have been entitled to distrain on the 30th. But he goes on the very day and sees the defendant about to remove her goods. He takes the law into his own hands. He goes and calls a policeman, he says, as a witness—it is difficult to see why. Under his authority and that of the policeman the goods are taken out of the van, where they are for the purpose of removal, and are brought back into the house, where they are now, for aught I know. The first question is whether, though he took possession, he in fact detained. I think when he laid hands on them by his agent to convey them back, until they should be restored to the owner, the defendant had possession and did detain them. If it were not so, the owner would have no more rights over them. The plaintiff had a right to convey the goods away. There is a suggestion of fraudulent removal. If so, it would have been a good defence to the action if he could have substantiated it by evidence. The law confers on a landlord the power to stop goods which are being or about to be removed fraudulently. There was no evidence at the trial to give him such right. The question then resolves itself into this—the defendant had no right to touch the things till next day; while he is in the house he prevents their removal, and deprives the owner of the right to do what she pleases with them. Within an hour or two after the defendant gets the key and some one prays him for time—till 5 o'clock. He says "No; I must have it at 3 o'clock." This was a reasonable request as the plaintiff had till midnight to pay. The refusal was cruel and oppressive and as illegal as cruel. It would have been different if a reasonable time had elapsed before the writing of the letter of the 30th, or if the defendant had returned the goods on the 1st of October, or had intimated his willingness to do so. The seizure may have been made under a mistake of law; but the defendant gives no answer to the letter of request. Had he done so there would have been evidence that he had not acted wilfully or knowingly. There was evidence for the jury, and, under the circumstances, they could not have returned any other verdict than for the plaintiff. I shall not say whether the action is entirely to be commended; but the plaintiff had a right to bring it. Baron Cleasby: The jury have come to the conclusion that before 11 o'clock on the 1st of October the goods were in the defendant's possession, and wrongfully detained. We cannot say whether this is true or no. I might have found it difficult to find so myself. Was their evidence for the jury is the sole question for us. On the day the goods are being removed the defendant sees them. Now, the defendant is bound to act reasonably. Under the supposition that he is being deprived of his rent, he directs them to be taken back. If he had only forbidden the removal, it would have been difficult to say he had taken possession. If he had no right so to forbid, he was a trespasser; but he had no right to place his hands on the goods against the will of the owner. The house was in the possession of the plaintiff, but would become the defendant's on the evening of that day. We must assume that the plaintiff wished the defendant to have possession by delivering the key. Why did not the defendant answer the letter of the 30th of September? The jury had to consider the real character of the defendant's act. I cannot say it was not for them. Baron Amphlett: I am of the same opinion. Appeal dismissed with costs.

COURT OF BANKRUPTCY.

November 26.

(*Before Mr. Registrar* PEPYS, *sitting as Chief Judge.*)

IN RE ROBERT SCOTT.—The bankrupt formerly carried on business in Trinidad as a merchant, but he was now resident in this country. He had been adjudicated in the Trinidad Bankruptcy Court, and the trustee in the matter had applied for and obtained letters of request to this court for his examination here. The bankrupt attended upon his subpœna, and it was elicited from him that he was possessed of property at Shepherd's Bush, upon which an execution had been levied by the Sheriff of Middlesex at the suit of a creditor whose debt was incurred subsequently to the adjudication in Trinidad. The trustee also claimed the property as part of the assets divisible among the creditors. Mr. Banning, for the trustee, now applied that an interim injunction granted to restrain the Sheriff from proceeding to a sale should be continued. Mr. Bagley, for the execution creditor, appeared to show cause. During the argument the Registrar pointed out that the *onus* was upon the trustee to prove that the Court at Trinidad would have jurisdiction to restrain proceedings at law in England. Mr. Banning contended that the foreign Court had jurisdiction, and that the property vested absolutely in the trustee. The Registrar was of opinion that the application could not be supported. The letters of request were simply that the bankrupt should be examined. This had been done, and he could not extend the letters so as to grant an injunction. Application refused.

IN RE S. G. CEFFALA AND CO.—The debtors, Messrs. Spiridion Ceffala, George Ceffala, and Richard Wiltiam Lough, are merchants carrying on business at 4, Great Winchester street, under the firm of S. G. Ceffala and Co. They have presented a petition for liquidation, with liabilities estimated at £38,000, and assets, comprising book debts, £43,000; furniture £700; and other property, £700. Mr. Spiridion Ceffala is now at Corfu engaged upon the business of the firm. Upon the application of Mr. Munns, his Honour appointed Mr. C. J. Schneidau, accountant, to act as receiver and manager of the estate.

November 29.

(*Before Mr. Registrar* KEENE.)

IN RE W. P. DADSON.—Mr. Marten, Q.C., and Mr. Beaumont, appeared in support of an application to register a resolution

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of creditors in this case to accept a composition. The debtor was a retired captain in the Royal Marine Light Infantry, and he had traded in partnership with others at 301 Strand, as the Clarendon Bank. He recently presented a petition under the arrangement clauses, and the necessary majority of the creditors had passed a resolution accepting a composition of 8s. 6d. in the pound, payable by instalments, in satisfaction of their debts. Mr. Baker (Lawrence and Co.) opposed the application on behalf of the North Kent Bank, and pointed out that the separate assets of the debtor were capable of yielding a very much larger composition than the sum offered. He stated that the debtor possessed an income of about £500 per year from other sources, and he argued that, in existing circumstances, the resolution, so far as it affected the rights of the separate creditors, was inequitable. Considerable discussion followed, and eventually Mr. Registrar Keene ordered an adjournment for one week, with an intimation that, having regard to the amount of the debtor's income, some arrangement should be made as to the separate creditors.

November 30.

(*Before Mr. Registrar* MURRAY, *sitting as Chief Judge.*)

IN RE CHARLES MORTON.—This was a sitting for public examination. The bankrupt, who was described as a theatrical manager, residing at 38, Alwyne-road, Canonbury, had been adjudicated upon the petition of Mr. Joseph Hirschmann, wine merchant, Highbury Park North, the act of bankruptcy being the non-compliance with the terms of a debtor's summons. His balance-sheet returned debts and liabilities amounting to £7,704, with assets £20. Mr. Hand appeared for the trustee, and Mr. H. Montagu for the petitioning creditor. The bankrupt passed without opposition.

December 2.

(*Before Mr. Registrar* BROUGHAM.)

IN RE EDWARD GARCIA.—The bankrupt, described as manager of the Knightsbridge Music Hall of Varieties, Trevor-square, Knightsbridge, applied to pass his examination on a statement of affairs showing unsecured debts £3,094, and assets £450. On behalf of the trustee it was submitted that the accounts were insufficient in every way. The Registrar said he could pay no attention to such a vague allegation. The only question was, did the accounts contain a full disclosure of the bankrupt's estate. The bankrupt was briefly examined, and it appeared that he had omitted to return in his accounts a debt that was due to his estate, upon the ground that the debt was bad. He had given the trustee all the information in his power respecting his affairs. His Honour allowed the bankrupt to pass his examination, subject to the insertion in the accounts of the bad debt omitted therefrom.

WINTER ASSIZES.

NORTHERN CIRCUIT, MANCHESTER.

November 27.

(CROWN COURT.—*Before Mr. Justice* LUSH.)

John Wrigley was placed in the dock charged with embezzling £404 2s. 2½d., the property of the Corporation of Bolton. He was further charged with falsifying entries and with destroying books and accounts with intent to defraud; also with embezzling another sum of £83 17s. 9d. Mr. Pope, Q.C., and Mr. Lerescho appeared for the prosecution; the prisoner was defended by Mr. Charles Russell, Q.C., and Mr. Addison. He had been in the employment of the Corporation of Bolton during a period of 22 years, commencing as a clerk with a salary of £80 per annum, finally becoming superintendent of the waterworks department at a salary of £240 per annum. Under the terms of the employment as superintendent he was to pay into the bank every two months the moneys coming into his hands, or whenever the sum collected by him exceeded £50. Evidence was given that the counterfoil receipts showed that between the 1st June and the 28th of July, 1874, the amount passing into the hands of the prisoner was £5,934 2s. 2½d. arising from water rents and payments for fittings. During that period he only paid into the bank £5,530, leaving a balance of £404 2s. 2½d. unaccounted for. On the 29th, 30th, and 31st of July, 1874, the receipts amounted to £826 14s. 2½d., the prisoner making a payment into the bank of £742 16s. 2d. on the 1st August, no moneys having been paid in on the three previous days, showing a deficiency of £83 17s. 9½d., of which no payment or account was given. On the books being examined by an accountant, serious deficiencies were found during the four previous years, amounting to £5,451. After the 1st of August, when the prisoner left the office, the counterfoil receipts exactly corresponded with the sums paid into the bank. The books, which were under the immediate control of the prisoner, had in part disappeared at the time of his apprehension, and evidence was called to prove that he was seen destroying account books in a furnace near his office in the Town-hall, Bolton, and that a portion of them from which leaves had been torn out was found subsequently concealed under the flooring of his office. The cross-examination of the witnesses for the prosecution showed that great laxity in keeping and auditing the accounts had prevailed among the officials of the Bolton Corporation, and it was powerfully urged, on behalf of the prisoner, that the charge was not fully made out against him, and that the discrepancies might have arisen by mistake. After a long and careful hearing, the jury retired to consider their verdict, and returned into court with a verdict of *Guilty*. The learned Judge sentenced the prisoner to penal servitude for a term of five years.

FAILURES.

ENGLAND.—Messrs. John Holmes and Co., who have for a number of years carried on business in Leeds as the Mercantile Bank, suspended payment on Thursday. It is estimated that their liabilities amount to £65,000. The business of the bank was in large part a deposit business, and as the depositors, attracted by a 5 per cent. interest, numbered from 500 to 600, there was great excitement when the stoppage of payment became known. A number of small tradesmen had their accounts with the bank. Mr. John Holmes, who established the firm, died some time ago, and the present partners are Mr. George Avison Woodhead and Mr. Joseph Holmes. The books have been placed in the hands of Messrs. John Routh and Co., accountants, Leeds, who will prepare a statement of the affairs of the firm. A petition for liquidation was filed in the Leeds County Court by Mr. T. A. Spirett, solicitor, acting on behalf of the firm.—A petition for liquidation has been filed in the Halifax County Court by George Rothwell, woolstapler, Horton-street, Halifax. C. T. Rhodes, accountant, Halifax, is the receiver, and Messrs. Ingram and Huntress, Halifax, are the solicitors in the matter. The first meeting is fixed for December 12.—John Speak, woolstapler, Halifax, has filed a petition for liquidation. C. T. Rhodes, accountant, Halifax, has been appointed receiver until the first meeting of creditors, December 14.—Mr. W. S. Wigg, jeweller, of Yarmouth, has filed a petition for liquidation. Mr. Lovewell Blake, of Hall Quay Chambers, Great Yarmouth, has been appointed receiver by the Court.

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LEGAL EDUCATION.—The Inns of Court, it is semi-officially announced, are about to propound a grand new scheme of legal education. They have appointed Sir Edward Cressy, Mr. Joshua Williams, Mr. Fitz-James Stephen, and Mr. Eddis, Professors of Jurisprudence, Real Property, Common Law, and Equity, at salaries of £1,000 each. They have dismissed, or, at all events, declined to re-appoint, the previous professors and tutors. Of course, it may be said, by way of excuse for this decisive action, that the classes under the old system were small, and, in fact, grievously disappointing. No doubt this was so. The attendance was such as to discourage all concerned; and there were few signs of improvement. But we should have thought that the true cure was not to be discovered by search in the quarter to which the Inns of Court look; a more efficacious remedy would seem to be the removal of some of the obstacles which obviously opposed the success of the previous system. How could one hope that law students would sedulously attend the classes of the professors and tutors when they were obliged to prepare for examinations before other men who might not pursue the same lines as those pursued in the classes? The system hitherto existing was purely theoretical, and led to nothing. Attendance was not compulsory, it was not even clear that attendance was advantageous; hence the failure. We shall not prejudge the merits of the system which has been foreshadowed; but we may be permitted to doubt whether it is at all likely to be much more successful than that which preceded it. The future lectures are not, we understand, to be compulsory. Nobody need attend them. They are to be interesting diversions for the leisure hours of the law students. It is needless to say that unless a violent revolution occurs in the habits of law students they are scarcely likely to appreciate these theoretical disquisitions.—*Observer.*

BANKERS' CLEARING HOUSE.—The following is the official return of the checks and bills cleared in the Bankers' Clearing house for the week ending Wednesday, December 1:—

Thursday, November 25	£11,415,000
Friday, November 26..............	12,321,000
Saturday, November 27............	16,223,000
Monday, November 29	15,432,000
Tuesday, November 30	51,980,000
Wednesday, December 1	22,353,000
	£129,724,000

The total at the corresponding period of last year which also comprised a Stock Exchange settlement, was £135,623,000.

ATLAS OF THE COUNTIES OF ENGLAND.—Under this title Messrs. Philip and Son have published a very neat, handy, and convenient atlas, containing an index map of England and Wales and forty-seven maps of the counties reduced from the Ordnance Survey by E. Weller, and the source from which they are obtained is the best of all possible guarantees for their accuracy. The usefulness of the work is materially enhanced by an index compiled by Mr. Bartholomew, F.R.G.S., which, upon a rough calculation, contains about 450,000 references.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*

Mr. Flaxman Haydon, (Haydon and Vivian, public-accountants) of 29 New City Chambers, 121 Bishopsgate-street Within, has been appointed receiver of the estate of William Rollason, of Leopard's-court, Holborn, and 116 Edgware-road, tin-plate worker and japanner, in liquidation.

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The Accountant.

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The Accountant.

DECEMBER 11, 1875.

There is no portion of the Bankruptcy Act which is so little comprehended generally as the sections relating to compositions. The practice in Bankruptcy itself is clear, and liquidation, which follows in very nearly the same lines, is now familiar to every professional man. But the essentials of a composition are often a puzzle to the uninitiated, though they differ but slightly from

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the old practice. Formerly a composition with creditors, or "doing a deed," was a very simple matter. By the aid of friendly creditors and the manufacture of a sufficient majority of assents, the matter could be arranged without the debtor ever leaving his office, and with but little risk of interference on the part of the hostile minority. The Act has, it is true, imposed a little more formality upon debtors who wish to compound, but if a man has sufficient proxies at his command, he may nearly always get a composition accepted. But there is a distinction between the different kinds of composition which is frequently overlooked, the neglect of which often leads to difficulties. In compositions, the property of the debtor does not pass from him of necessity. He may call together his creditors in solemn form; he may point out to them that they will gain nothing by harassing him, but will find forbearance much to their advantage; and state the amount of composition he is willing to offer. If this is accepted, the debtor, so long as he duly pays the sums payable, is a free man, no property has passed from him, and no forfeiture has been incurred. But where the debtor has been adjudicated a bankrupt or has filed a petition for liquidation, his property passes away from him at once, and the effect of accepting a composition is merely to restore to him what he has lost, and even an annulment does not wholly destroy the effect of a previous adjudication. But as regards the action of the creditors, the acceptance of a composition is binding upon all, and an annulment of a bankruptcy on the terms of a certain composition, effectually destroys all rights against the debtor which might have existed previously on the part of any creditor.

The case of Mr. G. R. Chidley's bankruptcy, which has suggested the foregoing observations, may be taken as conclusive of the proposition we have stated; but there are other points of interest not directly touched by the judgment, which are worth briefly referring to. Under the 87th section of the Act, the sheriff who has taken in execution and sold the goods of a trader to satisfy a judgment for a sum exceeding fifty pounds, is bound to retain the proceeds for fourteen days; and if within that time he receives notice of a petition in bankruptcy having been presented, he is to account for the proceeds to the trustee when appointed, and if not, to hand them over to the execution creditor. On the construction of this section, it must be remarked, that a petition for liquidation is comprised in the phrase 'petition in bankruptcy,' and though the plain words of the section refer merely to a *judgment* for a sum exceeding fifty pounds, that an execution for a sum of less than fifty pounds, but which the costs of execution bring up to that amount, comes within its operation. But there is one curious distinction between the effect of a petition in liquidation and a petition in bankruptcy, so far as regards the rights of an execution creditor. Where the petition for liquidation is duly filed, and the first meeting held within the fourteen days, then, if no resolution is passed at the meeting, the sheriff is justified in handing over the proceeds of the sale to the execution creditor, and this, although the title of the trustee to the property has been, in apparent defiance of the 4th subsection of the 125th section of the Act, held to relate back to the date of the filing of the petition. In Mr. J. R. Chidley's case, no question of this kind arose; the sheriff received due notice of the presentation of the petition, and the length of time which elapsed between petition, adjudication, and appointment of trustee, was of no advantage to the creditor. It must be observed too, finally, that in the present case the dissentient creditors were not secured creditors, strictly speaking. The Act suspends the operation of the judgment for a fortnight, till it can be ascertained to whom the property of the debtor belongs. If he becomes bankrupt, then, as the title of the trustee is retrospective, the goods which were taken in execution, and sold, were the goods of the trustee, to be distributed by him among the general body of the creditors, and not the property of the debtor himself. It is true, that the judgment creditors were secured to this extent that, provided no adjudication were made, their claim would have to be paid in full in priority to any others. But the effect of the adjudication was to destroy this advantage, and to reduce them to an equality with their less energetic or more forbearing brethren. Hence they were not secured creditors at all; and as the effect of allowing them to continue their proceedings against the debtor might have been to exhaust the assets available for the payment of the composition, and so, by enabling every creditor to commence an action for the full amount of his debt, undo the whole benefit that had been gained by the bankruptcy proceedings, the decision of the court must be pronounced to be as sound on the principles of public convenience as on the more technical principles of judicial legislation.

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SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, Lincoln's-Inn.

November 29.

(*Before Lords Justices* James, Mellish, *and* Baggallay.)

Ex parte Brett—in re Hodgson.—This case raised an important question upon the construction of the Debtors Act, 1869. Section 11 of the Act provides that any person adjudged bankrupt under the Bankruptcy Act, 1869, shall be deemed guilty of a misdemeanour, and shall on conviction be liable to imprisonment for two years, in (among others) the following cases:—"Sub-section 13.—If within four months next before the presentation of a bankruptcy petition against him he, by any false representation or other fraud, has obtained any property on credit and has not paid for the same. Sub-section 14.—If within four months next before the presentation of a bankruptcy petition against him, he, being a trader, obtains, under the false pretence of carrying on business and dealing in the ordinary way of his trade, any property on credit and has not paid for the same, unless the jury is satisfied that he had no intent to defraud. Sub-section 15.—If, within four months next before the presentation of a bankruptcy petition against him, he, being a trader, pawns, pledges, or disposes of otherwise than in the ordinary way of his trade any property which he has obtained on credit, and has not paid for, unless the jury is satisfied that he had no intent to defraud." Section 16 provides that where a trustee in any bankruptcy reports to any Court exercising jurisdiction in bankruptcy that, in his opinion, a bankrupt has been guilty of any offences under this Act, "the Court shall, if it appears to the Court that there is a reasonable probability that the bankrupt may be convicted, order the trustee to prosecute the bankrupt for such offence." And, by Section 17, when a prosecution is ordered by the Court, the expenses of the prosecution are to be paid "in the same way as the expenses of prosecution for felony are paid"—that is, by the public funds. Edward Hornby Hodgson and Frank Arthur Denham were merchants, carrying on business at Clements-house, Clements-lane. They were adjudicated bankrupts on the 20th of February last. From the evidence taken in the bankruptcy it appeared that the firm had been in an insolvent state from the beginning of 1874. It was also shown that within four months before the presentation of the petition the bankrupts had on several occasions purchased large quantities of goods upon credit for the purpose of exportation to Australia, and that they had in each case at once raised money by pledging the bills of lading with the Bank of Australasia. The goods were not paid for. Hodgson, who appeared to have been the acting partner, could not state what had become of the money thus raised. The trustee under the bankruptcy made a report to the Court that in his opinion the bankrupt Hodgson had been guilty of offences under section 11 of the Debtors' Act—viz. under sub-section 14 and 15 thereof, and then applied to the Court under section 16 for an order for the prosecution of the bankrupt Hodgson. This application was refused by Mr. Registrar Murray, sitting as Chief Judge. The trustee appealed. Mr. Winslow, Q.C. (with whom was Mr. Brough), for the trustee, argued that the whole course of business of the bankrupt must be looked at, including the way in which the proceeds of the goods were applied. From that it was clear that he knew he would not be able to pay for the goods, and never intended to do so. Therefore sub-sections 14 and 15 met the case. But, if not, it was within sub-section 13. When the bankrupt bought the goods the creditors, of course, assumed that he intended to pay for them, and if he knew that he could not do so, he was guilty of a fraud equivalent to a false representation. No one appeared on behalf of the bankrupt. Lord Justice James was of opinion that the Registrar was quite right in refusing the application. There was abundant evidence of fraud of some kind, which might perhaps be the subject of some other proceedings, statutory or otherwise. The question was whether there was evidence of the particular things mentioned in these sub-sections; whether there was any evidence that these goods were disposed of otherwise than in the ordinary way of trade. In his Lordship's opinion they were dealt with in the most ordinary course of business. It was a simple case of buying goods on credit for export to Australia, and then obtaining an advance of money on the bill of lading. The mode in which the money thus raised was applied could not affect the present question. The Court would not be justified in acceding to an application under these particular sections of this Act merely because it was of opinion that there was evidence of some other fraud not mentioned in them. Lord Justice Mellish was of the same opinion. He thought that the Court would not be warranted in allowing the trustee to prosecute the bankrupt at the expense of the country unless it could see that there was a clear case within these sections. If this application were granted, the consequence would be that every insolvent who purchased goods knowing that he would not be able to pay for them would be within the provision. But the essence of the offence was that the goods themselves should have been dealt with not in the ordinary way of business. The thing aimed at was the obtaining of goods on credit and then immediately selling them at a loss, which was clearly not a transaction in the ordinary way of business. What was done in the present case amounted to nothing beyond the ordinary way of dealing with goods by an export merchant. It was clearly not within sub-sections 14 and 15. His Lordship had had more doubt whether it was within sub-section 13; but he thought it was not. To satisfy the words of that sub-section he thought there must have been some active fraud on the part of the bankrupt, similar to the making of a false representation, and that the mere fact that he knew he could not pay for the goods would not be sufficient. Lord Justice Baggallay concurred, observing that there was no evidence of any false representation made by the bankrupt to the vendors of the goods, though the case was one of very grave suspicion. After the usual adjournment in the middle of the day, their Lordships did not return into Court. Mr. Murray, the Registrar in attendance, then informed the Bar that Lord Justice Mellish was indisposed and unable to sit any longer to-day, and, consequently, the business could not be proceeded with. If his Lordship should be well enough to attend to-morrow (Tuesday) the hearing of the bankrupt appeals would be continued then. If he could not attend then, the sitting of the Court to-morrow must depend upon whether one of the Judges of the Common Law Divisions should be able to be present. This, however, could not be ascertained until late this afternoon, and possibly not till to-morrow morning.

November 30.

(*Before Lords Justices* James *and* Baggallay, *and Baron* Bramwell.)

Ex parte Lennard—in re Chidley.—This was an appeal from a decision of Mr. Registrar Hazlitt, sitting as Chief Judge in Bankruptcy. On the 11th of December, 1874, a bankruptcy petition was presented against Mr. J. R. Chidley, a solicitor, as a trader, he having carried on the Abbey Mills Distillery at West Ham. On the 5th of March, 1875, he was adjudicated a bankrupt, and on the 29th of June Mr. John Riches was appointed trustee. On the 27th July a general meeting of the creditors was held, and it was resolved that the order of adjudication should be annulled forthwith, that the creditors should accept in discharge of their claims against the bankrupt a composition of 1s. in the pound, payable in three instalments, six, twelve, and eighteen months from the date of the annulling of the bankruptcy, and that the composition should be secured by the covenant of Chidley, and by an assignment by him to Riches of all his personal property, on trust to secure the composition, and with power of sale in case

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of default. On the 5th of August the court made an order approving these resolutions, and directing them to be carried into effect, and the same day another order was made annulling the bankruptcy. On the 6th of August Chidley executed an assignment accordingly. On the 5th of December, 1874, Messrs. H. B. Lennard and A. Blockey, who had recovered judgment against Chidley in an action at law for a debt above £50, issued execution on the judgment, under which the Sheriff of Essex seized goods of the debtor before the commission of the act of bankruptcy on which the adjudication was made. After the annulling of the bankruptcy Lennard and Blockey claimed the right to proceed with their execution, and on the 20th of August the Registrar granted an injunction to restrain them from so doing, on the ground that they were bound by the composition scheme. The execution creditors appealed. Section 28 of the Bankruptcy Act, 1869, provides:—

"The trustees may, with the sanction of a special resolution of the creditors assembled at any meeting of which notice has been given specifying the object of such meeting, accept any composition offered by the bankrupt, or assent to any general scheme of settlement of the affairs of the bankrupt upon such terms as may be thought expedient, and with or without a condition that the order of adjudication is to be annulled, subject, nevertheless, to the approval of the court, to be testified by the judge of the court signing the instrument containing the terms of such composition or scheme, or embodying such terms in an order of the court. Where the annulling order of adjudication is made a condition of any composition with the bankrupt, or of any general scheme for the liquidation of his affairs, the court, if it approves such composition or general scheme, shall annul the adjudication on an application made by or on behalf of any person interested, and the adjudication shall be annulled from and after the date of the order annulling the same. The provisions of any composition or general scheme made in pursuance of this Act may be enforced by the court on a motion made in a summary manner by any person interested, and any disobedience of the order of the court on such motion shall be deemed to be a contempt of court. The approval of the court shall be conclusive as to the validity of any such composition or scheme, and it shall be binding on all the creditors, so far as relates to any debts due to them and provable under the bankruptcy."

And by Section 81—

"Whenever any adjudication in bankruptcy is annulled, all sales and dispositions of property and payments duly made, and all acts theretofore done, by the trustee or any person acting under his authority, or by the court, shall be valid, but the property of the debtor who was adjudged a bankrupt shall in such case vest in such person as the Court may appoint, or, in default of any such appointment, revert to the bankrupt for all his estate or interest therein, upon such terms and subject to such conditions, if any, as the Court may declare by order." Mr. Winslow, Q.C., and Mr. R. T. Reid, for the appellant, argued that after the bankruptcy was annulled the Court had no jurisdiction to make the order. It could not decide the rights of mortgages in a case of composition. Mr. De Gex, Q.C., and Mr. Robertson Griffiths, for the trustee, contended that the adjudication had taken away the rights of the appellants to sell under their execution, and that the goods, which but for the order to annul would have been distributable in the bankruptcy, were now vested in the trustee to secure the composition. Mr. Winslow replied. Lord Justice James was of opinion that in the case of an arrangement under Section 28 the Court of Bankruptcy had full jurisdiction to determine all questions which might arise. It was not necessary to decide what the Court could do in an ordinary case of composition between a debtor and his creditors. But here there was a case of bankruptcy, and the order annulling the adjudication was made by the Court itself as part of a composition or scheme which had been approved by the Court. At the time when the composition or scheme was made, the property of the bankrupt was, beyond all question, vested in the trustee under the bankruptcy, and the Court having the administration of that property approved a scheme by which it was to be assigned as a security for the payment of the composition. The order was therefore made in what continued to be a matter of bankruptcy, and it was within the words of Section 72—"a case of bankruptcy" in which the Court of Bankruptcy had "full power to decide all questions whatsoever, whether of law or fact, arising." The other learned judges concurred. Mr. Winslow and Mr. R. T. Reid then argued on the merits that the effect of the argument to accept the composition was to make the debtor master of his property again, as if no petition had been filed. This was shown by the case of "*Ex parte* Jones" (23 "Weekly Reporter," 886). Therefore, the execution which was valid against him ought now to be allowed to go on. Mr. De Gex and Mr. Griffiths were not heard on this point. Lord Justice James was of opinion that the decision of the Registrar was well founded. The objections taken to it were technical and formal rather than matters of substance. He entirely adhered to what was said in "*Ex parte* Jones"—viz. that a majority of creditors could not by their own act compel a dissentient creditor to give up his security and accept something else in satisfaction of it. But here that which was done was done by the creditors with the authority of the court. An adjudication had actually been validly made, and it could only be annulled, and was only annulled, by the Court for the general benefit of the creditors, not by reason of any infirmity in its inception. At the time when the order was made by the court the property in these goods belonged to the general body of the creditors, and they were distributable among them in priority to the claim of the execution creditors. Then the body of the creditors came to a resolution adopting a scheme one of the terms of which was that the debtor's property should be assigned to a trustee for the benefit of the creditors generally as a security for the payment of the composition, and this scheme was approved by the court and the bankruptcy was annulled. In his Lordship's opinion, the effect of this transaction was that that property, which was then the property of the creditors, was intended to be, and was, vested by the court in the trustee for the benefit of the creditors generally. In substance and effect, the property continued vested in the same person as a security for the payment of the composition, freed and discharged from the execution. The Registrar's order was, therefore, right. Lord Justice Baggallay was of the same opinion. The creditors having agreed to this scheme, and the Court having approved it, it appeared to his Lordship that Mr. Riches was in substance a person appointed by the Court, under Section 81, in whom the property of the bankrupt should vest, and all that property was vested in him to secure the composition. Baron Bramwell was entirely of the same opinion. He took it to be clear that, if the bankruptcy had gone on, the appellants would have lost the benefit of their execution. It was not reasonable to suppose that the composition was to give them an exclusive benefit. Whether or not it was necessary that an actual assignment should be made by the bankrupt, it was manifest that there had been antecedently a disposition of the property of the bankrupt within the meaning of Section 81, giving to the creditors at any rate an equitable interest in this property, free from the execution. If the property did not revest in the bankrupt, *cadit quæstio*. If it did, it revested in him subject to an equitable interest in the creditors, and an obligation on his part to execute the assignment.

EX PARTE ANDREW—IN RE ANDREW.—This was an appeal from a decision of Mr. Registrar Pepys, as Chief Judge. On the 19th of July last, a debtor's summons was issued against Jabez Henry Andrew, a packing-case maker in Ormside-street, Old Kent-road, and it was served on him the next day. The summoning creditors were Mr. Peter Rolt, who claimed a debt of £26 12s. 9d., and Mr. Arnold Goodwin, who claimed a debt of £33 14s. 2d., thus making together a debt above £50, the sum necessary to support such a summons. Andrew took no steps to dispute the summons, but he alleged that he made a

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tender, within seven days of the service of the summons, of £26 12s. 9d. to Mr. Rolt. The tender was, however, made to a clerk, who said that he had no authority to receive payment, and refused to accept it. No other step was taken to comply with the summons, and Andrew was afterwards adjudicated a bankrupt on the petition of Messrs. Rolt and Goodwin, on the ground that he had committed an act of bankruptcy by neglecting to pay the debts claimed by the summons. Andrew appealed from the adjudication. Mr. R. Vaughan Williams, for the appellant, contended that on the true construction of the Bankruptcy Act, 1869, two separate creditors could not join in one debtor's summons; and, if they could, the tender of payment of one of the debts put an end to the right to proceed with the summons. Mr. De Gex, Q.C., and Mr. E. C. Willis, for the creditors, argued that, as two creditors were permitted by the Act to unite in a bankruptcy petition in order to make up the requisite sum of £50, it must have been equally intended that they should be able to unite in compelling the debtor to commit an act of bankruptcy. The tender alleged in this case was not sufficient, and, if it had been, still the summons was not satisfied unless the debtor tendered payment of both the debts. Mr. Williams replied. Lord Justice James said that, for the purpose of the decision, he would assume that a good tender had been made. He adhered to the opinion he had expressed in a former case—"*ex parte* Kibble" ("Law Reports," 10 Chancery Appeals)—that there were great inconveniences in allowing two or more creditors to join in issuing one debtor's summons, but it appeared to him, on full consideration of the Act and the rules and forms, that it was intended that two or more creditors, whose several debts were less than £50, but whose debts in the aggregate amounted to £50, should be able to take out a debtor's summons for the purpose of making their debtor a bankrupt. If that was so, an act of bankruptcy could not be avoided by the debtor making a tender of one of the debts claimed to one of the creditors. By so doing the requirements of the summons were not complied with, and the Court should not compel one creditor to accept the tender for the purpose of destroying the act of bankruptcy. Lord Justice Baggallay and Baron Bramwell concurred.

BANKRUPT APPEALS.—Lord Justice James gave notice that these appeals will not be taken again before Thursday, December 9.

HIGH COURT OF JUSTICE.

CHANCERY DIVISION.

December 3.

(*Before the* MASTER *of the* ROLLS.)

ALBION STEEL AND WIRE COMPANY, LIMITED, v. MARTIN.—This was a suit for an account against a director of the plaintiff company, raising a new point under the general equitable rule that a person occupying a fiduciary position is not at liberty to derive profit therefrom without the knowledge of his principal. In September, 1872, Messrs. Fox and Bear were carrying on business at Sheffield under the style or firm of George Gray and Co.; and negotiations were going on between them and an accountant named Allott for the transfer of their business to a limited company promoted by himself. Mr. Martin, who was in the habit of supplying the firm with various descriptions of iron under contract, was asked to become a director of the projected company, and on the 7th of September he agreed to become a director, on the understanding that a clause would be inserted into the articles of association to enable him to continue to supply goods to the company. On the 24th of September a provisional agreement was executed by which Fox and Bear agreed to sell, and Allott, as promoter, agreed to buy on behalf of the company when incorporated, the goodwill of the business of George Gray and Co., with all subsisting contracts, &c., thereto belonging, with a proviso that the agreements should take effect as from the 31st August, then last. On the 7th of October Mr. Martin attended a meeting of directors and took part in allotting the shares; and on the 31st of October the company was incorporated, with articles of association which purported to ratify and adopt the provisional agreement. On the 15th of October and on subsequent occasions, as well before as after the incorporation of the company, Mr. Martin entered into contracts with Fox and Bear, who were the managing directors, and delivered goods as before, in the belief that he would be protected by the clause in the articles, but this proved not to be the case, and in the result he was called upon by the shareholders to account for his profits under the contracts. He made an offer to refund the amount of such profits, after deduction of losses under some of the contracts, but his offer was not accepted, and this bill was filed to compel him to account for his profits under all the contracts entered into by him since the time he agreed to become a director, without set off of losses, on the ground of the fiduciary relation subsisting between himself and the company. Mr. Robinson, Q C., and Mr. F. W. Bush, for the plaintiff company, admitted that the defendant had acted throughout with perfect good faith, and that the contracts, without exception, were fair and reasonable, but these circumstances, they urged, could not take the case out of the general rule—that a director cannot deal with his company with a view to profit unless there be a stipulation that he shall be at liberty to do so. Mr. Chitty, Q.C., and Mr. North, for the defendant, admitted that he was liable to account for the profits upon contracts entered into subsequently to the incorporation of the company, which profits he all along had been prepared to account for; but they contended he was not liable to account for his profits upon contracts prior to the incorporation, for the company was not then in existence, and there could be no agency on behalf of a non-existent principal; and the company, having agreed to buy Fox and Bear's contracts, must be taken to have notice of the defendant's participation in them. The Master of the Rolls, after hearing Mr. Robinson in reply, said the rule was meant to meet cases of fraud, and the Court would not, where, as in the present instance, it was satisfied of the good faith of a defendant, bring him within the mischief of the rule without absolute necessity. It had been argued that from the moment he agreed to become a director the defendant was disabled from entering into contracts to supply materials for the use of the company by reason of his fiduciary position; but, in point of fact, he did not at that time occupy a fiduciary position. He was not at that time a trustee or agent for the company, or any body else. He was simply a principal, contracting to sell goods to Fox and Bear, who were the only other parties to the contract and the parties liable to perform it. The subsequent adoption by the company of these contracts did not put the company in the position of Fox and Bear; it merely authorised the directors to see to the performance of the contracts. If after the incorporation of the company there had been a breach of contract on the defendant's part, Fox and Bear would have been the proper parties to sue, not the company. Being of opinion that the plaintiffs' case failed as to contracts prior to the incorporation of the company, there would be judgment for an account of the profits of subsequent contracts only; each party to pay his own costs of suit up to and inclusive of the hearing.

December 4.

THE CARMARTHENSHIRE ANTHRACITE COAL AND IRON COMPANY, LIMITED.—The voluntary winding-up of this company was ordered to continue under the supervision of the court, after an ineffectual opposition on the part of some shareholders who pressed for a compulsory winding-up. Mr. Roxburgh, Q.C., Mr. Chitty, Q.C., Mr. Davey, Q.C., Mr. Kekewich, Mr. Owen, Mr. E. T. Holland, and Mr. Warmington were the counsel engaged.

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THE INTERNATIONAL PATENT PULP COMPANY, LIMITED.—A compulsory winding-up order was made in this case. Mr. F. H. Colt, Mr. Macnaghten, and Mr. Methold appeared.

(*Before Vice-Chancellor Sir* RICHARD MALINS.)

THE PHOSPHATE SEWAGE COMPANY, LIMITED, v. HARTMONT AND OTHERS.—The arguments in this part heard case were continued to-day. Mr. Whitehorne, for Messrs. Engelbach and Keir, before proceeding to argue on their behalf, said he had appeared for Mr. Ramsden, who was no longer a party to the suit. It was, however, only right to say that Mr. Ramsden was present at the meeting of the company in March, 1872, when the question of the French contract was under consideration. He was there as a holder of 12 shares in the company. He seconded Mr. Parry's proposition for a poll, and afterwards voted in favour of the immediate payment of the £150,000, instead of the deferred one of £250,000. Till that moment Mr. Ramsden had never seen Mr. Hartmont; and never was his nominee. With respect to Messrs. Engelbach and Keir, the case made against them by the bill in this suit was very far from correct. The defendants were charged generally with fraud throughout the transactions in dispute; but Messrs. Engelbach and Keir were specifically accused of three things—first, that they were "promoters" of the company; second, that they had joined as conspirators with the others to concoct a scheme for the purpose of committing a fraud; third, that they did certain improper acts in furtherance of that fraud; and fourth, that they finally completed the fraud. The general answers to these charges were these:—First, they believed in the soundness of the process which was to be worked out by the company in their operations; they also believed that the property to be acquired by the company was a valuable one and would prove a success; second, they as financial agents undertook to do certain works in the formation of, and for, the company, for a certain fixed remuneration, which they were from their position perfectly competent to do; that which they did they did thoroughly; and the remuneration they received they took openly from the parties entitled to give it, and with the knowledge of every one concerned; third, there was in their conduct no fraud, no deliberate deceit, and no improper concealment of any thing; and fourth, they were not accountable for the present state of the company, whatever that might be. No doubt they were promoters of the company, in a sense at least; but the fact of a man being a promoter of a company—doing acts which tended to or assisted in its procreation—in no way made that man a promoter in the sense of any fiduciary relationship between the company and himself. Of course, there could be no such relationship between a promoter of that sort and the still unborn company. Messrs. Engelbach and Keir had every reason—and notably from the report of a Monsieur Grafinstein, who had been sent out to San Domingo to examine the island of Alto Vela—for regarding the project as likely to be a good one. The company was, in fact, formed for three objects—(1) to work the concession; (2) to work a patent of the Messrs. Lawson; and (3) to work four patents of the Messrs. Forbes and Preed. The concession was neither void nor voidable in 1871, when Messrs. Engelbach and Keir had conveyed to them the property comprised in it, as bare trustees for the company; and they were not to be made liable for the losses of a company which, sound in its origin, had become afterwards unhealthy, by reason of its own conduct. The learned counsel then went minutely, and at great length, into all the details of the case, as they affected the Messrs. Engelbach and Keir, and concluded his argument, at a quarter to 5 o'clock, by urging that no case whatever had been established against his clients for the repayment of any portion either of the £65,000, or the £15,000, as claimed by the bill. Before resuming his seat Mr. Whitehorne read some passages from a report of the present directors of the company, signed by its chairman, which, he contended, showed that the company could not be in so very bad a condition as had been supposed. At the same time, he said, in reply to a question from the Court, that he believed the causes of the downfall of the company arose, first, from the reputation acquired by it in consequence of the proceedings with respect to the alleged French contract for the £250,000; and, second, from the revengeful feeling entertained by the Dominican Government towards Mr. Hartmont on account of his failure in raising the loan of £430,000 which he had undertaken to obtain for them.

The arguments were continued on Monday. Mr. J. Pearson, Q.C., for the assignee in bankruptcy of Messrs. Peter Lawson and Son (the last defendant on the record), said,—It was of the greatest importance to his client to appreciate clearly the nature of the issue between him and the plaintiff company. They only sought a declaration with respect to the £65,000, but prayed no relief as to the £15,000 They asked that the Messrs. Lawson's estate might be held liable to repay the £65,000, and for liberty to go in and prove for that amount in the Scotch bankruptcy. In the early part of the present century, viz. in 1813—there was a controversy, when there were two bankruptcies of the same estate, one in England and the other in Scotland, which was to have precedence. That controversy was ultimately decided in favour of that one of the two bankruptcies which had occurred first. In this case there was only the Scotch bankruptcy, and therefore no difficulty existed in that respect. The sequestration in the Messrs. Lawson's bankruptcy occurred on the 11th of February, 1873. The plaintiff company then took in a claim on the 4th of March following. On the 19th of April, 1873, the bill in this suit was filed. On the 24th of June, 1873, the claim so carried in, in Scotland, was withdrawn, and on the 28th of June, 1873, another one for the absolute payment of the £65,000 was substituted for the former. On the 22nd of October, 1873, the trustee in the Scotch bankruptcy rejected that claim. Further steps by way of appeal were taken by the plaintiff company, but without success, and the matter was now about to go before the House of Lords. So far for the proceedings in Scotland. As regarded the case made by the plaintiff company in this suit, it was to be observed that they sought relief against the firm of Messrs. Peter Lawson and Son, and their estate only, and not against any member of the firm individually. It was said that the firm knew the concession to have been void or voidable, and therefore worthless, in the first instance, and that they, being in want of a sum of £17,000, concocted the alleged fraudulent scheme, which had been so much commented on. If, however, the Messrs. Lawson and Son believed at the time of the sale of the concession to the company that the concern was a valuable one, and had good reason for so thinking, they could not be accused of palming off upon it, or the public, a worthless bargain. Now the evidence adduced by the plaintiff company themselves showed that the committee of investigation, which was appointed in December, 1872, made their inquiries into the condition of the concession, cross-examined Mr. Hartmont as to it, and in February, 1873, with the concurrence of all parties concerned, recommended the rescission of the existing, and the granting to the company of a new, concession. The company then found that they must work the concession themselves, and a proposition was made for a new one. This Court was, nevertheless, now gravely asked to say that the whole affair was a sham, and that in 1870 or 1871 every one knew it to be so. It was absurd to suppose that any one would wish to continue the working of really a sham concern. But, independent of that, the character of the Messrs. Lawson and Son then stood too high for them to be thought capable of concocting a fraud, and a fraud which, if perpetrated or attempted, must have been so with the eyes of every one upon them. To establish a fraud, there must be a person deceived as well as a deceiver; and here there was no proof of any one having been for one instant deceived by any act of the Messrs. Lawson and Son. The acts particularly laid to their charge were these:—1. That they ought not to have been parties to the conveyance of the concession to the company, and that Mr. Hartmont ought to have been. 2. That the prospectus was fraudulent, in not stating the voidability of the concession; and 3. In its stating that they had spent £39,000 " in

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connexion" with the Island of Alto Vela; and 4. The plaintiff company--as if they knew the other three charges could not be maintained—said if the articles of association were examined it would be seen that Mr. Henry Graham Lawson—one of the firm—was a director of the company. He, therefore, must be taken to have known all the fraud (if there was any) and be liable for all his partner's misdeeds, of which the company now complained. Further, it was insisted that because he was a sham director, and his firm sham vendors, they were moral guarantors of the concession, and therefore responsible to the plaintiffs in this suit. But the only relief prayed was against Messrs. Lawson and Son's estate, not against Mr. Henry Graham Lawson, who was not even a party to this suit. Then further, the concession was originally granted to Mr. Hartmont and Mr. Begbie in 1868. They afterwards assigned their interests in the concession on certain terms to Messrs. Lawson and Son, in December, 1870. Those gentlemen were regarded as the vendors. Then, when the contract was entered into for the sale by them of the concession to the company in 1871, it would be found apparent, and it was the fact, that on the face of the documents carrying out that arrangement the very clause of forfeiture, as it affected the existence of the concession, was fully stated, together with such a disclosure of all necessary information as the most accurate and censorious of critics would ever be expected to require. Where then was the alleged fraud so vehemently urged against the Messrs. Lawson and Son? There was no concealment of any thing which they were bound to disclose. With the publishing of the prospectus by the company itself, whether true or false, they had nothing whatever to do. One of their firm was a director of the company; but how could that affect them—and at a time when they had ceased to have any interest in the concern? Mr. Henry Graham Lawson only attended one meeting of the company, and there was nothing to make him responsible on that account. In reality, the whole foundation of the plaintiff company's case was this—that all the parties interested knew they were going into a concern for the express purpose of deceiving the public. If such had been the case, there would have been a villanous conspiracy indeed. But nothing of the sort existed, and nothing of the kind was proved in the case. The learned counsel then went minutely through the various facts of the case (as they have been already more or less fully noticed in *The Accountant*) with reference to their bearing on the specific charges made against the Messrs. Lawson and Son, and concluded by insisting that as all the accusations of fraud—all the motives for any on his client's part—all the alleged improper concealment, and all the supposed misrepresentations by them had been entirely disproved, the Bill against them in this suit should be dismissed with costs. At the conclusion of Mr. Pearson's argument, Mr. Henry Graham Lawson was called, and cross-examined by Mr. Horace Davey. The witness admitted, *inter alia*, that he did not think the Dominican Government got more than £50,000 out of the loan of £420,000 which Mr. Hartmont originally, and which, as it appeared, the Messrs. Lawson and Son afterwards, undertook to negotiate; but that that sum of £50,000 was borrowed by the Messrs. Lawson and Son from the British Linen Company, and paid by Mr. Henry Graham Lawson to the agents of the Dominican Government.

The arguments on behalf of the defendants in this part-heard case were concluded on Tuesday. Mr. J. Napier Higgins, Q.C., in reply, said he had listened to the addresses of the defendants' counsel during more than ten days, and with respect to the opinions which he had expressed in his opening, he retracted nothing, withdrew nothing, and qualified nothing. He repeated that the case was one of fraud in its commencement, fraud in its continuation, and fraud in all its circumstances. Many facts had transpired since the opening which justified those assertions. The other side had in many respects imputed to him a meaning which it was not his intention, in every instance, to convey; but as regarded Mr. Hartmont, Mr. Begbie, Mr. Ogle, and the Messrs. Lawson and Son, he should, before he concluded, be able to substantiate every word uttered by him in his opening. The defendants, here, if one half of them were to be credited, considered the other half to have been guilty of the grossest fraud; and it had been over and over again asserted that every one of the "corporators," as they were called, or persons concerned in getting up the company, knew every thing that had been done in the matter, with the exception of Mr. Forsyth, who, it was said, knew hardly any thing of several points in dispute, which, however, he ought to have known. The facts, then, were these:—There was a contract in April, 1871, for the sale to the company of the concession for £65,000, of which £45,000 was to be paid in cash, and £20,000 in shares. Before that sale—a very few weeks before it—the Messrs. Lawson and Son, the ostensible vendors in it, had parted with all their interest in the contract, and had sold the very same concession (he would not then advert to the patents) for £10,000; so that while the whole value, in any point of view, of the concession, was then only £10,000, they were to get, in little less than a month, the increased amount of £65,000. But then, supposing every one concerned knew every thing, there was this additional fact—from December, 1870, when the affair got into the hands of Messrs. Engelbach and Keir, there was a secret understanding, not reduced into a written or formal shape, not entered upon any of the deeds, as to a sum of £15,000. The real object of that understanding was eventually to get rid of the claims of a Mr. Gill to a remuneration for what he said were his services. The £15,000 was to be paid to Messrs. Engelbach and Keir for distribution by them among the persons whom they should select; and Mr. Hartmont, it was said, actually divided the money. If, therefore, in March, 1871, the true value of the concern was only £10,000 at the utmost, was it not clear that there was throughout the whole transaction a complete catena of fraud? But, as he did not wish to make unfounded charges of such a nature, he would proceed to clear away several misapprehensions which appeared to him to have prevailed during the arguments. He would shape his reply thus:—1. He would re-examine the case as it stood upon the bill in the suit. 2. He would consider the concession itself. 3. He would show that it was in any point of view of little or no commercial value, and that it was not worth £10,000, and certainly not worth £65,000. 4. He would prove that it was voidable, as all parties knew, or if they did not know it, their own blindness was the cause of their ignorance. 5. He would show that there was a forfeiture of the concession in 1871, in respect of things then existing, and of the deficiency in the exports from the island in 1870. 6. He should argue that the Dominican Government acted reasonably in the matter; that phosphate of alumina was not heard of in 1869, at the time of the grant of the concession; and that the Government, therefore, could very fairly say, "We did not then raise any question as to that." 7. He should examine the machinery by which the sale to the company was carried out, and make it manifest that every one of the defendants was impeachable for that sale. 8. He should show, also, how the £65,000 was divided. 9. With respect to the £15,000, he had said at the opening, and he said still, that it was and is practically an undefended case. The counsel for Messrs. Engelbach and Keir, on whom was thrown the principal duty of explaining that part of the transactions, kept quite clear of the rocks they saw looming so dangerously ahead of them. 10. Lastly, he should consider the legal consequences to the parties with reference to the £65,000, and in doing so would deal with the right of the company, as such, to sue the defendants in this case, and the effect of the Joint-Stock Companies Act, 1862, and the force of the argument that this was a case "*primæ impressionis.*" Now, the bill in the suit did not seek any relief in respect of Messrs. Forbes and Price's patents, for which they had been paid the sum of £16,000, wholly irrespective of the £65,000, and with which payment those gentlemen were quite satisfied. It had, indeed, been most strangely argued that the

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plaintiff company could not get the contract of which they complained rescinded without giving the defendants some relief as to those patents. But the matters were wholly distinct. The company had done their best—though that was not much—to work the patents, and had only got involved in profitless litigation while Mr. Hartmont was at the head of their affairs. That gentleman and the Lawsons having got the concession, and Mr. Ogle and Mr. Begbie being interested in it, wanted to form a company to work it. To get the requisite capital they only issued about 8,100 out of the first proposed issue of 12,000 shares. Of those, 4,500 were taken by the directors of the company, who then became vendors of the shares in the market, in order to give an appearance of stability to the concern. The public only had some 3,600 shares allotted to them; but the number of shares sold really exceeded the share capital of the company. Then came the Oppert contract. In addition to the £15,000, there was a cash commission, on the whole capital, of £1,500, which Messrs. Engelbach and Keir justified themselves in accepting by saying "they did not keep it, but paid it to Mr. Ogle." Mr. Ogle said it was Mr. Hartmont's money. There was the most extraordinary uncertainty throughout all that part of the case, and as to the distribution of the shares. This, however, was clear—that in November, 1870, the concession was worthless, and the Lawsons were in difficulties. That was proved by letters from Mr. Henry Graham Lawson to Mr. Begbie, and to his own firm, written in November, 1869, and by a letter from Messrs. Lawson and Son to Mr. Hartmont. Those gentlemen—Messrs. Lawson and Son—appeared to be unpleasantly mixed up with Mr. Hartmont, and the correspondence referred to showed that they knew at that time that the concession was worthless. In one of the letters Mr. Henry Graham Lawson stated that there was, in fact, no guano on the island of Alto Vela, but that providentially "something had turned up." That something was phosphate of alumina. In another letter the island was spoken of as "that wretched island," and as being "any thing but a guano island." The "sample guano," it was said, was good, but the great bulk of the production very inferior. The correspondence also spoke of the Messrs. Lawson obtaining the island without payment of any royalty to the San Domingo Government. The grant of the concession was mixed up with the San Domingo loan, and that Government said they only actually received £30,000 of their money. However that might be, it was in evidence that on the 1st of July, 1869, Messrs. Lawson and Son wrote to Mr. Hartmont with reference to the loan, and, speaking of the island, said there were 3,000,000 tons of guano on it, which could be most advantageously worked every year; while just before that Mr. Henry Graham Lawson had written to his firm to say there was hardly any guano on it. Further, it appeared from other letters in evidence that in 1870 the Government had threatened to forfeit the concession unless the royalties due to it were paid. Now, the Scotch Courts thought there was clearly some fraud in the matter, but did not consider the Lawsons to have been guilty of it. Assuming, for a moment, that they had accounts to show that the statement in the prospectus that they had spent £39,000 in connection with the island was correct, how could that statement be reconciled with the allegations in the correspondence referred to? But no such accounts had been produced in evidence. The learned counsel then adverted to the position of Mr. Forsyth in connection with the Messrs. Lawson and the company, the statements in the prospectus, the issuing of it, the contract for the payment of the £15,000 to Messrs. Engelbach and Keir, the division of it, the dealing with the shares, the concurrent sub-contract, and several other matters relating to the details of the case. He had not concluded his address when the Court rose.

The arguments on behalf of the plaintiff company in this part-heard case were concluded on Wednesday, being the 16th day of the hearing. Mr. J. Napier Higgins, Q.C., in continuing his reply, adverted to several details of the case connected with the forfeiture of the concession, which, he said, was proved by this additional fact among others—viz. that prior to the negotiations in 1872 for the grant by the Dominican Government to the company of a new concession, Mr. Hartmont was in possession of a letter from the representative of that Government notifying to the company that the Government had, on the assumption that the concession was forfeited, actually resold the Island of Alto Vela to some French concessionaires. That led to further consideration of the position in which the matter then stood; and the Dominican Government proposed, as the condition of a new concession to the company, that they must get a release from the French concessionaires of their interest in the concern, and must waive all their claims against Messrs. Hartmont and Co. in respect of the £65,000 already paid for the concession. All this showed the intimate connexion between the loan negotiated for the Government by Mr. Hartmont and the concession. After dwelling at some length on the surrounding circumstances of that portion of the case, as establishing against the principal defendants—viz. Mr. Hartmont, Mr. Begbie, Mr. Ogle, and Messrs. Lawson and Son—the charges made by the bill in the suit, the learned counsel proceeded to discuss the legal consequences of the proved facts—first, as to the contract itself; and second, as to the several defendants. He argued that the plaintiff company had a perfect right to have the contract of April, 1871, which saddled them with this ruinous and worthless bargain. set aside. They had that right because the contract was fraudulent and improper, and one which could not be forced on the company without the fullest knowledge and acquiescence of all the parties interested. They also had the right because not only was the contract bad in itself, but the means by which it was imposed on the company were also fraudulent. Those means were the procurement of an agent and promoter of the company, who, for a price to be paid out of the assets of the company as a bribe, should be induced not to do his duty to his principal—the company—but to neglect his duty and aid in carrying out the fraudulent contract. Then, again, the contract could not stand, because the firm of solicitors who were to act for the company, and who were informed thus they would be treated as so acting, perferred the interest of the vendors to those of their clients (the company); neglected their duty to the company, and were guilty, to say the least, of the grossest negligence and unfairness. Their negligence alone might not, perhaps, have had so much weight against them, but, as it was, that and the misrepresentations which Mr. Forsyth had made together gave the plaintiff company a right to rescind the contract. Mr. Harrison, one of the directors, when he saw the statement in the prospectus, that Messrs. Lawson and Son had expended the £39,000 in connexion with the island, at once required the truth of that statement to be ascertained; and if Mr. Forsyth had not then said that there were in his possession accounts which would show that that or some similar amount had been spent, Mr. Harrison would then and there have put his foot upon the mischief, and all the fraud that was perpetrated might never have occurred. Even if this suit was considered as one for damages for the breach of the contract, the recent Judicature Acts removed all technical objections on that ground, and enabled the Court to deal with the rights of the parties now before it. Even if the Court should not adopt that view of the effect of the recent Statutes, the authorities went to the length of showing that where there was what amounted only to "moral" fraud, a contract dependent on such a basis might be rescinded in Equity. The doctrine of *restitutio in integrum*, without which it was said no decree could be made, and which had been held up by the defendants' counsel like a red flag of danger, really presented no difficulty where fraud was proved to have governed the transaction. Here there was the greatest amount of fraud. Nor could it be said that the plaintiff company had been guilty of any delay. The contract impeached was in April, 1871,

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and the bill in this suit was filed in April, 1873. If the company was entitled—as, under all the circumstances of the case, he said it was—to have had this contract rescinded at the end of the year 1871, nothing whatever had since occurred to deprive them of that right. All that related to the £65,000. As to the sub-agreement for the £15,000, its existence was not known to the company and its present advisers till after the bill in this suit was filed, when it was introduced into the bill by way of amendment. But the case against the defendants more directly concerned with the payment and distribution of the £15,000 was practically undefended. What, therefore, the plaintiff company was entitled to was a decree in their favour as to the £65,000, with an inquiry as to damages; and as to the profits, if any, which they might have made by the working of the concession, and the giving up to the defendants of the concession and any profits, and the Messrs. Lawson's patent, which had never been used. The learned counsel then commented at great length on the various circumstances of the case as they related to the £15,000, the issuing of the prospectus, the rigging of the market—procured through the misconduct, as he contended, of the directors and the secretary of the company, who issued and signed the false certificate of shares—the contract with the Messrs. Oppert and Co. for the alleged French contract, and several other details, all of which have already been more or less fully noticed in *The Accountant*; and argued that, although as facts in the case they occurred after the time of the contract which the suit was instituted to rescind, they all tended to confirm the one long unbroken chain of fraud by which, from the very commencement of the history of these transactions, Mr. Hartmont and the other defendants, or some of them, had bound this worthless concession round the neck of the defrauded company. The learned counsel then referred to and commented on the various cases which had been cited in the course of the arguments; and, after minutely stating the precise nature of the relief he sought against each of the defendants, concluded by an analysis of the arguments addressed to the Court on the defendants' behalf, and a submission that the plaintiff company were clearly entitled to the relief for which they prayed by their bill. The Vice-Chancellor said the case had occupied a great number of days, and had been most ably argued on all sides. It involved an enormous mass of details, the whole of which, together with his own very voluminous notes, he must read before he could pronounce his decision. In the present state of the business before him, his Lordship said he would deliver the judgment in this case as soon as possible, but he could not undertake to do so this year. He reserved his judgment accordingly.

COURT OF BANKRUPTCY.

December 2.

(Before Sir J. BACON, Chief Judge.)

EX PARTE HALE, RE BINNS.—This was an appeal from the Huddersfield County Court, and raised a question as to the rights of landlords in liquidation cases. Mr. Robson was counsel for the appellant, and Mr. E. Beaumont for the respondent. The appellant, Thomas Hale, was the owner of extensive manufacturing premises called Bradley Mills, which were used for the making of woollen goods. One of the mills consisted of three floors, one of which he let to Binns under an agreement made in May, 1875, by which Binns became tenant as from the February previously at a certain rental, payable in advance. Default having been made in payment of one of the instalments due under the agreement, Mr. Hale levied a distress for the amount, and on the 24th of June the debtor filed a petition for liquidation. On the 14th of July a trustee was appointed and a resolution passed for a liquidation by arrangement. On the 1st of August a further instalment of rent, amounting to £55, became due in advance, and on the 14th of the same month the appellant levied a further distress upon the premises of the debtor, then in the occupation of the trustee, for that sum. The trustee paid the amount of the first distress, which was for rent due before the commencement of the liquidation, but denied the appellant's right to distrain for rent due afterwards. The County Court Judge adopted the view of the trustee, and granted an injunction restraining the landlord from taking further proceedings under the second distress. The landlord appealed. His Lordship held that, under the 34th section of the Act, the appellant had a right to distrain for the full amount which he claimed, and, as that right was interfered with by the order of the learned Judge, the appeal must be allowed.

(Before Mr. REGISTRAR BROUGHAM, sitting as Chief Judge.)

IN RE HENDREY AND KALSHOVEN.—This was an adjourned sitting for public examination. The bankrupts, Messrs. Ramsey, Hendrey, and John Christian Kalshoven, were colonial merchants, carrying on business at 61 Mark-lane, and their balance-sheet returned debts amounting to £10,663, and assets £3,713. At a former sitting the bankrupt Kalshoven alone appeared, and the trustee proposed to examine him fully upon his accounts, but the court ordered that requisitions should be delivered in writing stating in what particulars the trustee required the accounts to be amended, and with information of any asset alleged not to be disclosed by the bankrupt. Mr. Hollams, jun., appeared for the trustee; and Mr. Finlay Knight for the bankrupt. It was stated that an appeal had been entered by the trustee from the order of the court compelling him to file requisitions, and that nothing further had been done by the trustee. An adjournment of the present sitting was proposed. Mr. Registrar Brougham said the trustee was at liberty to examine the bankrupt now, if he so desired. Mr. Hollams said the trustee declined to proceed with an examination at present. The sitting was then adjourned.

December 3.

The Chief Judge sat again to hear appeals. It may be mentioned that his Lordship has intimated his intention of following the rule recently adopted by the Lords Justices of giving costs to a successful appellant, the old practice, which occasionally operated somewhat harshly, being thus abrogated.

(Before Sir J. BACON, Chief Judge.)

EX PARTE MONKHOUSE RE DALE.—This was an appeal from the county court or Newcastle, and involved a question of the duties of a trustee in cases of composition. The liquidating debtor, Mr. Dale, had failed for about £30,000, against assets to the extent of £13,000, and at the meeting of creditors they agreed to take a composition of 6s. in the pound in instalments, which were secured by the debtor and a surety; but when the first became due the debtor could not pay it, and on the application of a creditor for £8,000, the county court judge ordered the trustee to take proceedings against the surety, but he declined to do so, on the ground that there was no estate, and now appealed. The Chief Judge said that there was no ground for the appeal, especially as the trustee was indemnified to the satisfaction of the registrar, and dismissed the appeal with costs. Counsel for the appellant, Mr. Doria; and for the respondent, Mr. De Gex, Q.C.

(Before Mr. Registrar HAZLITT, sitting as Chief Judge.)

IN RE CHARLES CURRIE.—This was a sitting for the public examination of this bankrupt, who is described as a merchant, recently carrying on business at 28 New Broad-street. The adjudication was made in October last, the London and Westminster Bank being the petitioning creditors. The statement of affairs showed liabilities £57,736, and £421 19s. 10d. assets.

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Mr. Linklater, for the trustee, offered no opposition, and the bankrupt was allowed to pass.

IN RE CHARLES CARNIE.—This was a sitting for public examination. The bankrupt, a merchant carrying on business at 25 New Broad-street, had been adjudicated upon the petition of the London and Westminster Bank. His balance-sheet disclosed debts and liabilities amounting to £57,736, of which £56,778 were in respect of the draughts of Messrs. A. Collie and Co., accepted against purchases of goods and cotton held by Messrs. Collie and Co. for re-sale; with assets, cash in hand, &c., £421. Mr. J. Linklater appeared for the trustee. It was stated that inquiries were in progress in reference to various matters connected with the estate; and, upon the application of the trustee, the Court ordered an adjournment, so that the investigation might be completed.

December 4.

(*Before the* Hon. W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE G. A. WITT AND CO.—The debtors, Messrs. G. A. Witt and Edward Bohlen, are merchants, carrying on business at 7 Fen-court, Fenchurch-street, and also at Liverpool, under the firm of G. A. Witt and Co. Their liabilities are estimated at £100,000. Mr. W. A. Crump applied for leave to file a liquidation petition, signed by Mr. Bohlen under a power of attorney, on behalf of himself and his co-partner. The Court granted the application. Subsequently another application was made on behalf of the debtors and some of the creditors that a receiver and manager of the estate should be appointed. It appeared that the assets consisted of cash, bills, policies of insurance, and other property, of value in the aggregate of £20,000. The agents of the debtors at Bombay, Calcutta, and Madras had in their possession goods consigned by third parties upon which advances had been made by acceptances, and it was necessary the property should be protected. His Honour appointed Mr. Joseph Shubrook, accountant, receiver and manager of the estate.

December 6.

(*Before* SIR J. BACON, *Chief Judge.*)

EX PARTE WINDER—RE WINSTANLEY.—This appeal from the Wigan County Court raised a question as to the validity of a bill of sale executed by John Winstanley, a brass founder carrying on business at Wigan, in favour of Messrs. Winder and Harrop, Gaythorne, Manchester. Mr. De Gex, Q.C., and Mr. Bagley were counsel for the appellants; Mr. Little, Q.C., and Mr. Smyly for the respondent. It would appear that Winstanley, being indebted to Messrs. Winder and Harrop in the sum of £287 for goods supplied by them in the course of their trade, applied for further credit, which Messrs. Winder and Co. refused to give unless they were secured against loss. On the 11th of December, 1874, the debtor, in consideration of the amount then due, and of further goods to the limit of £500 in the aggregate to be supplied, executed a bill of sale in favour of Messrs. Winder and Co., by which he mortgaged his stock-in-trade, machinery, and furniture to secure the debt due to that firm. He at that time possessed book debts, the lease of his foundry, and the lease of his dwelling-house subject to a mortgage, all of which were excluded from the deed. The deed was duly registered, and further goods were supplied to the debtor beyond the limit agreed upon, the total amount due to Messrs. Winder and Harrop in May, 1875, being about £600. On the 23rd of June an adjudication of bankruptcy was made against Winstanley. The trustee under these proceedings afterwards applied in the County Court for an order to set aside the deed. Mr. Harrop, in his evidence, stated that before the bill of sale was executed the debtor told him that he had a very good business, which he had worked up himself; that he had a rare prospect before him; and that he could pay from 40s. to 50s. in the pound. Mr. Harrop believed the debtor to be perfectly solvent. The learned Judge set aside the bill of sale on the ground that it constituted an act of bankruptcy. Messrs. Winder and Co. appealed. His Lordship was of opinion that the trustee's objection to the bill of sale could not be sustained. The debtor asked for time, and the creditors consented to give it upon certain terms. The question was whether the transaction was a fraudulent one. He could not discover any trace of fraudulent intention. It was said the bill of sale comprehended the whole of the estate, but it was clear that it did not. The very object of the arrangement was to enable the debtor to continue his trade; and his Lordship could not impute any fraudulent motive, which was the basis upon which the trustee's case rested. Appeal allowed.

December 7.

(*Before Mr. Registrar* PEPYS, *sitting as Chief Judge.*)

IN RE CHARLES BEDELL.—This was a sitting for examination. The bankrupt was a wine merchant, carrying on business in Mark-lane; and his balance-sheet returned unsecured debts of £27,820, and assets £3,228. Mr. Lucas appeared for the trustee; Mr. Brough for the bankrupt. It would seem that in November, 1874, the bankrupt presented a petition for liquidation, under which a proposal was made to and accepted by the necessary majority of creditors, for payment of a composition of 7s. 6d. in the pound by instalments. A deed of inspectorship was executed for the purpose of carrying out the arrangement, and the debtor paid the first instalment of 4s. in the pound, but the assets proved insufficient for payment of the second, and an adjudication was obtained by a debtor whose debt had been inadvertently omitted from the statement of affairs. A contest had since arisen between the inspectors under the liquidation and the trustee in the bankruptcy as to the right to the undistributed assets, and an appeal was pending upon the subject. His Honour allowed the bankrupt to pass.

FAILURES.

ENGLAND.—The failure was announced on Monday of Messrs. William Spotten and Co., linen manufacturers and bleachers, of London and Belfast, a firm established about a quarter of a century. The partners, however, lost a large sum in May, 1874, by the stoppage of Messrs. Lowry, Valentine, and Kirk, and their operations have since been considerably reduced from want of credit. The liabilities amount to about £300,000, and the estate will produce, it is thought, about 10s. in the pound.

SCOTLAND.—The *Glasgow Herald* contains a circular addressed to the creditors of Messrs. Edmund Brace and Co., wine merchants, of Exchange-square, Glasgow, stating that a committee of creditors has recommended the debtors to assign their property to trustees for the benefit of the creditors. It is estimated that their liabilities amount to nearly £80,000.

AUSTRIA.—The failure is announced of Mr. Sigmund Reinitz, of Vienna, with liabilities to the extent of £50,000, of which £10,000 to £15,000, falls on Manchester commission agents, £15,000 falls on Bradford, and the remainder on the continent. The losses of Bradford through the failures of continental houses lately have been considerable.—The failures of Messrs. H. Lange and Co., of Caracas, and Messrs. Lange, Son, and Co., La Guayra, are confirmed. The liabilities amount to £30,000, of which less than half will fall on Manchester commission agents. The liabilities of the Vienna house and of these two South American houses fall so equally on several houses here that they will not cause much inconvenience.

The 57th drawing of 1500 Imperial Austrian 1864 £10 debentures took place on the 1st inst., at Vienna. Mr. Ferdinand Wolfskehl announces that he has forwarded lists and full particulars to Messrs. Wolfskehl Brothers, bankers, Liverpool, from whom they may be obtained on application.

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CREDITORS' MEETINGS.

W. CULLIS (HEREFORD).—At a meeting of the creditors of Walter Cullis, of Hereford, lithographer, a resolution was passed to liquidate the estate, and Mr. W. C. Harvey was appointed trustee.

JOHN HART (NEWCASTLE).—At a meeting of the creditors of John Hart, of Newcastle, cabinet maker, held on the 2nd instant, it was resolved that a composition of eleven shillings in the pound be accepted in satisfaction of the debts due to the creditors from the said John Hart. That such composition be payable by three equal instalments at three, six, and nine months from this date, of three shillings and fourpence each, and one shilling at twelve months, the last six shillings of such composition to be secured to the satisfaction of the three largest trade creditors. Mr. William Comben Harvey, of 1 Gresham-buildings, Basinghall-street, in the City of London, accountant, was appointed trustee.

S. RICHARDS (BIRMINGHAM).—A first meeting of the creditors of Mr. Sloane Richards, metal broker, whose liabilities are estimated at £100,000, was held on Thursday, at the office of Messrs. Tyndall, Johnson, and Tyndall, Birmingham, and was numerously attended. Nearly the whole of the unsecured debts were proved, and the proofs amount to more than £15,000. Mr. C. A. Harrison, receiver, presented a statement of the assets, and made a lengthy and exhaustive report, particularly on the losses which Mr. Richards had sustained, and which, according to the figures produced, amounted to nearly £40,000. The greater portion of the assets appeared to consist of shares in ships and Spanish mines, which at the present time would not realise a tenth of their cost, and which did not admit of any offer of a composition. It was therefore resolved to wind-up the affairs by arrangement. Mr. C. A. Harrison was appointed trustee with a committee of instruction consisting of three of the principal creditors.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*

The Master of the Rolls has appointed Mr. Alfred Audrey Broad, (Broads, Paterson, and May, public accountants) official liquidator of Brannon's Patent Fireproof, Sanitary, and Permanent Works, Limited.

Mr. Edward Thomas Peirson, public accountant, Coventry, has been appointed receiver of the estate of George Smith, of Coalville, in the county of Leicester, Brickmaker.

CHARGE AGAINST AN "ACCOUNTANT."—At the Guildhall on Friday, Mr. F. Wood Morphett, of No. 35 Moorgate-street, described as an "accountant," appeared on remand in discharge of his bail before Sir James Clarke Lawrence, M.P., charged with being a fraudulent bailee. Mr. Thorne Cole, instructed by Mr. Pratt, from the office of Messrs. Buchanan and Rogers, prosecuted, and Mr. Blanchard Wountner appeared for the defence. In this case, according to the opening statement of counsel, the defendant had acted as an accountant in Moorgate-street, and in the course of his business he had a client named Saunders, who was in difficulties, and he undertook to arrange his affairs for him. A proposal was made to pay the creditors a composition, and for that purpose Mr. Dixon, the brother-in-law of Mr. Saunders, gave him ten guineas, and afterwards sent him a post-office order for £6 17s. 4d., to pay in full a creditor, named Edmonds, from whom credit to that amount had been obtained only shortly before Saunders failed. With that order Mr. Dixon sent him specific instructions to pay Messrs. Edmonds' bill, but he had not done that, nor had he returned the money, hence the present proceedings. Messrs. Edmonds had sued Mr. Saunders for the amount of their account, and had recovered judgment against him, and he was now paying the debt by instalments, under an order of the County Court. When Mr. Dixon pressed the defendant for the money which had been intrusted to him, the defendant declared his inability to pay, but offered as security the duplicate of a gold watch and chain, which he said had been his father's, and were worth £50, but which were pledged for £15. Mr. Dixon took the ticket as security for £10 10s. handed to the defendant to pay the composition £6 1s. 6d. for a dishonoured bill, and 15s. for three months' interest for waiting. The watch and chain were pledged for £15, and Mr. Dixon had since found out that they were purchased by the defendant for £29, and immediately pledged, only part of the purchase-money having been paid on them. None of this transaction, however, referred to the £6 17s. 4d. with which the defendant was charged with having misappropriated instead of settling the account of Messrs. Edmonds. Some evidence in support of the charge having been heard, Sir James Clarke Lawrence remanded the defendant, but admitted him to bail, one surety in £100 and himself in £200.

STOCK EXCHANGE GAMBLING.—At the Liverpool Quarter Sessions, on Saturday, Edward James Barry, formerly cashier to Messrs. Duncan, Ewing, and Co., timber merchants, Liverpool, pleaded "Guilty" before the Recorder, Mr. J. B. Aspinall, Q.C., of embezzling sundry sums, amounting to £1,250. The case created unusual interest, as it was expected that, as the prisoner had become involved through large Stock-Exchange speculations, important revelations would be made during the trial. In his charge to the Grand Jury the Recorder had made strong comments upon the practice of sharebrokers permitting clerks to gamble in shares, and the Grand Jury subsequently made a presentment in which they said that the evidence disclosed in the depositions more than justified the remarks of the Recorder. Barry, when brought back to England from Jamaica, whither he had absconded, escaped from detective officer Maxwell at an hotel in Plymouth, and was at large for a week before his recapture. Mr. M'Connell, on behalf of the prosecution, said the actual defalcations of the prisoner amounted, within two years, to the sum of £22,556 11s. 6d., which was lost by him in speculations on the Stock Exchange. The books of the gentlemen through whom he speculated had been in the hands of the prosecution. It seemed that his speculations were conducted chiefly through Mr. Bellman. For the year 1875 the purchases amounted to £1,642,592, and the sales to £1,641,093, while in 1874 and 1875 the former reached the sum of £1,390,119, and the latter that of £1,379,727. Dr. Commins, on behalf of the prisoner, pointed out that the losses on the share speculations, pure and simple, did not amount to more than about £3,000, but the continuation of the transactions swelled up the figures within less than two years to about £5,000,000 sterling, making the basis upon which commission was charged so large that about £30,000 was swallowed up. The prisoner had commenced with £4,000 of his own, so that but for the enormous commissions he had to pay he might have met the losses with his own money. The Recorder, in sentencing the prisoner to five years' penal servitude, said he agreed that most dangerous temptations were offered to him. He went to the temptations, for he probably knew that such things existed and that there were such opportunities. He went into speculations, but it was not suggested, nor was it reasonably to be believed, that the stockbrokers sought him out. Mr. Higgin, Q.C., who watched the case for Mr. Bellman; Mr. Goldney, who appeared for the Committee of the Stock-Exchange; and Mr. Segar, who appeared for various stock-brokers, wished to make statements after sentence had been passed, but the Recorder ruled that the applications could not be entertained.

WINDING-UP.—A petition has been presented to the Master of the Rolls for the winding-up of the Malvern Hotel Company, Limited.

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The Accountant.

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The Accountant.

DECEMBER 18, 1875.

Whether it will ever become possible to put down gambling speculations by legislation, is a question to which various answers will be given. On the one hand will be urged the trite saying as to the impossibility of making men moral by Act of Parliament, and the inequitable effect of a law which punishes only the unsuccessful. On the other hand, it may be fairly alleged that, though no legislation can bring men to a state of absolute moral perfection, there can be no doubt that stringent enactments, which bring sharp and speedy punishments upon those who offend against their provisions, are very effectual in deterring men from vicious courses. At the same time, a law may be so sweeping and severe as to defeat the object at which it aims. It can scarcely be doubted, to use a familiar illustration, that an attempt to shut up all public houses in the country would be wholly abortive to produce a rigid *régime* of total abstinence from intoxicating drinks. During the brief period which would elapse before it was swept away in an outburst of popular indignation, it would be constantly evaded, and the masses of the world would remain in their present degraded condition. But, though so extreme a measure is admitted by all but fanatics to be impracticable, there is no one who would deny the utility of some legislation on the subject. To regulate the traffic, to

place houses under proper control, to punish excess severely, if scarcely satisfactory to Good Templars, has yet a very beneficial effect in counteracting the evils of drunkenness.

At the present time, the great evil with which the nation has to grapple is the spirit of gambling. Upon this scarcely any restraint is put. The vices of the turf are bad and demoralising enough, but they are outdone by the vices of the Stock Exchange. Among the causes of failure which bankrupts put upon record occurs over and over again, the tale of heavy losses incurred by gambling speculations on the Stock Exchange. The merchant, apparently in the full tide of prosperity, whose ships invariably come home laden with heavy freight, whose credit stands upon a rock, and whose business seems almost daily to increase, suddenly suspends payment, and his creditors, who would have trusted him to any amount, find that a nominal dividend is all that they can expect. The fortune made by slow years of steady industry has been dissipated by a run of ill-luck on the Stock Exchange, and the creditors are robbed to feed the hungry tribe of schemers to whose unblushing dishonesty so many impoverished families owe their ruin. No class, apparently, is safe from the fascination of the Exchange. To the brokers the mania means a rapid fortune. What their profits are appears from the case we recorded last week, tried at Liverpool. A clerk in the employment of a firm of timber merchants engages in speculation. Considering the magnitude of his transactions, he lost a comparatively small amount, not exceeding £3,000. But in order to lose this sum he had to pay £30,000 to his brokers. That the brokers are culpable in the matter does not appear. They incur a heavy responsibility; they have to exercise all the arts of their profession; and the commissions they charged were probably not in excess of the lawful sums. But that brokers as a rule should discourage speculation is scarcely to be expected. A few old firms, strong in the confidence of a numerous and wealthy connection, may refuse to aid speculation, and confine themselves to doing the business of *bonâ fide* investors. But the great majority must swim with the stream; and to resist the temptation of making so large a profit as the brokers employed by the defaulting clerk must have done, is one which it scarcely lies in human nature to achieve.

The answer that is made, when eager reformers endeavour earnestly to grapple with such an evil as this, is that any legislation would do more harm in checking lawful enterprise than it would do good in staying heedless speculation. It is no more unlawful, it is said, from a moral point of view, to speculate for the rise or fall of stocks and shares, than to speculate as to the rise or fall of the price of commodities. If a wholesale merchant thinks that his wares are going up in price, he buys as largely as he can, regardless of the loss he may cause to those from whom he makes his purchases. Why, then, it is asked, should we forbid a man from buying shares which he thinks will rise in value, or getting rid of those which he has reason to believe will go down? The answer is simple, though often denounced as unsatisfactory. There is no objection to a man buying or selling to the best advantage in the way of business. If his experience or private knowledge lead him to believe that it will be to his advantage to invest all his capital in a particular stock, by all means let him do so. If it rises in value, and he thinks it expedient to sell out, that again is a proper and perfectly justifiable course. But if he buys or sells without having stock or money in case of his calculations proving incorrect, he is no longer an investor but a gambler. If he professedly gets his living by watching the fluctuations of the market, and buying or selling at opportune times, let him do so. He will deal, in the ordinary course of business, with men who have proper means of estimating his position, and know how to trust him. But let him confine himself to this walk of life, and pursue it openly and soundly. There are many individuals who pursue the despised trade of bookmaking. As a rule they are perfectly solvent, and in their way strictly honourable and straightforward men. In the great collapses and scandals of the turf they are not the persons whose names are covered with disgrace and reproach. It is those who take up betting, not as a trade, but as a pure speculation, on whom rests the burden of loss and dishonour. So we would lay down this rule as regards all losses through gambling. Let those who will follow speculation as a profession, but let business men stick to their business; and let all failures attributable to speculation, of whatever kind outside the strict limits of business, be treated with some mark of severity.

We have before expressed our opinion that some of the penal provisions of the Act of 1861 might advantageously be re-enacted. The offences for which a bankrupt is liable to criminal proceedings are now reduced to those which may prejudice the operation of

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the Act. Fraudulent concealment of assets, fraudulent removal of goods, and other like items, are alone punishable. If the creditors receive a sufficient dividend, or if they are kindly disposed or so apathetic as to be swayed by a vigorous and organised minority of the friends of the debtor, freedom from unpleasant consequences follows as a matter of course. The discharge is granted if the creditors are not anxious to oppose it, and the Court has no power to interfere unless the bankrupt has made default in giving up his property, or has been involved in a prosecution for an offence under the Debtors' Act. The remedy we would propose would be to enact plainly and clearly, that when the losses were occasioned by gambling speculations outside the proper line of business, the Court should have absolute power to suspend the order of discharge.

We would not, for the present at least, go so far as to make reckless trading punishable. The creditors, who, at any rate, have to bear the pecuniary consequences of failure, may be left to decide upon this point; and they can already prevent the discharge of the bankrupt till he has made his statutory dividend. But to those whose losses have been occasioned outside their business, we would show scant mercy. A man may be deceived in his calculations as to what he professes to understand, and in the present age of adventurous competition, it may not be easy to draw the exact line between bold and hazardous trading. But there is no possible excuse for the man who loses his money in illegitimate speculations. It may seem contrary to the principles of rigid justice to punish want of success as a crime, and to let the successful speculator go on his way rejoicing. But rigid justice is not always practicable. We would disregard all cant about punishment, but we would simply declare that, while every body is free to make money in any way he likes, those who choose to gamble must do it at the risk, if they fail, of finding themselves utterly at the mercy of every creditor. At present the chances are in their favour. If they calculate aright they reap a rich harvest, if they fail the chief part of their loss falls upon others. So in the future, let the cobbler stick to his last, and the trader to legitimate trade. If they choose to wander from the regular path forewarned of the results of ill-success, they will only have themselves to blame if those consequences are unpleasant.

There are one or two cases in our last week's issue which are worth noting as to practical points. First of all we have the case Ex parte Andrew, which as far as it goes, seems scarcely worth arguing. The practice of allowing two creditors to unite for the purpose of making their joint claims sufficient to invoke the jurisdiction of the Court of Bankruptcy, is so plainly laid down in the Act, that it is an obvious corollary that the debtor shall not be allowed to endeavour to evade it by tendering the amount of one creditor's debt alone. What payment of one claim would effect is different. We agree with Lord Justice James in thinking that the plan is productive of inconvenience, and a good many judicial decisions will be required before the full meaning of the rule is finally settled. Another case raised the question as to the power of a landlord to distrain after bankruptcy for rent payable in advance. The 34th section allows a landlord to distrain after bankruptcy for any rent due not exceeding one year's amount. According to the view taken by the Chief Judge, the landlord is entitled to distrain for rent which fell due after the appointment of a trustee. The section, however, which uses the words "rent due from the bankrupt," is by no means clear. It gives the landlord power to distrain not only after but *before* the bankruptcy; a right which he possesses independently of all the statutes of bankruptcy that have ever been passed. But surely what is intended is, that the landlord does not lose his right of distress for what is due by bankruptcy, but is treated as a secured creditor for the amount of one year's rent. This is not quite the same as saying that he may distrain for rent which accrues after the bankruptcy. The sections as to the rights of landlords are, however, sadly in need of authoritative judicial explanation throughout.

APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*

Mr. J. J. Saffery (J. J. Saffery and Company), 14 Old Jewry-chambers, London, has been appointed trustee of the estate of George Wilson Hay, of Leicester, seedsman and florist, in liquidation.

The protracted proceedings against the directors of the City and County Bank at the Mansion-house have resulted in Sir Robert Carden discharging Mr. Redmond and committing the other defendants for trial, bail being accepted.

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Correspondence.

REMOVAL OF THE BANKRUPTCY COURT.

To the Editor of the Accountant.

SIR,—With reference to the appointment of an officer to administer oaths in bankruptcy in the City of London, the principal point urged against the appointment is, the expense of providing such an officer. I would suggest, as a solution of the difficulty, that the chief clerk of any of the police, or other courts, should be allowed to administer oaths in bankruptcy, free of charge to creditors; but should receive, as compensation for extra trouble, some advance of salary. This would give numerous facilities to creditors for swearing their proofs, without materially increasing the expenses of the Bankruptcy Court. If, however, it is absolutely necessary that the expenses of such an officer should be entirely done away with, a small fee (say of sixpence) might be charged for every affidavit. It has been urged that in large firms a clerk is generally deputed to make all affidavits in proof of debt. It is, however, seldom that he can make more than one or two at a time; and a journey to the West End, therefore, entails a further loss of time and money to his principals, which, in the case of small debts, is a very serious matter, it being necessary in liquidation and bankruptcy that debts, however small, should be proved, and in many instances the cost of making the proof would exceed the amount of the dividend to be received. For the convenience of all concerned, I trust that *somebody* will be authorised to take affidavits in the City free of charge.

I am, Sir,
Your obedient servant,
A. S. A. E.

1 Gresham-buildings, London, Dec. 13.

To the Editor of the Accountant.

SIR,—As a proof that we are advancing in Bankruptcy legislation, and that the present mode of realising estates is preferable to that adopted under the previous Acts of Parliament, I would inform you that I have this day received a dividend for a firm in which I am interested, where the bankruptcy petition was filled in April, 1857.

Yours truly,
TRUSTEE IN BANKRUPTCY.

Newcastle-on-Tyne, Dec. 9th,

THE CASE OF MESSRS. COLLIE.

Mr. William Collie, whose case has been so frequently before the public, surrendered to his bail on the 13th inst., before Sir Thomas White, at the Guildhall, to answer the charge of being concerned with his brother, Mr. Alexander Collie, who had absconded, in obtaining £300,000 from the London and Westminster Bank by false pretences. Mr. Alexander Collie, it will be recollected, absconded from his bail, and the prosecution have not been able to proceed without him.

Mr. Poland, instructed by Messrs. Travers, Smith, and Co., prosecuted for the London and Westminster Bank, and Mr. Pollard, instructed by Messrs. Hollams, Son, and Coward, appeared for the defendant.

Mr. Poland said that when this case was last before the court statements were made by his leader, Sir Henry James, on the part of the prosecution, and by Mr. Serjeant Ballantine for the defence, and it was then thought desirable that the case should stand adjourned until that day, but it was now considered that it would be a somewhat inconvenient course to fix a day for a further adjournment, and he therefore proposed that recognisances should be entered into for the defendant to appear on receiving reasonable notice to do so. Of course that would not be for an indefinite period, but he proposed that the notice should be given within a period of six months from this date. He understood that there was no objection offered to this course on the part of the defendant, and the bail were willing.

Mr. Pollard said that his client did not seek to avoid the investigation, but, on the contrary, desired it, so that he might be exculpated from a charge of which he was totally innocent. It was, however, necessary that the investigation should take place at as early a date as possible, and there appeared to be no objection to the course suggested that the defendant should enter into recognisances to come up if notice be given within six months, or before then if reasonable notice were given. The only thing he had to ask was that the reasonableness of that notice should be decided by Sir Thomas White.

Mr. Martin, the chief clerk, then read the special conditions of the recognisances.

Mr. Poland said the more convenient course would be that the recognisances should be limited to six months, and if they do not receive notice within that period, they will no longer continue in force.

Mr. Pollard suggested that the notice should also be served on the solicitors for the defence. He offered no opposition on the part of the defendant, and the bail were prepared to renew.

The recognisance, as amended, was then read as follows:—"That Mr. William Collie appears at the Guildhall Justice-room to answer the charge preferred against him on any day at any hour when required, within six months of this day, by giving seven days' notice in writting, to be served by the solicitor to the prosecution on the defendant, William Collie, personally, or by leaving such notice at his last known place of abode, or by sending it to Messrs. Hollams, Son, and Coward, the solicitor to the defendant."

Sir Thomas White said then what he was to understand was that the case was to be adjourned on those conditions, on the same bail as before.

Mr. Pollard said that was so.

Sir Thomas White asked if the bail were present?

Mr. Pollard said they were.

Mr. Andrew Yule and Mr. Theodore George Andreæ then entered into the required securities of £2,000 each, and the defendant into his own recognisances in £4,000, and they then left the court.

FAILURES.

ENGLAND.—Messrs. A. A. Morlet and Co., merchants, of Billiter-square, have stopped payment "in consequence of the failure of remittances from abroad." Their liabilities amount to £110,000, but the value of the assets has not yet been ascertained. The books of the firm have been placed in the hands of Messrs. Chatteris, Nicholls, and Chatteris, the accountants, and the solicitors in the matter are Messrs. Hardwick and Holmes.

AUSTRIA.—The failure is reported of Messrs. Spitzer and Loewy, merchants, of Vienna, with considerable liabilities, including £25,000 due to Bradford houses.

The receipts on account of revenue from the 1st April, 1875, when there was a balance of £6,265,322, to the 11th inst. were £49,437,312, against £48,661,442 in the corresponding period of the preceding financial year, which began with a balance of £7,442,854. The net expenditure was £51,173,644, against £50,571,463 to the same date in the previous year. The Treasury balances on the 11th inst. amounted to £3,620,405, and at the same date in 1874 to £4,202,672.

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SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, Lincoln's-Inn.

December 15.

(*Before Lords Justices* James, Mellish, *and* Baggallay, *and Mr. Justice* Brett.)

Ex parte Powell—In re Matthews.—This was an appeal from a decision of the Chief Judge in Bankruptcy. Charles Matthews was an hotel-keeper at the North-Eastern Railway Station Hotel, Harrogate. He took the hotel in November, 1874, and furniture for it to the value of over £900 was supplied to him by Messrs. J. and D. Milling, who are furniture dealers at Leeds. This furniture was supplied upon what is called a "hiring agreement," which was not actually executed until the 30th of April, 1875. The agreement provided that Messrs. Milling thereby let to Matthews, and Matthews thereby hired of Messrs. Milling, the articles of furniture mentioned in the schedule to the agreement, which were admitted by Matthews to be of the value of £913 14s. The hiring was to be on the condition that Matthews should pay the £913 14s. to Messrs. Milling in certain specified instalments spread over several years. In the event of non-payment of any of the instalments when due, the payments previously made by Matthews were to be forfeited to Messrs. Milling. Upon payment of the whole £913 14s. the furniture was to become the property of Matthews, but until the whole of that sum was paid it was to remain the sole property of Messrs. Milling, and was only to be let on hire to Matthews. The agreement was registered as a bill of sale. On the 9th of June, 1875, Matthews was adjudicated a bankrupt. The whole of the price of the furniture had not been then paid. The trustee under the bankruptcy claimed the furniture, under Section 15 of the Bankruptcy Act, 1869, as having been at the commencement of the bankruptcy in the order or disposition of the bankrupt as reputed owner, with the consent of the true owner. Against this claim reliance was placed on the existence of an alleged notorious custom that furniture should be hired out in this way, so that the possession of furniture would not lead to the reputation of ownership; and to show the existence of this custom the evidence of several furniture dealers were adduced. They were not cross-examined, nor was any evidence brought forward to contradict them. The Judge of the County Court at York decided in favour of the claim of the trustee, but on appeal to the Chief Judge this decision was reversed; the Chief Judge thought that the custom of hiring furniture in this way had been so often proved in previous cases in the Court of Bankruptcy that the Court was bound to take judicial notice of it. From this decision the trustee appealed. Mr. Winslow, Q.C., and Mr. Yate Lee were for the appellant; Mr. Little, Q.C., and Mr. Bagley were for Messrs. Milling. The arguments were heard last month, and this morning the judgment of the court was delivered, affirming that of the Chief Judge. Lord Justice Mellish, in delivering the judgment of the Court, said that the furniture clearly passed to the trustee unless the existence of such a custom of letting furniture in this way was proved as would prevent Matthews being the reputed owner. The Chief Judge decided the case, not upon the evidence, but on the ground that the existence and validity of the custom had been so frequently proved in the Bankruptcy Court that the Court ought now to take judicial notice of it. The Courts of Common Law no doubt did take judicial notice of mercantile customs which had been often proved, and treated them as a part of the law merchant. Their Lordships saw no reason why a similar rule should not prevail in the Court of Bankruptcy. But then came the question, how was the Court of Appeal to ascertain that a custom had been proved to this extent? That Court ought, no doubt, to give great weight to the testimony of the Chief Judge, but it could not act on his opinion alone. The members of the Court of Appeal who heard this case were not aware of any other decided cases which tended to show the existence of the alleged custom than those which were reported in the books, and the experienced counsel engaged in the case were unable to mention any others. The reported cases did not appear to their Lordships sufficient to establish that the alleged custom had been frequently proved; and, on the whole, they were of opinion that it had not been proved in such a number of cases as would entitle the court to take judicial notice of it. The next question was whether the evidence in the present case was sufficient to establish the custom. The question of the amount of evidence to establish such a custom had been before the Court of Appeal recently in the cases of "*Ex parte* Watkins" ("Law Reports," 8 Chan.) and "*Ex parte* Marston" (heard in March last and reported in *The Accountant*). The result of those cases was that the custom must be proved to have existed so long, and to have been so extensively acted upon, that the ordinary creditors of the bankrupt in his trade must be reasonably presumed to have known it. The defect of the evidence in the present case was that, though it might prove that the practice of supplying customers with furniture under contracts of this description was one well known to and used by furniture dealers, it afforded but a slight inference that it was so well known that the ordinary creditors of an hotel-keeper—the wine merchant, the spirit merchant, the ordinary tradesman of his town—were likely to know it. In the hearing of the appeal their Lordships offered to direct an issue to try the question of the custom. The trustee, however, declined this on the ground that there were but small assets of the bankrupt, except this furniture. The trustee could not be blamed for taking this course; but, as the issue had been, in fact, declined, their Lordships thought that they ought not to reverse the judgment of the Chief Judge, the evidence in support of the custom being, though slight, yet entirely uncontradicted. The appeal was therefore dismissed, but without costs.

Ex Parte Rashleigh.—In re Dalzell.—This was an appeal from a decision of the Chief Judge in Bankruptcy, and it raised a curious question as to the construction of those clauses of the Bankruptcy Acts of 1861 and 1869 which make non-traders liable to the Bankrupt Laws. The Act of 1861, by which non-traders were first made liable to those laws, provided, by Section 90, that, in the case of a non-trader, the debt of the petitioning creditor must be a debt "contracted after the passing of this Act." But Section 32 provided that the Act should commence and take effect from and after the passing thereof, as to the appointment af certain officers, and "as to all matters and things from and after the 11th of October, 1861." The Act was passed —*i e.* received the Royal Assent—on the 6th of August, 1861. The Bankruptcy Act of 1861 being now repealed, the Act of 1869 (Section 118) provides that a non-trader shall not be adjudged a bankrupt in respect of a debt "contracted before the date of the passing of the Bankruptcy Act, 1861." The Chief Judge held that a debt contracted on the 10th of September, 1861—*i.e.* between the passing of the Act of 1861 and its coming into operation—must, for the purpose of rendering a non-trader liable to be made a bankrupt in respect of it, be taken to have been contracted before the passing of the Act. Their Lordships held that this decision was wrong, and that the words "the passing of the Act" must be taken in their strict literal sense. Mr. De Gex, Q.C., and Mr. Finlay Knight were for the appellant; Mr. Karslake, Q.C., and Mr. Herbert Smith were for the respondent.

Winding-up.—Petitions to wind-up the British Imperial Insurance Corporation, Limited, the Bulkamore Magnetic Iron Ore Company, Limited, and the Exchange Trading Company, Limited, have been presented to the High Court of Justice.—A petition to wind up the New Dolcoath Tin and Copper Mining Company, Limited, has been presented to the Vice-Warden of the Stannaries.

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HIGH COURT OF JUSTICE.

CHANCERY DIVISION.

December 11.

(*Before the* Master *of the* Rolls.)

The Erimus Iron Company, Limited.—The Charlton Iron Works Company, Limited.—The usual winding-up order was made in each of these cases. Mr. Chitty, Q.C., Mr. G. Williamson, Mr. F. C. J. Millar, Mr. Brodrick, and Mr. Romer were the counsel engaged.

(*Before Vice-Chancellor Sir* Richard Malins.)

The Imperial Land Company of Marseilles, Limited, v. Masterman and others.—The main object of the suit as it now stands is to recover from Messrs. Frühling and Goschen two sums of £38,000 odd and £30,000 alleged to have been improperly paid to and received by them out of the assets of the plaintiff company. The liability of the Messrs. Frühling and Goschen arose out of the circumstances which preceded the formation of the plaintiff company. These circumstances were extremely complicated, and involved the consideration of a great deal of correspondence between the various parties interested; but the results of the whole, so far as the Messrs. Frühling and Goschen were concerned, appeared to be these: —In 1865 a French company called the Compagnie Immobilière of Paris, were the owners of large estates for building purposes at Marseilles. On the 14th of February in that year they entered into a contract with a M. Barnéond for the sale to him of certain plots of their land for the sum of £1,532,174. The purchase-money was to be payable by 30 annual instalments of £116,000 each, including the purchase-money and interest, and not commencing till the end of two years from the date of the purchase. The purchaser bound himself to build on the lands within six years, and to pay a deposit of £200,000 as caution money. Some slight alterations were afterwards made in that original contract by another; but on the 1st of May, 1865, they were ratified by the Compagnie Immobilière. M. Barnéond then applied to Mr. Masterman, a financial agent in London, to assist him in procuring the caution money. Mr. Masterman consulted some stockbrokers in the City; and eventually Professor Donaldson was sent out to Marseilles to report upon the property. He did so favourably, advising the purchase of the land at the rate of £8 per metre. Mr. Masterman then entered into two provisional contracts with M. Barnéond for the purchase of his rights under the other, two agreements. One half of the £200,000 was to be deposited before the 31st of May, 1865. Mr. Masterman, accordingly, applied to Messrs. Frühling and Goschen to advance that amount, and to take part in the formation of a company to carry out the purchase. Those gentlemen then agreed to advance the £100,000, and that a company should be formed with a capital of £600,000, divided into 30,000 shares of £20 each, of which they would take one-half provided the other half of the capital was subscribed for by responsible parties. On the 19th of May, 1865, the memorandum and articles of a company called "The City of Marseilles Improvement Company (Limited)" were prepared, with the view of acquiring the property agreed to be purchased by M. Barnéond at Marseilles. That company was to have been divided into 30,000 shares of £20 each, and to have had a capital of £600,000. Its directors were authorised to purchase the property for £293,000. On the 25th of May, 1865, Mr. Masterman agreed with M. Barnéond for the purchase of his interest in the property for £114,000. On the same day Messrs. Frühling and Goschen agreed with Mr. Masterman to provide the first instalment of the caution money before the 31st of May, 1865, and to subscribe for 15,000 shares in the proposed company. Mr. Masterman then agreed to sell the benefit of the convention with the Compagnie Immobilière to the intended company (subject to the repayment of the caution money and £114,000 to M. Barnéond) for £179,000. That sum was to be paid to and applied by Messrs. Frühling and Goschen as follows—viz. £78,000 to the subscribers for 26,000 shares in the company; £52,000 to be retained by Messrs. Frühling and Goschen as remuneration for their services; £39,000 to Mr. Masterman; and £10,000 to the promotion of the company. The two sums of £114,000 and £179,000 made up the £293,000. Messrs. Frühling and Goschen then, on the 31st of May, 1865, paid the £100,000 to the Compagnie Immobilière. In the mean time it was ascertained that the property might not be so valuable as was supposed. In June, 1865, the memorandum and articles of the intended company were revised, and it was called the City of Marseilles Land Company (Limited). This alteration was also made in the articles, enabling the company to purchase the property at an average price of 200f. per metre, instead of the former provision for buying the estate at the sum of £293,000. In July, 1865, Mr. Quentell (a partner of Messrs. Frühling and Goschen), who had been to Marseilles, and there had an offer made to him by a M. Tellene to purchase the whole concern for a sum that would have yielded a profit of £800,000 on the original to M. Barnéond, obtained a modification of the contract of the 1st of May, 1865, with the Compagnie Immobilière, but subject to the approval of M. Barnéond and Mr. Masterman. Mr. Masterman declined to approve the modification. In July, 1865, M. Tellene came to London, and renewed his offer to purchase the undertaking; but Messrs. Fruhling and Goschen again declined it. In September, 1865, Mr. Masterman went to Paris, and himself obtained a modification of the contract of the 1st of May. About the end of September, 1865, the completion of the proposed company was again thought of, and Mr. Albert Grant, the head of the Credit Foncier of England, was spoken to on the subject. Messrs. Fruhling and Goschen did not accede to the then proposed arrangement, and ultimately an agreement was come to by which they were to be repaid the £100,000 advanced by them as caution money, and two sums of £30,000 each for the release of their interest in the adventure. They stipulated, however, that that payment should be guaranteed by the Credit Foncier of England, and Mr. Albert Grant agreed to that, on condition that Messrs. Fruhling and Goschen would take and hold for three months 2,000 shares of £20 each in the proposed company. Those terms were embodied in two agreements dated 17th of October and the 19th of October, 1865. Messrs. Fruhling and Goschen considered that from that time they had not (with the exception of the 2,000 shares they were to take in the proposed company) any further interest in the concern. On the 18th of October, 1865, the memorandum and articles of association of a company called the City of Marseilles Freehold Land Company, Limited, were registered, with a capital of £600,000, in 30,000 shares of £20 each. The subscribers to those articles were seven gentlemen, all directors of the Credit Foncier Company. Messrs. Fruhling and Goschen subscribed for 2,000 shares in it, and paid into the Agra and Masterman Bank, £8,000 on account of those shares. The Credit Foncier Company also took 20,000 shares in the company, for which they paid £80,000; and Mr. Masterman took 6,000 shares, for which he paid £24,000. On the 19th of October, 1865, Mr. Masterman paid Messrs. Fruhling and Goschen the sum of £100,000 by a check of the City of Marseilles Freehold Land Company, Limited, drawn in favour of "John Masterman or order." In January, 1866, it was considered desirable that that company should be wound-up, and to that Messrs. Fruhling and Goschen assented; on being paid the two sums of £30,000 and £30,000, receiving also the sum of £8,000 in respect of their 2,000 shares, and being entirely released from any further interest in the undertaking. Those sums were then paid to Messrs. Fruhling and Goschen by the Credit Foncier Company. On the 19th of January, 1866, the plaintiff company was duly registered. Its capital was £1,600,000,

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divided into 80,000 shares of £20 each, for the purpose of purchasing and leasing land at Marseilles. The above, though only a short outline of so much of the case as relates to the Messrs. Fruhling and Goschen, is (in the present stage of the cause) sufficient to explain the nature of the claim made against them by the plaintiff company. That Corporation, in effect, insisted that all the four companies were practically one and the same; that the Messrs. Fruhling and Goschen, having agreed to join in purchasing the property, and being bound to the Compagnie Immobilière to form a company for the purpose of carrying out the proposed purchase, and thinking the property worthless, combined with the Credit Foncier Company and others to bring out a company; that the plaintiff company was then brought out, and that the Messrs. Fruhling and Goschen were paid by the Credit Foncier Company with moneys which were, and which Messrs. Fruhling and Goschen knew, or ought to have known, were in reality the moneys of the plaintiff company. All those allegations the Messrs. Fruhling and Goschen distinctly deny, and insist on the perfect *bona fides* of their conduct throughout. The opening of the case for the plaintiff company was not concluded when the Court rose. Mr. Glasse, Q.C., Mr. J. Napier Higgins, Q.C., and Mr. Wingfield were for the plaintiff company; Mr. Cotton, Q.C., Sir Henry James, Q.C., Mr. Kekewich, and Mr. Hornell were for Messrs. Fruhling and Goschen.

December 13.

The Vice-Chancellor, when they were about to resume their arguments, on the 13th, said that he had thought a great deal about the case since its commencement, and could not help feeling that, having regard to the high character and position of the gentlemen interested in the suit, it was extremely desirable that some arrangement of it should, if possible, be arrived at. Mr. Glasse, Q.C., expressed his concurrence in that opinion. Mr. Cotton, Q.C., on behalf of Messrs. Fruhling and Goschen, said the question was not, so far as they were concerned, one of money. The bill in the suit contained very grave charges of fraud, and he could not recommend any stoppage of the case without the most public and unconditional withdrawal by the plaintiff company of all imputation against his clients. Mr. Glasse, Q.C., said he had carefully abstained from making any personal observations. Mr. Cotton, Q.C., found no fault whatever with the mode in which the case had been opened by the counsel for the plaintiff company; but Messrs. Fruhling and Goschen naturally desired to clear themselves from the charges made against them in the bill. Mr. Glasse, Q.C., for the plaintiff company, said that, with the object of promoting an arrangement, he would have no objection, and then offered to make the fullest retraction possible on his part. The Vice-Chancellor said if some arrangement of this suit could be effected, it would materially facilitate the winding-up of this company. If there was any reasonable prospect of a settlement being come to he would adjourn the Court for its consideration by the parties; and he did so accordingly. Mr. Cotton, Q.C., when the adjournment of the court was over, said:—Of course, his position had been, in the absence of Mr. Goschen, a difficult one. But for the fact that the suggestion of an arrangement was made by the Court, he should have urged the further hearing of the case. But the suggestion by the Court that an arrangement of the case was deemed advisable placed him in a different position. The claim made by the plaintiff company against his clients was a large one, being for principal and interest together as much as £100,000. Still, the question was not, as he had already said, one of mere money with them. Since the adjournment of the Court he had seen his clients, and he was now able to accede to the suggestion made by the Court, and to accept—but before he acceded to the suggestion—the offer of a full retraction of all imputations made by the plaintiff company, through their counsel. It was right, however, that he should (without, of course, going into his client's case) say this,—that had the hearing of the case being continued he should have proved that Messrs. Fruhling and Goschen - when they first entered into the affair, and in October, 1865, when they withdrew from it—had the best reasons for believing that the property in question was an extremely valuable one. He should further have established to the satisfaction of the Court, that from October, 1865, the Messrs. Fruhling and Goschen had no control over, and took no part whatever in the management of the concern. The plaintiff company was not formed till January, 1866, and his clients had nothing to do with it. In fact, Mr. Goschen had retired from mercantile business before that time. The offer which he now made on his client's behalf was to pay a sum of £20,000 towards the expenses of the plaintiff company. He had written out the terms of the proposed arrangement, which was assented to by the plaintiff company. They were to this effect:—The Vice-Chancellor having suggested that a course should be taken for terminating the case which would in no way affect the high character and position of the house of Messrs. Fruhling and Goschen, and the counsel for the plaintiff company having stated that, on the part of his clients, and, personally, he in the fullest manner retracted and withdrew any suggestion that any imputation could in any way attach to the defendants in relation to any matter connected with the suit. The defendants, although they have hitherto refused to make any concession by way of arrangement to the plaintiff company, and have insisted on the suit being heard in open court, yet, upon the bill being dismissed, are willing to yield to the Vice-Chancellor's suggestion, and will voluntarily, and in consideration of the position of the shareholders in the plaintiff company, contribute £20,000 to the funds of the company now in liquidation. The Vice-Chancellor expressed his satisfaction, both with the amount named in the arrangement, and the arrangement of the cause itself, as being most honourable to all parties concerned in it. Mr. Glasse, Q.C., said that these proceedings had procured for the plaintiff company, independently of the £20,000, no less a sum than upwards of £600,000. He wished also to add that Mr. Masterman had given his clients the fullest assistance possible in the investigation of their affairs. Sir Henry James, Q.C., Mr. Kekewick, and Mr. Hornell were (with Mr. Cotton, Q.C.) for Messrs. Fruhling and Goschen. The Vice-Chancellor made an order to the effect that, all imputations being withdrawn by the plaintiff company by consent, the bill in the suit to be dismissed, without costs.

(Before Vice-Chancellor Sir C. HALL.*)*

HOLT v. EVERALL.—This case raised a singular and important question upon the 10th Section of the Married Women's Property Act, 1870, which enables a married man to effect an insurance upon his life for the benefit of his wife and family. Mr. John Edward Everall, of Wem, Shropshire, a married man, and a tanner by trade, insured his life in the City of Glasgow Life Assurance Company in two policies of £500 each, dated respectively the 5th of April, 1870, and expressed to take effect as from the 26th of March, 1870. The Married Women's Property Act, 1870, came into operation on the 9th of August following, and on the same day Mr. Everall, who was the company's agent at Wem, wrote to the secretary of the company desiring to know whether "old policies could be renewed so as to act for the sole use of wife and children." To this the secretary replied that "he did not think that the company's policies could be altered, but if any such question should arise with one of their policyholders, he would consult their solicitor about it." On the 23rd of March, 1871, Mr. Everall delivered his two policies to the company for the purpose of having two new policies substituted for them, and the secretary thereupon gave him a receipt stating that they had been "deposited with the company to be cancelled, in order that two new settled policies might be issued in lieu thereof." Accordingly, in substitution for the old policies two new policies for £500 each, dated respectively the 3rd of April, 1871, were handed to Mr. Everall, providing for payment of

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the policy moneys to his wife, if living at his death, for her sole and separate use. The day fixed for the premiums was the same as in the old policies. Each of the new policies also bore an endorsement that, "notwithstanding its date, the within policy shall participate in the profits of the company from the 26th of March, 1870, and shall be entitled to the same privileges as a policy opened with the company at that date." The premiums which became due on the substituted policies on the 26th of March, 1871 and 1872, were duly paid; but in January, 1873, Mr. Everall filed a petition for liquidation under the Bankruptcy Act, 1869, and his creditors appointed the plaintiff Holt trustee of his estate. In June, 1873, Mr. Everall died, leaving his wife surviving him; and the question now was whether the policy moneys were payable to the trustee or to Mrs. Everall. The question of law in the case turned upon the effect of the 10th section of the Married Women's Property Act, 1870, and the 91st section of the Bankruptcy Act, 1869. By the 10th section of the former Act it is enacted that "a policy of insurance effected by any married man on his own life, and expressed upon the face of it to be for the benefit of his wife, or of his wife and children, or any of them, shall enure and be deemed a trust for the benefit of his wife for her separate use, and of his children, or any of them, according to the interest so expressed, and shall not, so long as any object of the trust remains, be subject to the control of the husband or to his creditors, or form part of his estate." The 91st section of the Bankruptcy Act, 1869, provides that "any settlement of property made by a trader not being a settlement made before or in consideration of marriage. . . or a settlement made on or for the wife or children of the settlor of property which has accrued to the settlor after marriage in right of his wife, shall, if the settlor becomes bankrupt within two years after the date of such settlement, be void as against the trustee of the bankrupt appointed under this Act." This bill was accordingly filed by the trustee in bankruptcy to obtain a declaration that he was entitled as such trustee to the policy moneys in question, on the ground that the two substituted policies were "settlements" within the 91st section of the Bankruptcy Act. Mrs. Everall, by her answer, asserted that the policies ought to be deemed as settlements made by her, she having, as she alleged, arranged with her husband for the payment of the premiums thereon out of certain property which had been settled to her separate use upon her marriage. The other facts in the case will be found stated in his Honour's judgment. Mr. W. Pearson, Q.C., and Mr. Lorence Bird were for the plaintiff; Mr. Waller, Q.C., and Mr. Bunting for Mrs. Everall. The Vice-Chancellor said,—The plaintiff, as trustee in bankruptcy of a Mr. Everall, now deceased, claims to be entitled to the sums assured by two policies dated in April, 1871, on the life of Mr. Everall. The defendant, Mrs. Everall, the widow of Mr. Everall, claims to be entitled to these sums. According to the terms of the policies of 1871 the two sums, in the event, which happened, of Mrs. Everall surviving her husband, belong to her. The plaintiff's case, in addition to other contentions, upon which it is unnecessary for me to state my views, is that the two policies of 1871 were substituted for two similar policies which Mr. Everall had, in April, 1870, effected with the same office at the same premiums, and that although according to the terms of the policies of 1871, the sums assured, in the event which happened, belong to Mrs. Everall, she is not entitled thereto, Mr. Everall having— as, in fact, he did—paid the premiums on the policies of 1870, and the policies of 1871 being, as the plaintiff contends, in substance, a settlement by Mr. Everall of the sums assured by the policies of 1870 through the medium of an assurance professedly effected under the 10th section of the Married Women's Property Act, 1870, and that inasmuch as Mr. Everall was a trader and became bankrupt in January, 1873, which was within two years from the date of the policies of 1871, the provisions for Mrs. Everall in the policies of 1871 are void under the 91st section of the Bankruptcy Act, 1869, which (with exceptions not material in the present case) makes void as against the trustee in bankruptcy all settlements by a trader who becomes bankrupt within two years after the date of the settlement. That the two policies of 1871 were substituted for those of 1870 is clear upon the evidence. Mr. Everall was the local agent of the insurance company, and applications were made to him by insurers in reference to making use of policies existing at the date of the Married Women's Property Act, 1870, coming into operation, and he applied to the secretary of the company to ascertain whether old policies could be renewed so as to act for the sole use of wife and children. The secretary, in answer, wrote, saying that he thought the old policies could not be altered, but that if the question arose he would consult the company's solicitor. Mr. Everall subsequently, and, as far as appears, without any further correspondence with the secretary of the company, delivered to the secretary of the company the policies of 1870, for which the secretary gave a receipt, expressing that they were deposited to be cancelled in order that two new settled policies might be issued in lieu thereof. Two new policies were accordingly issued. They do not refer to the old policies; they purport to be based on declarations made a few days before, but as to whether any such declarations were, in fact, made there was not any evidence. The annual premiums payable under the policies of 1871 were the same as those payable under the policies of 1870; the assurance year was computed from the same date in both sets of policies, and by express endorsements on the policies of 1871 privileges were attached to them corresponding to those which attached to the policies of 1870. There were two or more classes of policies, and the policies of 1871 were of the same class as those of 1870. That the two policies of 1871 were substituted for the two policies of 1870 is, I think, clear. And I think that for the purposes of the 91st section of the Bankruptcy Act, 1869, the policies of 1871 should be treated and considered as being policies of 1870, so as to be operated upon by that section, unless the contentions on the part of Mrs. Everall, which I now proceed to consider, can be sustained. These contentions are, first, that the policies of 1871 should be considered as being policies effected under the 10th section of the Married Women's Property Act, 1870, and effectual as settlements under that section. It appears to me that that section does not operate to render valid, as against the 91st section of the Bankruptcy Act, 1869, a policy effected under circumstances such as exist in the present case. Inasmuch as Mr. Everall could not have settled the old policies he could not, by resorting to a new mode of making a settlement, although created by Act of Parliament, and although that Act of Parliament contained provision for a bankrupt's estate being recouped moneys paid for premiums by the bankrupt, get rid of the enactment contained in the 91st section of the Bankruptcy Act. The Married Women's Property Act is not, I consider, operative as to cases falling within the 91st section of the Bankruptcy Act, 1869. That section and Act apply to specified cases, which, as I consider, are left untouched by the general law created by the 10th section of the Married Women's Property Act. The two Acts can well be read together, the specific cases provided for by the one not being repealed by the other. Secondly, Mrs. Everall alleges that the obtaining the new policies of 1871 was suggested by her, and under an arrangement come to between her and her husband that she should pay the premiums out of her separate estate; that she accordingly so paid the premiums; and she contends that under such circumstances she is entitled to the proceeds of the policies, she being under such circumstances herself the settlor of the policies, Mr. Everall having, in Mrs. Everall's engagement to pay, or her actual payment of the premiums in respect of the new policies, more than an equivalent for his having paid one premium (the one on the policy of 1870), and in the moneys assured being by the policies of 1871 made payable to him if he survived his wife. Mrs. Everall claims the sums assured irrespective of the Married Women's Property Act, or at all events under that Act. In her answer she says it was agreed between

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herself and her husband that the premiums should be paid out of her separate income. It appears to me that there is no foundation for the contention and claim of Mrs. Everall. Such an arrangement as Mrs. Everall alleges in her answer to have been made was not capable of being made. She had not any separate estate as to which she could contract. She was by her marriage settlement restrained from anticipating the income to which she was thereunder entitled for her life, and she had no other separate estate. The alleged arrangement, therefore, if come to, was in its inception inoperative. Whether, if it had been acted upon by Mrs. Everall making the payments, it could or should be treated as effectual, it is not, I think, necessary to consider, because it is not, I think, established either that such an arrangement was come to, or that the payments to be made under it out of Mrs. Everall's separate estate were, in fact, so made. His Honour having commented at some length upon the evidence on this point, continued:—Upon the whole, I consider the alleged arrangement and payment out of separate income are not established. In coming to this conclusion, I do not forget that Mrs. Everall has not been cross-examined. It follows that the plaintiff is entitled to the sums in question, except that the premium payable in 1873 having been paid by Mrs. Everall after Mr. Everall's bankruptcy, out of her separate income, she must be repaid that sum, and considering that the policy was preserved by that payment, I shall not order her to pay costs. The defendants, the company, must be paid their costs out of the fund, and the residue thereof, after the payment to Mrs. Everall of the premium of 1873, must be paid to the plaintiff.

December 15.

(*Before the* MASTER *of the* ROLLS.)

VAGG *v.* SHIPPEY.—This bill was filed in August by an accountant's clerk against his employer to recover an alleged debt of £66 9s. 3d. The defendant having demurred on the ground that the subject-matter of the suit, being an ordinary money demand, was not within the jurisdiction of the Court of Equity, the plaintiff, on the 12th of November, amended his bill on payment of 20s. costs, without introducing any equitable matter. The defendant demurred to the amended bill on the same ground as before, and the demurrer now came on for argument. Mr. C. H. Turner appeared in support of the demurrer; Mr. E. Chisholm Batten for the bill. The Master of the Rolls.—There is no ground for this demurrer. It is said that this is a mere action for money had and received, which the Court of Chancery could not have tried, and I agree that it is so. But, though the suit was commenced before the coming into operation of the Judicature Act, the bill was amended afterwards, so that the suit is a pending suit. Now, what does Section 2 of the Act of 1873 say with regard to pending suits? It says that the High Court of Justice shall have the same jurisdiction in relation to all pending causes, matters and proceedings as if the same had been commenced in the High Court and continued therein to the point at which the transfer occurs. This, then, being an action for money had and received, which this Court, as a branch of the High Court, has jurisdiction to try, comes the defendant with his demurrer, and for cause of demurrer showeth that the subject of the suit is not within the jurisdiction of a Court of Equity. He might as well have said of a French Court, as of a Court of Equity, for there are no longer Courts of Equity, it is all the High Court. The demurrer must be disallowed with costs.

WEMYSS v. ROBERTSON.—The defendant, Mr. William Wybrow Robertson, was the promoter of the Royal Aquarium and Summer and Winter Garden Society, Limited, and the plaintiffs were Colonel Francis Wemyss, Mr. Constantine Henderson, an architect, and Messrs. Henry Benson James and Leslie Jeyes, civil engineers. The object of the suit was to obtain specific performance of an alleged parole agreement come to between the plaintiffs and the defendant prior to the formation of the society, to the effect that the plaintiffs and an accountant named Massey should find £1,250 for preliminary expenses, and that if the concern should be floated through their instrumentality, the defendant should provide out of the promotion money £5,000, or its equivalent in paid-up shares, for distribution in equal shares between the plaintiffs and Massey, by way of remuneration for the services in relation to the society. The society was incorporated in due course as a company with limited liability, and, £30,000 in cash and shares having been paid to Robertson in consideration of his transferring to the company the contract which he had negotiated for purchasing the site upon which the society's gardens and buildings were to be laid out and erected, the bill was filed against him by the plaintiffs to enforce the alleged agreement so far as they were concerned, Massey not being a party to the suit, as it was alleged that his claim on the promoter had been satisfied. The defence was that the plaintiffs had not performed their part of the bargain, the money required for preliminary expenses not having been found by them, but through the agency of a syndicate, who advanced to Robertson £2,000 for the purpose on the terms of receiving back their money with a bonus of £200 per cent. Mr. A. G. Marten, Q.C., and Mr. B. B. Rogers, for the plaintiffs, admitting the difficulty of a case resting on the parties' recollection of a verbal agreement, argued that the real bargain was that the plaintiffs and Massey should introduce the scheme to the public, and find other persons to advance the £1,250, and this they contended they had done; but the Master of the Rolls, without calling on Mr. Southgate, Q.C., and Mr. Begg, for the defendant, said that each of the six persons present at the meeting when the alleged agreement was entered into gave a different version of its terms. On such circumstances it was no discredit to these six gentlemen to say that the court was not bound to believe any one of them. Assuming the plaintiffs' version to be the correct one, the question was, what it meant. The plaintiffs said it meant that they should find some one to lend the money; the defendant that they were to provide it gratis. His Lordship was clearly of opinion that the latter was the true meaning of the agreement, for it never could have been intended that these gentlemen should receive £5,000 in cash or shares for finding a syndicate to advance a sum of money on terms of receiving back three for one. But he need not hear further evidence for the purpose of deciding what the real agreement was, for there was an amount of variance about the case which rendered it an improper one for specific performance. The bill would be dismissed with costs, on the simple ground that the plaintiffs had not satisfied the court of their title to specific performance.

(*Before Vice-Chancellor Sir* JAMES BACON.)

IN RE THE STAPLEFORD COLLIERY COMPANY.—This was an *ex-parte* application by Mr. Kay, Q.C., and Mr. Cracknell for the stay of execution against goods of a company which is being wound-up. There has been a conflict of opinion between the Master of the Rolls and three Judges of the Common Pleas Division as to which was the proper division to make such an application in—whether it was to be made before the Judge of the Chancery Division who has seizing of the winding-up, or the Judges of the Division in which the action to be stayed is pending. The Common Law Judges considered the jurisdiction was not affected by the Judicature Act, and refused, on an application to them, to make an order. When the matter came before Sir George Jessel in winding-up proceedings on the question of costs, he considered the Common Law Judges wrong and allowed the costs of the application to them. Vice-Chancellor Malins has since had the question before him, and made an order in a winding-up for the stay of proceedings in a Common Law action. The Vice-Chancellor said that if there had not been some difference of opinion on the subject he should have thought there could be no doubt, and made the order asked for.

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COURT OF BANKRUPTCY.

December 9.

(*Before* Mr. REGISTRAR BROUGHAM, *sitting as Chief Judge.*)

IN RE THOMAS STANDRING.—This was a motion on behalf of Captain C. J. J. Wilkinson for an order for the delivery of Bolivian bonds, of the nominal value of £1,800, now in the custody of the trustee. Mr. Wilson appeared in support of the application; Mr. F. Turner for the trustee. The bankrupt, who formerly carried on business as a stockbroker in Copthall-chambers, absconded in September last. At the time of the adjudication, which occurred on the 1st of October, £4,500 Bolivian bonds were found in the iron safe in the office, and the trustee, upon his appointment, took possession of the property. The question now arose whether the applicant was entitled to £1,800 of the bonds, the numbers of which were proved to be identical with those deposited with the bankrupt for sale on the 18th of September. It appeared that as many as 35 notices had been received from different persons claiming securities supposed to have been in the custody of the bankrupt, but no demand had been made for the particular bonds, of which the applicant now sought the delivery. The trustee did not desire to place any obstacle in the way of the applicant if the court considered his claim to be sufficiently established, and the direction of the Registrar was sought upon the subject. Captain Wilkinson, upon being called, proved the deposit of the bonds with the bankrupt on the 18th of September. He said the bankrupt advised him not to sell, and the bonds were left in his custody awaiting orders for sale. On the following day a slip was left at the office of the solicitor for the witness containing the numbers of the bonds. He had no dealings with the bankrupt before this transaction. His Honour was of opinion that the applicant had established his claim to the bonds, and ordered the trustee to deliver them up. In reply to Mr. Turner, his Honour said he must decline to give any general directions in regard to other cases which might arise. The trustee must form his own opinion upon the evidence before him, and, in case of conflicting claims, must give notice to all persons interested requiring them to establish their title. Application granted.

IN RE JULIUS NELKEN.—This was a sitting for public examination. The bankrupt, who formerly carried on business in Milk-street, as a velvet and silk warehouseman, has absconded. His liabilities are estimated at from £20,000 to £25,000. Upon the application of Mr. Goldberg, for the trustee, his Honour directed the usual memorandum of non-appearance to be entered.

December 10.

(*Before Mr. Registrar* HAZLITT, *sitting as Chief Judge.*)

IN RE ARTHUR ORTON.—This case was again brought before the court in consequence of a report by the controller to the effect that the trustee had failed to comply with the provisions of the Act and the Rules by transmitting a certified copy of "the estate book." The bankrupt was adjudicated in the year 1870, under the description of "Sir Roger Charles Doughty Tichborne, of Harley-lodge, Harley-road, Brompton, of no business or profession." Repeated adjournments of the first meeting occurred in the hope that an arrangement would be effected with the creditors. Eventually this proved to be impracticable, and the proceedings were continued in the usual mode, Mr. Joseph Neale, of 42 St. Peter's-road, Mile-end, being appointed trustee. No accounts have yet been filed by the bankrupt, and the probability of a dividend seems to be exceedingly remote. Mr. Aldridge, the official solicitor, mentioned the case to the court, and pointed out that it was the duty of the trustee to make the necessary return, irrespective of the consideration whether the estate was large or small. Mr. Hogan, who appeared for the trustee, stated that accounts were rendered to the Controller some time ago, and since then nothing had been received or paid. Mr. Aldridge said that until the close of the bankruptcy the trustee was bound to furnish quarterly returns of his receipts and payments. Mr. Registrar Hazlitt made an order on the trustee to file the necessary account within 14 days, and pay the costs of the application. He said that unless proper returns were made, the controller could not tell how cases stood, or whether additional funds had been received.

December 11.

(*Before the Hon.* W. C. SPRING-RICE, *sitting as Chief Judge.*)

IN RE MAVROCORDATO.—The bankrupt, Charles Themistocles Mavrocordato, formerly carried on business at 108 Bishopsgate-street Within as a merchant and dealer in stocks and shares. He was recently convicted of fraud, and sentenced to five years' penal servitude. This was a sitting for public examination. Upon the application of Mr. Finlay Knight, for the trustee, the Court ordered a memorandum of non-appearance to be entered.

December 13.

(*Before Mr. Registrar* KEENE.)

IN RE C. E. OCHSENBEIN.—This was an application to register the resolutions come to by the creditors under the failure of this debtor, who is described as a corn, seed, and oil merchant carrying on business at 23 Crutched Friars. The statement of affairs filed shows total unsecured debts £33,200, against assets £3,300. Mr. Doria now applied to register a series of resolutions liquidating the estate by arrangement, with Mr. W. Cornish Cooper, accountant, as trustee, with a committee of inspection. An objection was raised to the registration by Mr. Morley on the ground that certain partnership transactions had not been disclosed on the statement of affairs. The debtor was examined, and from his evidence it appeared that these partnership transactions were really co-adventures in certain sales, which ended on the sales being effected. His Honour then directed registration.

IN RE UPTON, HUSSEY, AND CO.—This was also an application to register a resolution come to by the creditors under the failure of Messrs. Upton, Hussey, and Co., jewellers, of St. James's-street. The petition was filed in October last, the liabilities being estimated at £28,484 2s., against assets, £15,569 19s. Upon the application of Messrs. Lewis and Lewis, his Honour registered the resolution. The estate will be liquidated by arrangement with a trustee and committee of inspection.

December 15.

(*Before Mr. Registrar* MURRAY, *sitting as Chief Judge.*)

IN RE A. A. MORLETT AND CO.—The debtors, who are merchants, carrying on business at 11 Billiter-square, and Manchester, have filed a liquidation petition. Their liabilities are estimated at £110,000, with assets of uncertain value. Mr. Finlay Knight, for the petitioners, asked that the first meeting should not be fixed earlier than the 15th of March next. The evidence showed that many of the creditors were resident in America, and it would be impossible to communicate with them before that time. The learned counsel also, with the concurrence of creditors for £31,000, applied that Mr. Nichols, of the firm of Charteris and Co., should be appointed receiver and manager. The assets consisted partly of bills of exchange, in respect of which remittances were being received, and it was necessary the property should be protected. His Honour granted the applications.

IN RE FRANCIS AVRILLON.—The debtor is the proprietor of the Westminster Club, Albemarle-street, Piccadilly. He has presented a petition for liquidation with liabilities estimated at £7,000 and assets £1,000. Upon the application of Mr. Brough for the petitioner, his Honour appointed Mr. James

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Waddell, accountant, receiver of the property, and granted an interim injunction to restrain an action brought by one of the creditors in the High Court.

SUNDERLAND COUNTY COURT.

(*Before* E. J. MEYNELL, ESQ., *Judge*.)

IN RE JOHN PALLISER, WEST HARTLEPOOL.—This was a motion on behalf of John Palliser, a liquidating debtor, against George Hudson, his trustee, praying that the said trustee might be ordered to return goods of the said debtor recently wrongfully taken possession of by him, or to pay the proceeds of such goods, if sold to the new creditors of the said debtor. That an inquiry might be made as to the damages suffered by the said debtor, and an order made for payment thereof to him by the said trustee. That the said trustee might be ordered to pay the costs. His Honour gave judgment as follows:—The debtor filed his petition for liquidation on the 10th October, 1874, and a meeting was held and liquidation resolved upon. Mr. Hudson was appointed trustee, and took possession of the debtor's property in the same month, and, according to the debtor's affidavit, filed in this motion, it was all realised in December and January. The debtor has never got his discharge. It appears from his affidavit that on the 18th February, 1875, he again commenced business with a new stock-in-trade, procured, as he states, from new creditors, of whom he gives a list. On the 18th of September the trustee seized the new stock, and the validity of such seizure is the question I have to decide. The motion, however, I must remark, is made by the debtor; none of the said creditors have interfered in the matter, nor is there any evidence before me to show that such creditors were not perfectly well aware that they were dealing with an undischarged debtor. Mr. Simpson, who appeared for the debtor, seemed to admit that the trustee had a legal right to seize (the case of Nias *v.* Adamson, 3 B. and Ald., is conclusive as to this); but he argued that this was a case in which a Court of Equity would protect the after-acquired property from the claims of the trustee. In the case of Everett *v.* Backhouse, 10 Vic., c. 94, it was held that an uncertificated bankrupt could only acquire property for the creditors, except as the M. R. said in his judgment, under very particular circumstances, as where assignees, by their conduct, have precluded themselves from claiming the property. Are there, then, such circumstances in this case? Mr. Simpson argued that there were, and cited several cases, which, however, when examined, seem very different from the present. First, he relied on the old case of Troughton *v.* Gilby. In that case the bankrupt had bought his stock of his assignees, and sureties joined to secure the consideration. He traded for four years, and then died, but still uncertificated, and it was held that the subsequent creditors were to be preferred to those under the commission. That was a question between two sets of creditors, and the assignees having themselves sold the stock to the bankrupt to enable him to re-commence trading on his own account; it was held that they were precluded from claiming until the new creditors were satisfied. In *ex parte Jinker*, 47 *L. J. B.*, 91 and 147, the creditors agreed to dispose of the whole of the debtor's business to a third person for a sum to be paid by instalments, and a small part of which was to be paid by the debtor himself out of his future earnings. This arrangement was duly carried out by deed. Afterwards the purchaser and debtor carried on business in partnership; the instalments were paid, but the creditors becoming inimical to the debtor, refused his discharge, and claimed his after-acquired profits, and it was held inequitable for them to do so in the face of the arrangement they had agreed to and carried out. That case, then, is very much stronger than the present. The very fact that the debtor was to pay a sum out of his future earnings, showed a consent by the creditors to his trading on his own account. EX PARTE RUSSELL (44 L. J. B. 112), also relied upon by Mr. Simpson, was a case in which the creditors of Sir W. Russell had, at the first meeting, *resolved to grant his discharge* on payment on his behalf to the trustee of £4,000 within a month, and on his executing a covenant to pay £5,000 by instalments: £4,000 and two of the instalments were paid, and the deed was executed. A second petition was afterwards presented, and it was held that the first, though not formally closed, was no longer pending, as the arrangements amounted to a purchase by the debtor of his after-acquired property. In that case the creditors had resolved to grant the debtor's discharge on his doing certain acts, which were done, and it merely remained to formally close the proceedings. In the case before me there has been no such resolution, and the facts are altogether different. The last case cited was the very recent one of Englebach v. Nixon (32 L. P. C. P.) There the trustee had *allowed* the bankrupt to trade for the *benefit of his creditors;* a creditor put in an execution in respect of a debt contracted after and *without notice* of the bankruptcy, and it was held that his rights were to be preferred to the rights of the trustee, that there was a case not between the debtor and trustee, but between a new creditor without notice, and the trustee, and moreover the debtor, was trading with the consent of the trustee and for the benefit of the creditors. Justice Grove says, in his judgment:—"The true principle appears to be that where a bankrupt trades with the knowledge of the assignees all the property which he may acquire by such trading belongs to the assignees, but that where the assignees themselves allow him to trade they give him power to contract debts, and therefore cannot prevent those debts being satisfied out of his effects." All the cases that Mr. Simpson has cited seem to me very different from the present, and I cannot find any such particular circumstances in this case as would take it out of the general principle that all the after-acquired property of an uncertificated bankrupt belongs to the assignee, now trustee. Mr. Simpson argued that the trustee must have known the debtor had recommenced business, and that he should have objected to his doing so. There is no evidence on the debtor's behalf that the trustee did know it, but he says in his affidavit that the debtor told him that he was carrying on business, and had retaken the premises for his sister, and that it was not until the day before the seizure that he discovered the debtor was carrying on business on his own account. Even assuming, however, that the trustee had known that the debtor had recommenced business, I am not aware that he could object to his doing so, I know of nothing to prevent a bankrupt trading again before he gets his discharge, if he chooses to run the risk of having his property seized. It was held in Morgan v. Knight, (33 L. J. C., P. 168,) and other cases, that the title of a bankrupt to his after-acquired property is good, except as against his assignees. I take it that when Justice Grove speaks of the assignees allowing a bankrupt to trade, he does not mean their merely remaining passive, but he refers to such cases as those cited, where they have expressly allowed time, or at all events done something from which such assent can be implied, as by selling him his stock, &c. But be that as it may, as I have already said, there is no evidence in this case that the trustee knew the debtor was trading unless on his sister's behalf. I can see nothing in the case to deprive the trustee of his right to seize the property, and refuse the motion with costs.

CREDITORS' MEETINGS.

C. BARLOW (BECCLES).—A meeting of the creditors of Charles Barlow, of Beccles, was held on Tuesday 14th December, 1875, when it was resolved to liquidate the estate by arrangement, Mr. Lovewell Blake, of Hall Quay-chambers, Great Yarmouth, public-accountant, being appointed trustee with a committee of inspection. Mr. C. H. Wiltshire is solicitor in the proceedings.

THE ABERDARE AND PLYMOUTH IRON COMPANY.—At a meeting of the creditors of the Aberdare and Plymouth Iron Companies, held on Tuesday, Mr. Joseph Robinson, of the Ebbw Vale Company, presiding, the scheme which has been

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put forward for carrying on the business by a limited liability company, and for the immediate discharge of the debtors, was proposed by Mr. Travers Smith, solicitor, and unanimously adopted. It was also agreed to hold meetings on the 7th proximo to close the liquidation in the separate estates of Mr. Fothergill and Mr. Hankey. Mr. Smith, in moving the resolutions, gave an account of the arrangement which has been come to, and of the present position of matters, which show a much more hopeful prospect for the creditors than would have been thought at all possible when the suspension of the firms took place. The estates altogether are valued at £1,250,000, which will be the nominal capital of the new company, and the debts are about £310,000, represented by two mortgages, and about £900,000 besides, being the amount of the proved debts ranking on the estate, there being also two small annuities amounting to £700 which come before the mortgages. The arrangement, then, is that the company to be formed, besides assuming liability for the mortgages, involving an annual charge for interest and sinking fund of £22,750, should create two kinds of debentures—one called "A" debentures, bearing 5 per cent. interest for £36,000, which has been subscribed by the private friends of the partners, for working capital of the company, and the other called "B" debentures, to be given in exchange for the debts proved in the liquidation, and not to bear interest, but to be paid off out of the first profits of the company after the debenture interest and charges have been paid; an immediate payment of about 1s. per pound being made as the surplus value of certain assets sold to the new company, which reduces the "B" debentures to £850,000. The first charges altogether, including the above £700 of annuities, amount to £25,250, and the profits above this annual sum will thus go to repay the "B" debenture holders—that is, the creditors upon the estates in liquidation. The new company will work under a committee of control, seven in number, including five of the largest creditors, one representative of the mortgage-holders, and one representative of the subscribers of the working capital. Such are the arrangements for again setting this great business on foot and gradually paying off the past indebtedness. At present, only the coal business is being worked; but it appears from Mr. Smith's statement that since the suspension this has been done at a profit, the working expenses of the whole concern having been met and payments having been made on account of arrears of rates and other preferential charges. The company will also resume the ironworks business when the condition of trade permits. The usual formal votes instructing the trustee, Mr. Turquand, to obtain the confirmation of the resolutions by the court, were also passed at the meeting, and as the remaining proceedings are only formal, the liquidation is practically at an end.

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The Accountant.

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The Accountant.

DECEMBER 25, 1875.

The "order and disposition" clauses of the various Bankruptcy Acts have on many occasions given rise to much ingenuity of interpretation, and customs of trade are equally fertile in points of interest. Apart from questions of fraud, such as arise, in too numerous instances, under voluntary settlements, there are many cases in which the exact date of the transmutation of possession becomes of the highest importance. In discussing, a few weeks since, the doctrine of stoppage *in transitu*, we pointed out the refined subtleties of distinction which abound in determining the exact limits to which the right of stoppage extends; and many of our remarks will apply to the doctrine of reputed ownership. To discover at what particular time the vendor loses his right to retain his goods, and becomes a mere creditor entitled merely to a scanty dividend out of the problematical assets of his debtor, is quite as vexatious to a trustee as to determine what custom of

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trade or conditions of hiring will regulate his right to claim property, to all outward appearance in the possession and under the entire control of the bankrupt. But in the former instance he has the advantage of various authoritative, if obscure decisions to which to look for guidance; in the latter, he has to face a difficulty which is of comparatively modern creation. To lay down exactly the strict limits of the law as regards "agreements of hiring," is a duty imposed upon the judges, whose careful performance would be a very valuable assistance to trustees. The principle on which such cases ought to be decided is pretty well settled, but, unfortunately, the issue has not been raised in a sufficiently representative form for its decision to be of very much practical importance, and the occupants of the judicial bench are for various reasons extremely unwilling to do more than decide the exact point before them.

The practice of payment for hire of articles which after a time become the property of the hirer, is fast increasing. The purchase of a house through a building society is a recognised and convenient form of investment, and the system which Mr. Beale first introduced with a view of increasing the employment of machinery among farmers, and then extended to pianos, is often called into operation to provide the necessary furniture. But its general adoption would be very embarrassing to those called upon to administer the bankruptcy laws. As regards the ownership of a house, difficulty need seldom arise. To live in a house implies nothing beyond a tenancy, as ownership of house property is the exception rather than the rule. But, till the developments of modern commerce have altered the presumption, the furniture in a house will be looked upon as being as much the absolute property of the owner as the coat on his back. It may or may not be paid for, but it is clearly part of his property. But, under the custom of hiring, it is contended that the goods belong to their hirer only on the payment of the last instalment, and that, till that is made, the property remains in the vendor and not in the purchaser. But the creditor of the reputed owner, who knows nothing of any such agreement, may be deceived. He gives credit to a man whom he judges, by the testimony of his own eyesight, to be the possessor of a large stock of furniture; and the fact that furniture is frequently hired in the way we have mentioned is so notorious as to put the creditor upon his inquiry whether the furniture is or is not actually the property of its reputed owner. This was the point that came before the Lords Justices in the case of *ex parte* Powell *in re* Matthews. The result was disappointing, and illustrated that cautious habit of the judicial mind to which we have before referred. As is not unfrequently the case, the debtor's assets were of a very small description, and the trustee was, not unnaturally, unwilling to enter upon a course in which an adverse decision might have caused him a heavy pecuniary loss, and success would have brought him but the barren honour of having the correctness of his opinion on the particular point at issue established. Hence, as the various judges had thought there was evidence of the existence of such a custom as was contended for, the Court of Appeal declined to interfere, though evidently of opinion that the existence of such a custom was far from being conclusively established. The matter therefore remains still undecided, until some wealthy estate in which a similar question arises will pay the expense of having the doubt set finally to rest. There is one point which does not seem to have been adverted to in judgment or argument. The agreement for the hire of the furniture was registered as a bill of sale. This would be notice, of course, to any persons dealing with the debtor that the furniture was not his property, and seems to us to be tolerably decisive of the point. But in the case of a creditor who has not taken this precaution, we are inclined to think that the final advantage would rest with the trustee.

It is perhaps to the general convenience, though occasionally very troublesome to individuals, that the defects of Acts of Parliament should be brought out by judicial investigation into their meaning. No person with a proper sense of what he owes to the legal system of his country ought to grudge any expense he is put to by being so unfortunate as to give rise to the illustration of this doctrine, where his misfortune may be a beacon to light the path of his fellow-creatures through the sinuous ways of pecuniary embarrassment; but he certainly deserves our sympathy when his services in acting as a leading case only settle the law for a brief space of time. The case of Holt v. Everall, which we reported last week, is a case belonging to the latter category. It decides that a policy of insurance, to come within the protection afforded by the Married Women's Property Act of 1870, to those who insure their lives for the benefit of their wives and children, must be anew policy effected after the passing of the

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Act. The importance of the decision is, however, getting less and less every day. It is scarcely possible that any one now should endeavour to settle an old policy with a view to taking advantage of the Act, and the only persons likely to be affected would be those who, becoming bankrupt, would have to show that they were able to pay their debts without the aid of the policy; and considering the very slight value that these securities bear till a large number of premiums have been paid, he would be a very hard-hearted trustee who would put a debtor upon a very rigid proof as to this. As regards Mr. Everall's case, the logical inferences seem tolerably clear. A policy effected in 1870 would now be of merely nominal value; an old policy might be a valuable asset, and to allow this to be subject to the operation of the Act would very materially prejudice creditors. But a further remarkable fact in the case is, that it shows anew how often an attempt to effect a slight saving entails a heavy loss. One year's premium only had been paid on these policies, and to surrender them and take out wholly fresh ones, which would have been protected by the Act would have cost but a very slight addition to the annual premium. It was this false economy that was fatal. Had the debtor lived, the policy would have been worth but a nominal sum, but he died within a few months of his failure, and the amount assured became immediately payable. As matters turned out the saving of a few pounds involved the loss of a thousand. That the decision, however hard it may seem, is correct can scarcely be doubted, and the creditors may possibly be as worthy of our sympathy as the family of their debtor. But a useful lesson may be learnt from the transaction,—one which though continually repeated, is as constantly neglected,—that the greater number of catastrophes are almost directly traced to some desire to effect a trifling saving. Mr. Everall's investment in a life policy proved a wise and profitable move; if he had not hesitated to pay a slightly higher premium to make his investment absolutely secure, he would have acted still more wisely.

A strange slip seems to have taken place in the order made on the petition to wind-up the London and Manchester Industrial Assurance Company, when Vice-Chancellor Malins appointed a provisional liquidator of the Company on an ex-parte motion. Without examining very deeply into the merits of the petition, or considering whether the company is likely to be materially strengthened by the revelation of its affairs, we may safely lay down that an unsuccessful petitioner should be wholly discouraged. There are many companies which were called into existence under circumstances of undoubted fraud, and which are so heavily weighted in the first instance, that under no possible circumstances can they hope to succeed. But there are many others whose existence is simply trembling in the balance. If allowed to work their way undisturbed, they may survive the crisis, but it is precisely at that time that an unfavourable rumour may destroy them. The very threat of a petition to wind-up is alarming, and is very often resorted to from improper motives. The Life Assurance Act of 1870 endeavours to remedy this by providing that a preliminary inquiry shall be held in private to satisfy the judge that there is a *primâ facie* case of insolvency,—a useful and beneficial rule. But to appoint a provisional liquidator without hearing any statement on the part of the company may bring about all that an unscrupulous petitioner desires. The appointment can be made public, confidence is shaken, and the final catastrophe is speedily brought about. That the appointment was made inadvertently is probable enough, but it is rather discouraging that such a mistake could possibly occur. An assurance company, however, as far as the shareholders are concerned, is less liable to damage from such an occurrence than any other. Policies may lapse in a very profitable manner, and as confidence is re-established, may be renewed on advantageous terms. But in the interest of policy-holders, it is desirable to exercise the utmost care not to take any step that may throw premature discredit on their association. That many companies have been wound-up deservedly, and that the majority of the rest stand sadly in need of such a measure, is true, but at the risk of a little delay in proper cases, too many safeguards cannot be insisted upon against the machinations of unscrupulous or revengeful petitioners.

The failure was announced, on Saturday, of Messrs. Lawton and Head, with estimated liabilities of £190,000. The business has been that of merchants, shipping and insurance agents. The books are in the hands of Messrs. Robert Fletcher and Co,

The liquidators of the Oriental Financial Corporation, Limited, have declared a further return to the shareholders of 2s. 6d. per share, to be paid at the offices of Mr. T. Fuller Carter, public-accountant, one of the liquidators, No. 2 Gresham-buildings, Basinghall-street, on Wednesday, the 5th January next, or any subsequent Wednesday, between 11 and 2.

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SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, LINCOLN'S-INN.

December 21.

(*Before Lords Justices* JAMES, MELLISH, *and* BAGGALLAY.)

WORTHINGTON v. CURTIS.—This case—on appeal from Vice-Chancellor Bacon—raised the question whether the proceeds of a policy of assurance for £500, effected upon the life of George Curtis, deceased, formed part of his assets, so as to be available for his creditors, or belonged to his father and administrator, by whom the policy had been effected and the premiums paid. It appeared that in 1862 the defendant, Mr. Curtis, offered to pay his son, the late George Curtis, a legacy of £400, bequeathed to him by his aunt, of whom the father was executor. The son at first demurred to receiving the legacy, on the ground of the great expense to which he had put his father in his education and maintenance; but it was at last arranged that the father should pay him the £400, and, in consideration of such payment, should, at his own cost and for his own benefit, effect a policy on the son's life for £500. Accordingly, a proposal was made to the Rock Office, and in July, 1862, a policy for £500 on the life of George Curtis, the younger, was granted by that office. The premiums on that policy were paid by the father, and the policy remained in his possession until after the death of the son in April, 1871; but no legal assignment of it was ever executed by the son to the father. Administration was granted to the father, and the policy moneys were paid to him by the Rock Office. A bill having been filed on behalf of creditors for administration of the son's estate, it was sought to recover from the father, as forming part of the son's estate, the £500 received in respect of the policy. Vice-Chancellor Bacon having held that the £500 did not form part of the son's assets, but belonged to the father absolutely, the plaintiffs now appealed. Mr. Jackson, Q.C., and Mr. Dundas Gardiner were for the appellants; Mr. Kay, Q.C., and Mr. W. P. Dickins in support of the Vice-Chancellor's order. Lord Justice Mellish, in delivering the judgment of the Court, said that the first question was whether there was sufficient evidence that, as between the father and the son, the father himself was really the owner of the policy. The statement by the father of the arrangement with the son, and that the policy was effected by him entirely for his own benefit, was confirmed by the evidence of his wife, and also by the fact that for nine or ten years the premiums were paid by the father, and that during all this time the policy was kept in his possession. Their lordships saw no reason, therefore, to differ from the Vice-Chancellor's conclusion that the policy on the son's life was effected by the father for his own benefit. But then it was contended on behalf of the appellants that such an insurance was illegal under the Statute 14 George III., cap. 48, as having been made by a person having no insurable interest in the life or death of the person insured. If the company had been sued for the amount of the policy they would have had a defence to the action under that Statute. But there being quite enough to call their attention to the circumstances under which this policy was effected, they never thought of raising that question, but voluntarily paid the amount assured without disputing the policy. The plaintiffs, who claimed the policy as forming part of the son's assets, could have no better right to it than the son himself had during his life. Now, quite apart from any question of the defence. under the Statute, which might have been raised by the company, the policy clearly belonged to the father, and the son could not have compelled him to deliver it up or maintain any action of *detinue* in respect of it, or even have prevented the father from surrendering the policy and receiving from the office the surrender value. As the son, therefore, had no property in the policy as between himself and his father, his creditors could not have any. The money had been paid to the father, and, even assuming that the policy was illegal, that was a defence available for the company only, and could not be relied upon by the plaintiffs in support of their claim. Under these circumstances, *melior est conditio possidentis*, and the appeal of the plaintiffs must be dismissed.

(*Before Lords Justices* JAMES, MELLISH, *and* BAGGALLAY, *and Mr. Justice* BRETT.)

MEREDITH v. TREFERY.—In this case a question of some importance was raised upon the construction of the recent Order of Court of the 28th of October, 1875, with regard to the fees to be charged on the taking of the accounts of trustees in suits which were pending at the time when the Judicature Acts came into operation. The order in question, which was made by the Lord Chancellor, with the advice and consent of other Judges of the Supreme Court, and with the concurrence of the Lords of the Treasury, under the powers conferred by the Act of 1875, provides (by Rule 1) that the fees and percentages contained in the schedule to the order shall be taken in the High Court of Justice and the Court of Appeal. Rule 4 provides that the provisions of the order "shall not apply to any of the matters following," two of which are these:—"The existing fees and percentages which shall have become due or payable before the commencement of the Judicature Acts, 1873 and 1875." "The existing fees and percentages in respect of any proceedings in any cause or matter pending at the commencement of the said Acts, and in respect of which no fee or percentage is hereby provided." By the schedule the fee "on the taking an account of a receiver, trustee, &c., or other person liable to account, when the amount found to have been received, without deducting any payment, shall not exceed £200," is fixed at 2s.; and "where such an amount shall exceed £200, for every £50, or fraction of £50," the fee is to be 6d. The schedule goes on to say:—"In the case of any such receiver, guardian, consignee, bailee, manager, liquidator, sequestrator, or execution creditor, the fees shall, upon payment, be allowed in the account, unless the Court or Judge shall otherwise direct; and in the case of taking the accounts of such other accounting parties, the fees shall be paid by the party having the conduct of the order under which such account is taken, as part of his costs of the cause or matter (unless the Court or Judge shall otherwise direct), and in such case shall be taken upon the certificate of the result of any such account; but the fees shall be due and payable, although no certificate is required, on the account taken, or on such part thereof as may be taken." Under the old practice of the Court of Chancery no fee or percentage was payable upon the taking of trustees' accounts, but a fixed fee of £1 was payable on all certificates made by the Chief Clerk; and if the parties agreed to the accounts, and no certificate was required, no fee became payable at all. But there was a percentage charged on the accounts of receivers, and it was at a higher rate than that which is specified in the above schedule. This suit was commenced before the Judicature Acts came into operation, and the question arose in it, and in some other suits which were then pending, whether, with regard to accounts hereafter taken in such suits, the old or the new scale of fees applies; and whether, as the new order provides no fee to be taken on a certificate, the old certificate fee is in such cases to be charged as well as the new fee on the taking of the accounts. In this particular case there was this further question:—The accounts of the trustees for the years 1872, 1873, and 1874 had been carried into Vice-Chancellor Hall's Chambers before the Long Vacation, and had all been vouched, with the exception of some bills of costs, the taxation of which could not be completed until after the Chambers had been closed for the Long Vacation. The question was whether in any case the new scale of fees could apply to these accounts. A difference of opinion as to the application of the above order with regard to suits pending when the Judicature Acts came into operation has existed between the Judges of the Chancery Division, the Master of the Rolls, and Vice-Chancellor Malins taking one

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view, the Vice-Chancellors Bacon and Hall taking another. Mr. Davey, Q.C, by the desire of Vice-Chancellor Hall, mentioned the present case to the Court of Appeal, with the view of settling the practice. Mr. John Rigby appeared for the official solicitor. The Court held that the new percentage on the taking of accounts is in substitution of the old fee on the certificate of the result of an account, and that, therefore, only one fee is chargeable; that in suits pending when the Judicature Acts came into operation the new scale of fees applies with regard to accounts which have begun to be taken in Chambers since the Acts came into operation; but that where in such suits the taking of accounts in Chambers was commenced before the Acts came into operation, even though they should not have been actually completed and certified till after that date, the old scale of fees applies. This afternoon the Court rose for the Christmas Vacation. The sittings will re-commence on the 11th of January next.

HIGH COURT OF JUSTICE.

CHANCERY DIVISION.

December 17.

(*Before Vice-Chancellor Sir* JAMES BACON.)

IN RE THE LONDON AND MANCHESTER INDUSTRIAL ASSURANCE COMPANY, LIMITED.—This matter was brought before the court on two applications; one was by the company to discharge an order made by Vice-Chancellor Malins on the 6th inst., on an *ex-parte* motion by which he appointed a provisional liquidator. The order was made in the matter of a winding-up petition by a Mr. Squires, a member. Though the petition was presented in this branch of the court, by some mistake the *ex-parte* application was made to Vice-Chancellor Malins, and on the matter being brought again before him, he said Vice-Chancellor Bacon must deal with the question whether the order should be discharged. The other application was an adjournment into court of a decision of the chief clerk. By the Life Insurance Act, 1870, it is provided that no petition for winding-up a life insurance company shall be as much as heard till the petitioner has satisfied the court that a *primâ facie* case of insolvency exists. The petitioner had failed, in chambers, to satisfy the chief clerk that the company did not appear to be solvent, and now appealed to the judge in court. The company was registered in 1869, with a capital of £50,000, of which £4,625 was subscribed for, and has all been paid up. There was evidence on both sides as to the solvency or insolvency of the company. The manager, Mr. Marriott, in support of solvency, said the premium income was about £13,000, and the company was possessed of the following assets:—£500 on deposit, in the names of two directors; upwards of £700 in the hands of agents; £664 due on loans on personal security; more than £1,700 due for premiums; some money on the current account with the Sheffield Banking Company, which was more than sufficient to discharge current liabilities; and furniture and fittings to the value of £135. He also stated that Mr. Squires, who was a director, had been removed from the office of being one of the committee of management, for which he received £3 a week, in consequence of his having taken the secretaryship of the Co-operative Credit Bank, Limited, the holding of which was considered inconsistent with the discharge of his duties as a member of that committee. Mr. Squires was stated to have given as a reason for his presenting the petition a desire for revenge, and to have issued a circular to agents calculated to damage the company. Mr. Jackson, Q.C., and Mr. E. S. Ford appeared for the company; Mr. Kay, Q.C., and Mr. Grosvenor Woods for the petitioner. The Vice-Chancellor said he must treat the order of Vice-Chancellor Malins as if it had been made by himself. The rule of the court was that a provisional liquidator could only be appointed in cases where the winding-up is not opposed; here the appointment had been made on an *ex-parte* application, where it could not appear whether there was to be opposition or not, and it was most irregular and improper. With regard to the conduct of the petitioner, there was evidence on the file, which had not been contradicted, that he, a director of the company, whose duty it was to protect its business, had, on account of his having been discharged from a profitable office, and through motives of revenge, instituted these proceedings. Whether the evidence were true or not, he had issued a circular, which was sent to the agents of the company throughout the country, seeking to take away the business in favour of a company of his own, not yet in existence. On the other application his Lordship also expressed a strong opinion that no *primâ facie* case of insolvency had been established, and said the petition would never be brought before a court. He therefore discharged the provisional liquidator, refused to vary the chief clerk's grant, and ordered Mr. Squires to pay the costs of all these proceedings.

(*Before Vice-Chancellor Sir* C. HALL.)

IN RE THE BRITISH IMPERIAL INSURANCE CORPORATION, LIMITED.—This was a winding-up petition presented by a creditor and shareholder. Three other petitions had been presented to Vice-Chancellor Malins, two of which were in his Lordship's paper for hearing to-day. The corporation was admitted to be insolvent. The counsel for the two last-mentioned petitions having applied that those petitions might be transferred to this branch of the court, The Vice-Chancellor, after some discussion, expressed his willingness that the two petitions in Vice-Chancellor Malins's paper should be transferred, and made a winding-up order on those two petitions, as well as on the present petition, but directed that the order should not be drawn up until the transfer had been made. No order would be made on the fourth petition, which was not ripe for hearing. Mr. Graham Hastings, Q.C., and Mr. Langworthy appeared for the present petitioner; Mr. Dickinson, Q.C., and Mr. F. C. J. Millar for the corporation; Mr. Rigby and Mr. Grosvenor Woods for shareholders and policy-holders supporting the petition; Mr. North, Mr. Ingle Joyce, and Mr. C. H. Turner for the petitioners in the other three petitions.

December 18.

(*Before Vice-Chancellor Sir* RICHARD MALINS.)

IN RE THE MOUNTAIN CHIEF MINING COMPANY OF UTAH, LIMITED.—In this matter a petition was presented praying for an order to wind-up the company. Mr. Glasse, Q.C., was for the petitioner; Mr. Brooksbank for the company. The Vice-Chancellor made the usual winding-up order.

IN RE THE NORTHUMBERLAND ENGINE WORKS COMPANY, LIMITED.—In this matter a petition was presented praying for an order to wind-up the company. Mr. Romer was for the petitioner; Mr. J. Pearson, Q.C., for some of the respondents, opposed the petition; Mr. Cozens Hardy was for the company; Mr. Bush and Mr. Warmington for other parties. The Vice-Chancellor made the usual winding-up order.

(*Before Vice-Chancellor Sir* C. HALL.)

IN RE THE ENGLISH AND FOREIGN CREDIT COMPANY, LIMITED AND REDUCED.—This was a petition of the above-named company for the confirmation by the court of a special resolution reducing the capital of the company from the sum of £300,000, divided into 20,000 shares of £15 each, to the sum of £200,000, divided into 20,000 shares of £10 each. The requisite formalities had been complied with; all the creditors of the company had been settled with, except two, whose claims amounted to £213 6s., which sum would be paid into the Bank of England; and the company had already used the words "and reduced" since April last. The Vice-Chancellor

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made the usual order of confirmation, and directed the company to use the words "and reduced" for a month longer. Mr. F. C. J. Millar appeared for the company.

December 21.

(Before Vice-Chancellor Sir James Bacon.)

John Bagnall and Sons, Limited, v. James Carlton and Others.—This suit is instituted for the purpose of setting aside as against the plaintiff company and its shareholders an agreement, dated the 6th of March, 1873, for the purchase of collieries and iron works, caused to be entered into on behalf of the company by the defendants, James Carlton, Albert Grant, William Henry Duignan, Lauriston Winterbotham Lewis, Rayner Blount Lewis, John Richardson, Charles Fletcher Richardson, Richard Samuel Bagnall, Richard Bagnall, Joseph Nayler, and George Bytheway, and by William Sutton Nayler, deceased, acting as promoters of the company then in the course of formation, on the ground that they did not disclose to the company and its shareholders a collateral agreement of even date with the above, whereby a sum of £85,000 was (as plaintiffs allege) secretly appropriated out of the moneys of the company, and divided amongst the defendants, J. Carlton, A. Grant, J. Richardson, and C. F. Richardson, on the pretext of commission for services on formation; and that by other concealed and collateral agreements sums of £19,000 and £1,500 were agreed to be paid out of the same moneys, the former sum to the defendants Joseph Nayler and William Sutton Nayler, deceased, and the latter to the defendants W. H. Duignan, L. W. Lewis, and R. B. Lewis, the moneys so appropriated amounting together to £105,000. The capital of the company, which was registered on the 21st of March, 1873, was £300,000, in 30,000 shares of £10 each. Mr. Kay, Q.C., and Mr. Russell Roberts now moved that the defendants, James Carlton, Albert Grant, R. S. Bagnall, Joseph Nayler, and Edward Nayler (executor of W. S. Nayler), might be restrained from parting with, disposing of, or dealing with any debentures of the plaintiff company which might be in their hands, or in the hands of any person by their order, or for their use, or under their control. They argued that the case was one of such gross fraud as prima facie to entitle the plaintiffs to have the contract wholly set aside, and, as incidental to the right to such relief, they asked that the last mentioned defendants might be prevented from dealing with such of the proceeds of the alleged fraudulent sale as were now in their hands. Mr. Swanston, Q.C., and Mr. Ingle Joyce, for the defendant Carlton, read an affidavit by him, from which it appeared that he never personally received any part of the £85,000 cash, promissory notes, and debentures in the bill mentioned, except debentures to the amount of £12,500, all of which he had sold before the date of the filing of the bill, for sums amounting to £10,476. Mr. Jackson, Q.C., and Mr. Everitt, for the defendant Albert Grant, said that he also had parted with all his debentures, but that he had not made an affidavit to this effect. Mr. Fry, Q.C., and Mr. Woodroffe, for the vendor to the company, Richard Samuel Bagnall, son and representative (with the Messrs. Nayler) of the late James Bagnall, the former owner, contended that no relief could be had against him. As vendor he was entitled to sell upon what terms he pleased, and if one of those terms was that he was to allow his agent in the matter of the sale to take one-third of the purchase money, the purchaser had no right to complain of that. If the agent in this instance had mixed himself up with the purchaser in such a way as to render himself answerable to the company, that was no affair of the vendor's. Moreover, here there had been sales by the company of part of the property, so that the subject matter of the contract could not be restored in its integrity, and the court would not, under those circumstances, decree rescision. Mr. Millar appeared for the Messrs. Nayler. Mr. Kay having replied, The Vice-Chancellor said that the case presented by the plaintiffs was reasonably plain and simple, and there were no questions of fact seriously in dispute. The plaintiff's complaint was that the company had been misled and deceived by what was called the principal agreement, which did not show the true contract between the parties. The case of the defendants was that vendors have a right to stipulate upon what terms they please with the agent whom they employ, and as to the truth of this there could not be a doubt. But the plaintiffs replied that the vendors had so behaved as to render themselves liable for their conduct to the purchasers—that they had, in fact, been party to an agreement whereby the truth was studiously concealed from the purchasing company. That was a question for the hearing of the cause, which could not now be decided; the materials were not before the Court; but in the mean time the principle was plain enough, that if a prima facie case for the rescision of a contract were made out, and the consideration for the purchase remained in the vendor's hands, with danger of its slipping away, the Court would interfere for the purpose of keeping matters as they were, so that in the result neither party should be prejudiced. No harm was being done to the defendants in the meanwhile, and the course was neither unreasonable nor contrary to the practice of the Court. The only doubt was whether the circumstance of parts of the property having been disposed of did not render rescision impossible; but upon the whole his lordship thought there had not been such an alienation as to justify the Court in refusing to interfere, and there would be an injunction as prayed against all the defendants except Carlton, who would nevertheless still remain before the Court as a defendant. Mr. Everitt asked that Mr. Grant, who was in the same position, might be included in the same exception. The Vice-Chancellor said he could not consent to this. The defendant Carlton had deposed that he had got rid of his debentures, but the defendant Grant had said nothing of the kind. The defendant Carlton's costs, however, would be specially reserved.

QUEEN'S BENCH DIVISION, Westminster.

December 16.

(Sittings in Banco, before Mr. Justice Blackburn, *Mr. Justice* Quain, *and Mr. Justice* Archibald.)

Waddling v. Oliphant.—This case raised a curious question as to the claims of creditors on earnings in literary, artistic, or professional employments. The question had arisen thus: Mr. Oliphant was editor of a weekly paper, at a salary of £200 a year, and he had become insolvent. Afterwards the proprietor of the paper became insolvent, and the trustees were ordered to pay him £100, as six months' salary. One of his creditors who had obtained judgment against him claimed the money in the hands of the trustees, while it was also claimed by the assignees under his former insolvency. The question was who was entitled to the money, which turned upon this—whether, as between the insolvent and his former creditors, he or they would be entitled to it; and this turned upon the question whether assignees of a bankrupt or insolvent are entitled to his subsequent earnings. It was admitted that they would be entitled to profits made in trade, and even to the produce of work and labour and materials, as it is clear that they are entitled to after-acquired property; but the point was whether they are entitled also to the produce of pure personal labour and skill, as in the case of an artist, an author, or any professional man. Mr. Holl appeared for the assignees; Mr. Horne Payne for the judgment creditor; Mr. Baggallay for the insolvent. It was contended for the assignees that the insolvent is only entitled to his earnings so far as necessary for his personal maintenance and support, as to which, however, Mr. Justice Quain observed that there was a difficulty in laying down a rule of law which turned upon what was necessary in each case for personal maintenance. Mr. Justice Blackburn observed that of course it would make it in each case a question of evidence. Mr. Justice Quain, upon that, observed that £200 a year did not appear more

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than was necessary for the personal maintenance of a literary man. Mr. Justice Blackburn observed that the argument for the judgment creditor went to the extent of insisting that, even although the insolvent received thousands a year in his profession, his former creditors could claim nothing; and it was admitted that the argument did go to this extent, which was what made the question one of some importance. Mr Justice Archibald quoted a remark of Lord Mansfield's quoted by Lord Denman that " the assignees cannot let out a bankrupt to hire." Mr. Justice Blackburn alluded to the cases as to the right of assignees to take advantage of contracts with the bankrupt, in which Lord Abinger, who differed from the other judges of his court on that question, delivered the celebrated judgment in which occurred the famous illustration, so often referred to in cases of this subject—" Suppose a contract by Sir Walter Scott with his publishers to write a novel. On his bankruptcy, could his publishers be compelled to take a novel written by his assignees? Mr. Justice Archibald said the general rule of law, no doubt, was that after-acquired property went to the assignees. There was an exception of personal earnings necessary for maintenance. Then, what was "necessary for maintenance?" That must necessarily vary with the circumstances of the person, for what would be sufficient for the maintenance of a day labourer would hardly be sufficient for an artist or a literary man. Mr. Justice Blackburn: Does "necessary maintenance" mean bare subsistence, or does it include what would be "necessaries" for a wife or for a minor—that is, every thing reasonably necessary with reference to circumstances and position? Mr. Justice Quain: In any view, is £200 a year more than enough for the maintenance of a gentleman in the position of the editor of a paper? It was urged on the part of the assignees that the £100 paid here was not paid as salary which might be presumed to be necessary for his maintenance, but as a species of compensation for the cessation of his employment. But to this it was answered that the £100 was awarded on the very ground that, by the sudden cessation of employment, the insolvent would otherwise be left destitute of support. After long argument, the Court gave judgment in favour of the trustees of the uncertificated bankrupt—that the money should be paid to them. The money claimed was awarded by the Court of Bankruptcy to the insolvent as compensation for the breach of the contract of employment in dismissal without six months' notice. It was not merely money paid by way of salary for work actually done; it was a solid sum of money paid for the loss of future employment. It was not necessary, therefore, to determine the difficult question as to what might be the position of an author or artist making a large income by his professional or literary labours, much beyond any amount that could be considered reasonably necessary for maintenance; the present case was different. Judgment for the trustees of the insolvent.

COURT OF BANKRUPTCY.

December 17.

(Before Mr. Registrar HAZLITT, *sitting as Chief Judge.)*

In re W. A. White.—The bankrupt, William Arthur White, was a financial broker, carrying on business in Queen Victoria-street. He had filed a petition for liquidation, but the creditors failing to pass any resolution, an adjudication was obtained against him. A statement of affairs returned debts amounting to £8,094, of which £6,191 were unsecured, with assets £120. The trustee appeared in person; Mr. Wetherfield, solicitor, represented the bankrupt. It was stated to the court that the bankrupt had sustained serious losses in connexion with various companies which were now in liquidation; and, although the deficiency was large, it was properly accounted for, and the trustee did not oppose. Mr. Registrar Hazlitt said he observed from the proceedings that an endeavour had been made to effect an arrangement with the creditors under the 28th section. What had been the result of that? The trustee replied that it had been found impraticable. The bankrupt passed his examination.

December 18.

(Before Mr. Registrar Spring-Rice.)

In re E. M. De Bussche.—This was an application to confirm a scheme of arrangement under the 28th section. The bankrupt, who is described as a steamship proprietor, of Ryde, Isle of Wight, was adjudicated some time since, and the statement of affairs filed shows total unsecured liabilities £183,177, against assets £19,250. The proceedings were originally instituted in the Newport County Court, but have since been transferred to London. The scheme come to by the creditors is for the acceptance of £7,500 in discharge of all liabilities and the payment of the costs. The money is to be paid in six equal instalments in twelve months, security being given and the bankruptcy annulled. It appeared, however, that there were some matters of detail to be arranged, and a short adjournment was ordered. Mr. Munns appeared for creditors, and Mr. Barber for the trustee.

In re E. B. and A. S. Pitchford.—This was an adjourned sitting for the public examination of Messrs. Pitchford and Pitchford, lead merchants, carrying on business at the Island Lead Mills, Limehouse. The bankruptcy took place about two years ago, in connection with that of Messrs. Burrs Brothers, and has been adjourned numerous times, pending the settlement of a large claim between the bankrupts and Messrs. Burrs and Co., involving upwards of £40,000. It was stated on behalf of the trustee that the claim had now been adjusted, and no opposition was offered to the passing of the public examination. The bankrupts accordingly passed on a statement of affairs, showing total liabilities £137,053 3s., against assets £19,544 4s. 8d.

In re W. J. Harker.—The bankrupt, who is described as of Eton-road, Haverstock-hill, passed his public examination on a statement of affairs showing debts £30,998, assets £116 10s. Mr. Baker appeared for the trustee and Mr. Doria for the bankrupt. Mr. Harker was an unsuccessful candidate for the Kirkcaldy Burghs at the general election.

In re M. L Mayer.—This debtor, who is described as of the Queen's Theatre, Holborn, and Gresham-house, theatrical manager and commission agent, has petitioned the court, estimating his liabilities at £8,000, against assets £3,000 odd. Upon the application of Mr. Doria, his Honour appointed Mr. Chatteris, accountant, Gresham-house, receiver of the estate, and granted an interim restraining order against several suing creditors.

December 20.

(Before Mr. Registrar KEENE.)

In re Galatti and Sons.—The debtors in this case carried on business in Blomfield-street, London, as J. S. Galatti, and at Alexandria as G. C. Galatti and Sons, and failed in October last, the statement showing debts to the amount of £99,564 2s., against assets £15,854 12s. Mr. Latham (Messrs. Freshfields and Co.) applied to his Honour to register the resolutions of the creditors accepting a composition of 3s. in the pound, payable in two instalments of 2s. 6d. in 14, and 6d. in 48 days, from the registration. Mr. Channell, on behalf of a Manchester creditor, opposed the registration mainly on the ground that no meeting of the separate creditors had been called. He also claimed to have a right to a double proof on a bill of exchange drawn by the Alexandria firm against J. S. Galatti, on the ground that being a separate trading he could prove against both drawer and acceptor. Evidence was taken as to any separate trading, and his Honour said he had heard nothing to show that there was a separate estate, and nothing to show that there were separate creditors. There was therefore no reason to call a separate meeting, and the objection must fall

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to the ground, and registration be ordered. An objection to the registration was also taken by Mr. Bigham on behalf of another creditor, but it appearing that he had not proved his debt, the learned registrar held that he had no locus standi, and therefore could not be heard.

IN RE NEROUTSOS AND CO.—His Honour, upon the application of Mr. Bigham, directed registration of the resolutions passed by the creditors liquidating this estate by arrangement with a trustee and committee of inspection. The debtors are described as merchants, carrying on business in East India-avenue and Manchester, as Neroutsos and Co. The liabilities are £22,770, against assets £13,023 9s. There were several objections to the registration, but his Honour overruled them and ordered registration. Messrs. Pritchard and Engelfield are the solicitors to the proceedings.

December 21.

(*Before the Hon.* W. C. SPRING-RICE.)

IN RE AUGUSTE AHLBORN.—This was a first meeting for proof of debts and the appointment of a trustee. The bankrupt, who was the well-known costumier and milliner of Regent-street, and who also carried on business at Barbican, as the Russian Fur Company, absconded about two months ago; no accounts have been consequently filed, but the liabilities are stated at about £130,000. The bankrupt was adjudicated on the 9th of the present month, on the petition of a firm in St. Paul's churchyard. Mr. Rooks, who appeared for the petitioning creditor, stated that it was proposed to appoint Mr. W. Edwards, public accountant, of King-street, Cheapside, who had been appointed receiver under a previous petition, trustee, but to dispense with the appointment of a committee of inspection. The learned Registrar said that it was contrary to the whole scope and tenor of the Act to appoint a trustee without a committee of inspection, and although that course had been sometimes pursued, it was always attended with trouble and increased expense, and cast a burden upon the Court which it was not the intention of the Legislature to impose upon it. Mr. Bagley, instructed by Mr. Hall, who also appeared for creditors, explained that in this case the bankrupt under a former petition had made an assignment of his goods to his creditors, and under that assignment they had appointed Mr. Edwards, and realised the estate in conjunction with a committee of creditors. A very considerable estate had been realised, and the creditors were afraid that to appoint a committee of inspection under this petition would have the effect of delaying the declaration of a dividend. Eventually, after some discussion, it was arranged that two of the committee of creditors should be appointed on the committee of inspection, and three or four small proofs having been admitted, Mr. Edwards was appointed trustee, and a day fixed for the bankrupt to surrender for public examination.

December 22.

(*Before Mr. Registrar* MURRAY.)

IN RE BRAYSHAW.—This was an application to set aside a settlement made by the debtor in favour of his wife. He carried on business at 32 Little Moorfields, and at Tenter-street, as a warehouseman and skirt manufacturer, and failed on the 8th September in last year for £4,591. Mr. Glyn, on the part of the trustee, now applied to the court under the 91st section to set aside a deed by which he had assigned his furniture at 117 Forest-road to his wife, in April, 1874. It appeared that there was a previous liquidation in the preceding year, and the debtor got his discharge under it in November. The Act makes void a settlement executed within ten years of the act of bankruptcy unless it can be proved that the debtor at the time of making it had sufficient to meet all his liabilities without such property as was comprised within the settlement, and it being proved in this case that the creditors had accepted £150 in lieu of their claims under the former liquidation, and the debtor having sworn that he was free from debt at the time of making the settlement, the learned Registrar held that it was valid, and dismissed the application of the trustee to have the furniture delivered up.

(*Before Mr. Registrar* PEPYS.)

IN RE LAWTON AND HEAD—LIABILITIES, £200,000.—The debtors carried on business as merchants and ship and insurance agents at India-buildings, Queen Victoria-street. They have filed a petition for the liquidation of their affairs, and made the usual statutory declaration of inability to pay their debts, which they estimate at £200,000. The value of the assets is not yet ascertained, but they are considerable, consisting of consignments abroad and cash at bankers. Mr. Bagley now applied to the court to appoint a receiver to the estate, alleging as a ground that there were remittances continually coming from abroad, which required of course to be taken care of. His Honour granted the application, and appointed Mr. Robert Fletcher, public accountant, of Moorgate-street, to the office.

Before Mr. Registrar MURRAY.

RE J. M. BESSIE.—The debtor was described upon his own petition as of the Approach-road, Lndon-bridge, cigar merchant. He had petitioned under the liquidation clauses of "the Bankruptcy Act, 1869," and had offered his creditors 1s. in the pound in discharge of liabilities amounting to about £2,000. The assets returned were of almost nominal amount, consisting, amongst other items, of book debts estimated to produce £4 15s. 6d. The resolutions providing for the composition had been registered, but Mr. Robertson Griffiths now moved upon affidavits on behalf of Messrs. Sales, Pollard, and Lloyd, tobacco merchants, for examination of the debtor and other persons at a private meeting with a view to the ultimate vacation of the Registrar. It transpired from the evidence that shortly before the filing of the petition the debtor had obtained goods from the opposing creditors, which still remained unpaid for, and about the same time had given a bill of sale over all his effects at London-bridge to his brother, an alleged creditor, mainly to secure an antecedent debt, whilst he proposed to discharge his trade liabilities by the payment of 1s. in the pound.—Mr. Winslow, Q.C., and Mr. Brough opposed the motion, which, after having been argued for several hours, was adjourned to January 12th next.

IN RE M. B. SOLOMON.—This was an adjourned sitting for the public examination of this bankrupt, who is described as of the Temple Wine Cellars, Fleet-street, wine and spirit merchant. The adjudication was made in June last upon the petition of Messrs. Donaldson and Company. The statement of affairs shows debts £3,650 14s., against assets £1,795. Mr. Baker, on behalf of the trustee, offered no opposition, and the bankrupt was allowed to pass his public examination.

WINTER ASSIZES.

NORTHERN CIRCUIT, LIVERPOOL.

December 11.

(CROWN COURT.—*Before Mr. Justice* MELLOR.)

DEFRAUDING CREDITORS.—John Harrison Blair was indicted for having absconded from his creditors, and taken with him a quantity of property which ought to have been divided amongst them. The charge was brought under the 12th section of the Debtors' Act. Mr. Pope, Q.C., and Mr. Yates, prosecuted: the prisoner was undefended by counsel. It was stated that before the 30th of September the prisoner was a draper and wholesale milliner in London-road, Manchester. During the months of June, July, August, and September, he carried on business there, and he obtained credit from various wholesale firms, amongst them being Messrs. Rylands and Co. and Messrs. Thorpe and Son. On the 15th September the prisoner went to the Consolidated Bank

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of Manchester, where he had an account, and drew out £635, and closed the account. On the 21st September, the steamer China left Liverpool for America, and the prisoner was a passenger on board. He took with him 13 packages of goods, which he had purchased from Messrs. Rylands and others, which were stated to be worth about £1000, and on his arrival in America, the prisoner distributed the goods in various places. He was traced to Lincoln City, in the State of Nebraska, where he was arrested and brought back to England. Among the witnesses for the prosecution was Mr. Marsh, a gentleman connected with the firm of Rylands and Co., who traced the prisoner to America, and who was instrumental in bringing him back to England. He was cross-examined by the prisoner as to the means he took to get him away out of the United States. It was stated that the offence being under the Bankruptcy Act was one to which the Extradition Treaty in America was not applicable. Mr. Pope: It is suggested, my lord, that this case may become a *casus belli.* (A laugh.) The Judge: And lead to a war? I hope not. The prisoner said the offence was not within the Extradition Treaty. Those who took him away did not wait for the necessary papers, but smuggled him on board the steamer and brought him to England. He asked the witness if he was the person who was described in the American papers as the "Hon. J. Cox Marsh Foley, ex-M.P. of England"—(laughter)—who had "so cleverly traced the swindler, thief, rogue, and forger"? (Renewed laughter.) Witness said he saw the statement in the newspaper. Prisoner: I was arrested on a fictitious charge in America. That charge was one of forgery, and I was taken on board a steamer by detective officers and brought to England. His Lordship said they were not there to discuss the international consequences of the act of which the prisoner complained. It did not matter what device brought the prisoner there; he was there, and charged with an offence against the English law, and he must be tried. It might be that the prosecution could not have got the prisoner here by any application to the courts in America; but here the prisoner was, and he must be tried. The prisoner: I asked as an American citizen on what charge I was taken to New York. I was hustled on board the steamer by three detectives, assisted by the witness Mr. Foley. His Lordship: They wanted to bring you here, and they succeeded. The prisoner: If they had asked me in a gentlemanly way. (Loud laughter.) Mr. Pope: Probably he would have declined the invitation to come. (Renewed laughter.) The prisoner: I had four lawyers to assist me. Mr. Pope: Perhaps that accounts for his being here. (Loud laughter.) The prisoner: I had four lawyers to get a *habeas corpus* to set me at liberty, but I would not accept it. The prisoner addressed the jury, and asked his lordship to give him a "little leeway, as he was not accustomed to the usages of the court." He urged that it had been his intention to send money home to England to meet his liabilities, and that he had no intention to defraud his creditors. The prisoner was found guilty, and was sentenced to eighteen months' imprisonment with hard labour.

CHARGE AGAINST AN "ACCOUNTANT."

On the 11th inst. Frederick Wood Morphet, of No. 35 Moorgate-street, described as "an accountant," appeared on remand in discharge of his bail before Sir James Clarke Lawrence, M.P., to answer the charge of being a fraudulent bailee. Mr. Thorne Cole, instructed by Mr. Pratt (from the office of Messrs. Buchanan and Rogers), prosecuted, and Mr. Blanchard Wontner appeared for the defence. The evidence in this case showed that about the middle of October, 1874, Mr. Henry Frederick Saunders, a tailor, carrying on business at No. 118 High-street, Stoke-Newington, was in difficulties, and he applied to the defendant, who carries on business in Moorgate-street. Mr. Saunders gave him a list of his creditors, and amongst them a debt due to Messrs. Edmonds and Son, of £6 17s. 4d., and the defendant told him that he had better pay that sum in full, as the debt was so recently contracted it would bring him under the penal clauses of the Bankruptcy Court. Mrs. Saunders went to her brother, Mr. Dixon, of Southampton, and a few days afterwards he sent a post-office order to the defendant, with instructions to pay Messrs. Edmonds and Son. The defendant acknowledged the receipt of the order, and promised to pay it. It was, however, not paid, and in October, 1875, Messrs. Edmonds sued Mr. Saunders in the Shoreditch County Court and recovered a verdict, Saunders being ordered to pay £2 a month. Mrs. Saunders took the summons to the defendant, and asked him what he had to say to Edmonds' account not having been paid, and he replied that it was not paid, but that he would pay the £2 a month, but he would not pay the costs. Steps were then taken to prosecute the defendant as a fraudulent bailee. The defendant himself failed in the beginning of this year, owing both Mr. Saunders and Mr. Dixon money. Besides the amounts referred to, Mr. Dixon gave the defendant £10 10s. to pay the composition which Saunders's creditors had agreed to accept, but the Registrar refused to register the resolutions of the creditors, and the composition had not been paid, nor had the money been returned. In April last Mr. Dixon pressed the defendant for the return of that money, and also for payment of £6 on a dishonoured bill, with noting and interest amounting together to £17 6s. 6d., but as he had not the money he offered Mr. Dixon as security the duplicate of a watch and chain, which was pledged for £15, but which was worth £50. For that duplicate Mr. Dixon gave a receipt, as he alleged, for those sums, but as the defendant alleged as security for the £10 composition and Messrs. Edmonds' account, £6 17s. 4d. The receipt was produced, and Mr. Dixon now stated that it was not the one he signed, or if it was, the words in brackets (Edmonds and Co.'s claim, £6 17s. 4d., and composition £10) had been inserted after it was signed.—Mrs. Saunders also gave similar evidence, and they both stated that the receipt Mr. Dixon signed was written on blue paper and not on white, as that produced was written. A great deal of evidence was gone into as to whether the signature was of was not Dixon's, and whether if it were Dixon's the words in brackets had been added after it was signed. Mr. Wontner contended that if that receipt was a genuine one there was an end of the case, as Dixon had made a debt of the money. Sir James Clarke Lawrence adjourned the case, but admitted the defendant to bail in one surety in £100 and his own recognisances in £200.

On the 17th inst., the defendant appeared again on remand, in discharge of his bail, before Sir James Clarke Lawrence, M.P., to answer the charge of being a fraudulent bailee. Mr. Thorne Cole, instructed by Mr. Pratt, from the office of Messrs. Buchanan and Rogers, prosecuted; and Mr. Blanchard Wontner appeared for the defendant.

The evidence previously given having been read over and the depositions signed, the cross-examination of

Mr. Saunders was continued.—He had made clothes for the defendant to the value of £15, of which he had paid £6, and for the balance he gave two bills, one for £6, and one for £3 odd. He got a notice from the Bankruptcy Court informing him of the defendant's bankruptcy. He did not know that the defendant had scheduled him as a creditor for £10. He had not offered to compromise the matter since these proceedings. He wrote a letter to the defendant on the 13th of November, threatening to take criminal proceedings under the Fraudulent Bailee Act, unless he paid the money to Messrs. Edmonds, and the costs he had been put to, amounting altogether to about £12 odd. He had filed three petitions for liquidation, one of which was refused registration. The last one was on Nov. 4. The first petition he filed he paid 6s. 8d. in the pound. The second one, in which Mr. Morphet was concerned, he offered to pay 1s. in the pound, and it was agreed to be taken, but the registrar refused to register the resolution of the creditors. Mr. Dixon, his brother-in-law, was a credi-

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tor, and had a bill of sale on his furniture. He believed Mr. Dixon gave up his bill of sale and proved as an ordinary creditor. He had made no proposition to pay under the present petition, for the first meeting of creditors had not been held. Mr. Dixon and he were prosecuting in this case, and he found most of the money for it.

Mr. Charles Hodson, clerk in the head office of the Money Order Department, London, produced the money order for £6 17s. 4d. sent by Mr. Dixon to Mr. Morphet, to be paid by him to Messrs. Edmonds.

This was the case for the prosecution.

Mr. B. Wontner then addressed the court for the defendant, contending that Mr. Morphet was a gentleman of high character, and had been ten years in the service of the Bankruptcy Court, and had heretofore borne an unblemished character. He admitted that the defendant had received £10 10s. for the composition, and the £6 17s. 4d. for Messrs. Edmonds, and the reason that he held them over was because the registrar refused to register the resolution of the creditors, and there was an appeal against that decision, which would take up some considerable time. The fact was communicated both to Dixon and Saunders, and they were perfectly aware that the money was retained by him for the purpose of paying the composition when it was agreed to by the Bankruptcy Court. The money was certainly mixed up with the defendant's own, but that was not a criminal matter. When the defendant found that he was about to become a bankrupt, he felt that it would not be right to let them suffer for the money they had placed in his hands to meet the claims of the creditors of Saunders, and he gave Mr. Dixon the duplicate of his watch and chain, which were pledged for £15, but which were worth about £30. Mr. Wontner then addressed himself to the question of Mr. Dixon's receipt for that duplicate which Mr. Dixon and Mrs. Saunders declared was a forgery, or if not a forgery, there had been words interpolated, showing that the security was given for £10 10s., money given for the composition, and the money for Edmonds, £6 17s. 4d. Mr. Dixon declared that the security was for the £10 10s., for the composition, £6 for a dishonoured bill, 1s. 6d. for noting, and 15s. for interest, making together £17 6s. 6d. That, Mr. Wontner contended, was not the case, for the defendant had inserted in his schedule in the Bankruptcy Court, where he said he had given the duplicate for the watch as security for £16 17s. 4d., being the amount of the money for the composition, and the £6 17s. 4d. for Messrs. Edmonds' claim, and therefore that could not be an invention, because it was done within a few days after the occurrence. He then referred to the manner in which Mr. Dixon and Mrs. Saunders had given their evidence, and contended that they had spoken incorrectly in all they had said regarding the receipt. If that were genuine, there would be an end of the charge, as it had been made a civil matter. He would call two experts, who would prove that the signature to the receipt was the genuine signature of Mr. Dixon.

Mr. Charles Chabot said he was an expert in hand-writing, and he had not the slightest doubt the signature to the receipt was a genuine one of the writer of certain letters produced (Dixon's).

By Mr. Cole.—He had heard of what Sir James Hannen had said of him and Mr. Netherclift in the case of "Davis v. May," in the Probate Court; and he (Mr. Cole) was examining him from the newspapers, which were altogether wrong.

Sir James C. Lawrence said that his experience was that what appeared in the newspapers was generally wrong.

Mr. Chabot said that what he stated was that he could not recognise the testator's signature to that will.

Mr. Frederick George Netherclift said that the signature "A. M. Dixon" to the receipt was undoubtedly the genuine signature of Mr. Dixon. He wished to say that he believed the signature to the will to be a rank forgery, and he should believe so to the day of his death.

Sir James Clarke Lawrence retired with Mr. Martin, the chief clerk, and on returning into court said he had gone into the matter very carefully, because there was some difficulty in the case, but the main facts were admitted. The post-office order was sent up for a specific purpose, and was received by the defendant. Making all allowance for the defendant's pecuniary difficulties, there was this fact on the evidence—that there was a suppression of the fact that the money had not been paid. The defendant had several interviews with Mr. Edmonds, when he mentioned that he had given the duplicate for the watch and chain as security, and stated that there would be a balance coming to him, and out of that he would pay Messrs. Edmonds' claim. That was inconsistent with the statement that the security was given for Edmonds' debt, for he never once told Mr. Edmonds that he had given security to Dixon for his (Edmonds') debt. With regard to the hand-writing, there were some doubts about that, and the evidence was pretty evenly balanced. Under all the circumstances, it was a case that a jury must decide. He then committed the defendant for trial, but accepted bail in two sureties of £100 each and himself in £200.

LOAN SOCIETIES.—From the annual Parliamentary Return on loan societies just issued, it appears that on the 31st of December last there were in England and Wales 480 societies, of which only seven were in Wales. On that day there were 33,614 members: the amount actually advanced and paid by depositors or shareholders in the year, £199,365; "sums in borrowers' hands on the 31st of December," £407,774; the amount circulated in the year, £636,472. There were 136,427 applications for loans in the period, and 126,886 actual borrowers; the amount paid for forms of applications and inquiry £7,967. As much as £32,920 was paid for interest by borrowers and sureties. The expense of management was £19,661. The net profits, after paying the expense of management, £21,195; loss on the year, £2,316. There were 8,783 summonses issued, and 1,751 distress warrants. The summonses were issued for £19,246; the amount recovered in the year was £15,262. The societies incurred in costs £2,481, and recovered £2,122 costs.

LAW OFFICERS.—"A London Solicitor" complains of what he considers to be a grave omission and defect in the Rules of Court made by the Judges pursuant to the Judicature Act—viz. the silence of the Rules as to the hours during which the offices of the High Court of Justice shall be open. He proceeds to give one or two examples of the anomalies existing in the offices of the one court now in existence: "The old legal terms are abolished by section 26 of the Act of 1873, yet we find the offices of the Queen's Bench Division (except the Judges' Chambers) opening at 11 and closing at 5 o'clock—precisely the same hours as were adopted when 'terms' were in existence. The Common Law Judges' Chambers, on the other hand, have until the last few days been opened from 11 to 3, but a notice has just been issued stating that in future, during the Hilary, Easter, Trinity, and Michaelmas sittings, the Chambers will be opened from 11 to 4, and during vacations from 11 to 3, and during the long vacation from 11 to 2. Why should the hours differ in the same court; in fact in the same division of the court? In the Chancery Division the Record and Writ Clerk's Office opens at 10 and closes at 4; and in the Chancery Judges' Chambers business generally commences at 10.30. On the other hand, many of the Chancery offices adopt shorter hours. This confusion is very inconvenient to solicitors, and occasions much loss of time and trouble. From many years' practical experience, I am convinced that it would be a public boon if all the offices connected with the Supreme Court opened at 11 and closed at 4, except on Saturday, when, like all other Government offices, they should close at 2. Some years ago the Saturday half-holiday movement was so far recognised by the Judges that a rule was made for delivery of pleadings, &c. before 2 o'clock on Saturday, but there the recognition stopped. No effort was made to close the public offices of the Superior Courts at 2 o'clock, and, consequently, thousands of solicitors and clerks have no Saturday half-holiday."

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CREDITORS' MEETINGS.

Backhouse (Bradford).—At a meeting of creditors in this matter the statement of affairs produced showed total liabilities, £1,510 13s. 6d.; assets, £528 3s. The debtor had no offer of composition to make, and a resolution was unanimously passed liquidating the estate by arrangement, and appointing Mr. W. C. Harvey (Gamble and Harvey) trustee.

Parkfield Iron Company.—At a meeting of the creditors of the Parkfield Iron Company, of Wolverhampton, held on Saturday, it was resolved to wind-up the undertaking. The liabilities amount to £35,539, and the assets to £3.627.

D. Clampett (Manchester).—The creditors of Mr. Daniel Clampett, 1 Cannon-street. Manchester, commission agent, met on the 21st inst., at the offices of Mr. T. E. Jones, solicitor, Princess-street, and resolved to liquidate by arrangement, with power to the trustee to sell the estate to the debtor. Liabilities, £1,907 14s. 4d.; assets, £257 8s. 6d.

J. Turner (Manchester).—A statutory meeting of the creditors of James Turner, of and carrying on business at 155 York-street, and Alexandra Works, Heywood, and 11 Halliwell street, Manchester, paper merchant, was held on the 21st inst., at the offices of Mr. Thomas Chorlton, 32 Brazennose-street, solicitor. The statement of affairs, prepared by the receiver, Mr. John Adam Eastwood, 57 Princess-street, accountant, showed the liabilities £2,508 16s. 3d; assets, £626 1s. 6d. The debtor's offer of 5s., payable in four, eight, and twelve months, last instalment guaranteed, was accepted.

W. G. Trice (Cardiff).—At a meeting of the creditors of William George Trice, held on the 22nd inst., at the offices of Messrs. Barnard, Clarke and Co., No. 3 Lothbury, and whose liabilities were stated to be £4,585 18s. 8d., and the assets £3,811 17s. 1d., it was resolved to wind-up the affairs by liquidation, Mr. Frederick Lucas, of 20 Great Marlborough-street, London, W., and Mr. Frank Morgan, of Cardiff, being appointed the trustees.

FAILURES.

The creditors of J & N. Rix, iron merchants, of London and Shadwell, have resolved to liquidate by arrangement, and have appointed Mr. Robert A. McLean (Messrs. Robert A. McLean and Co.) to be trustee, with a committee of inspection. The liabilities are stated to be over £30,000.

Abel Thewlis and George Thewlis, Meltham, carrying on business as woollen-cloth manufacturers, under the style or firm of "George Thewlis and Sons," filed a petition in the Huddersfield County Court on the 21st, for the liquidation of their affairs by arrangement. Their liabilities are stated to amount to £9,285 7s. 11d.; and the creditors principally reside at Huddersfield, Slaithwaite, Holmfirth, and Meltham. Mr. Martin Kidd, of Holmfirth, is the debtors' solicitor; and Mr. W. Schofield, accountant, is the receiver. The first meeting has been fixed for the 10th January.

Obtaining Credit by False Pretences.—At Bow-street, on Monday, Mr. E. S. Jervis answered to an adjourned summons, before Mr. Vaughan, charging him with having obtained credit by false pretences. Mr. Douglas Straight prosecuted; Mr. George Lewis, jun., defended. Mr. Ernest Robinson, officer of the Court of Bankruptcy, produced various files of the proceedings connected with the bankruptcy of E. S. Jervis. The first petition related to the non-payment of £300, and was adjudicated upon on the 25th of January, 1874. That adjudication was annulled in February, 1874. On the 2nd of July, 1874, there was a second petition by Rodolph Helbronner as to non-payment of a debtor's summons, £261 16s. 2d. for goods sold and delivered, and on the 21st of July, 1874, it was adjudicated upon. The first meeting of creditors was held on the 8th of September, 1874. No statement of affairs was produced or a note made to that effect. The public examination bore date 2nd of November, 1874, when no statement was made. There were two orders of the court that the defendant should file the statement of his affairs, but they were not complied with. No statement of affairs was supplied by the bankrupt; he had filed no accounts at all. There were three other petitions. On the 13th of October, 1875, the order of the court for the present prosecution was made. Cross-examined by Mr. Lewis, witness said that Mr. Knight, as trustee, had examined the defendant as to his accounts. Mr. Jos. John Saffery, public accountant, said he was trustee in the bankruptcy of E. S. Jervis. Claims were put in to the amount of £45,807 18s. against the estate. Witness allowed £37,037 19s. 5d. of these claims as just. The defendant himself admitted £10,885 as just claims. Witness had received £1,486 16s. 4d. as assets. Cross-examined, witness said he was not the first trustee appointed in this case. He was unaware that the purchase-money for Wenroe Castle had been tendered by the defendant. The case was then adjourned.

Winding-up.—A petition for continuing the voluntary winding-up of the Thetis Marine Insurance Company, Limited, subject to the supervision of the High Court of Justice, is to be heard before the Master of the Rolls.

An "Accountant" Charged with Stealing.—At Lambeth police court, on Tuesday, Henry Chandler, 33, described as "an accountant," was charged on remand with stealing a gold watch, value £10, the property of Ann Wiggins, 32 Holyoak-road, Newington Butts, and also with obtaining from her about £50 under false pretences. Mr. Mead, barrister, conducted the prosecution on the part of the Solicitor to the Treasury. The prisoner took apartments at the house of Mrs. Wiggins, a married woman, on the 28th of September last, saying he was an accountant in the service of Messrs. Morrison, solicitors, Chancery-lane. The prosecutrix being on unfriendly terms with her husband, afterwards spoke to the prisoner respecting a separation, and was told that Messrs. Morrison might draw up the deed. The prosecutrix gave him several sums to pay the costs. He said he had passed his examination as a solicitor, and would require £80 to take up his "brief." He showed her what he called his "certificate," which was read in court:—"Oct. 11, 1875. Solicitors' Examination. This is to certify that Henry Chandler proved his examination at the Inner Temple on the 11th of October, 1875. Signed, Mr. Vice-Chancellor Sewell, Mr. John Duarnal, B.C., D.C.; Mr. Thomas Haynes, Q.C.; J. Bennet, Certificate Officer, Inner Temple." To each of the names there was a small red seal, and in one corner a large seal. Mrs. Wiggins admitted that she had for a short time lived with the prisoner as his wife, as he said he would assist her in getting a divorce from her husband. The prisoner had stated that he was employed by the Treasury solicitor, but this was denied. Thomas George Philipps, printer, London-road, said he had printed the certificate produced and some cards for the prisoner. Detective-sergeant Chamberlain proved that the prisoner's name was not on the rolls. Mr. Benwell, from the Treasurer's office, Inner Temple, said no such certificate as the one read had been given. Mrs. Wiggins further stated she advanced £4 18s. for the prisoner to prove the will of a Mrs Redmond at Hammersmith, and he dressed himself in a "solemn manner" when he went to read the will. Chief Inspector Hoskisson deposed that no such person as Mrs. Redmond was to be found. Mr. Pollard asked for a further remand, to bring forward other cases. He had been so much engaged lately in the Wainwright trial, that he had not been able to attend to he matter. Mr. Chance acceded to the request.—[The name Henry Chandler does not appear in the published Lists of Accountants.—Ed. *Accountant.*]

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APPOINTMENTS.

[*The Editor will be glad to receive early notice of appointment of Liquidators and Auditors for insertion in this Column.*]

Mr. John Unwin Wing, of Messrs. Wing, Wing, and Co., accountants, London and Sheffield, has to-day been appointed by the chief clerk official liquidator of the Dunraven Adare Coal and Iron Company, Limited.

Mr. W. C. Harvey (Gamble and Harvey) has been appointed receiver of the estate of W. R. Wright and Sons, late of 8 Tokenhouse-yard, and now of 93 Queen Victoria-street, E.C.; and also of 7 Portland-place, Lower Clapton, china, glass, and earthenware dealers.

Vice-Chancellor Malins has appointed Mr. Edward Hart, accountant, to be the official liquidator of the Liguria Gold Mining Company.

John Pattinson (of the firm of Harry Brett, Milford, Pattinson, and Co), of 150 Leadenhall-street, E. C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed trustee of the estate of Francis Henry Fearns, of Marlborough Works, Peckham, in the County of Surrey, philosophical instrument maker, a bankrupt. Messrs. Crook and Smith, 173 Fenchurch-street, solicitors to the trustee.

John Pattinson (of the firm of Harry Brett, Milford, Pattinson and Co.), of 150 Leadenhall-street, E.C., and 12 Vigo-street, Regent-street, W., public accountant, has been appointed trustee of the estate of Oliph Leigh Spencer, of 28 Lisle-street, Leicester-square, in the county of Middlesex, merchant, a bankrupt. James Davis, 51A Conduit-street, Bond-street, solicitor to the trustee.

EXTRADITION v. KIDNAPPING.—Under the above title the Liverpool Mercury refers as follows to a case which we report in another column:—"A case was heard at the Liverpool assizes on Saturday which was a curious commentary on the law of extradition. John Harrison Blair, a tradesman, at Manchester, having failed, packed up some of his most valuable effects, and, leaving his creditors in the lurch, made good his escape to the United States. Our extradition treaty with that country does not include the minor offence of which Blair had been guilty, and, therefore, it was reasonable to assume that he had made good his retreat with the spoil. But his creditors were men of resource, and despatched one of the smartest of their number, with detectives at his back, to secure and bring home the man who had used them so badly. Hopeless as their task seemed, they succeeded, and to that extent every honest man will be glad that Blair has received the reward of his misdeeds. But, from another point of view, what have the citizens of the stars and stripes to say about their freedom and independence? When English detectives can drag their victims from the very talons of the eagle itself, there is something wrong. It was said in court, jokingly of course, that this very case would be made a *casus belli;* but joking apart, the outrage on certain notions is rather marked. It was simply a case of kid napping. The one object of his pursuers was to bag their game; and they do not appear to have stuck at trifles in gaining their end. John Harrison Blair must now have a very poor opinion of the value of the protecting shadow of the eagle's wings; and even American citizens must feel uncomfortable. If an absconding bankrupt could be so neatly trapped, what is to prevent smart men from kidnapping any body they may have a fancy to, and either, after the Grecian fashion, making them pay ransom, or quietly putting them out of the way altogether? Possibly the United States police had an idea of the real state of things, and so winked at the proceeding. It would be too much to believe that so great an outrage on the republic could be perpetrated with impunity."

The receipts on account of revenue from the 1st April, 1875, when there was a balance of £6,265,322, to the 18th inst. were £51,103,300, against £50,039,143 in the corresponding period of the preceding financial year, which began with a balance of £7,442,854. The net expenditure was £51,804,544, against £51,086,463 to the same date in the previous year. The Treasury balances on the 18th inst. amounted to £4,633,519, and at the same date in 1874 to £5,133,295.

THE LEEDS MERCANTILE BANK.—The creditors of the Leeds Mercantile Bank, which failed a month since, agreed on the 23rd inst., after a stormy meeting, to liquidate the estate by arrangement. A dividend of 5s. in the pound is expected. The liabilities amount to £50,000.

BANKERS' CLEARING HOUSE.—The following is the official return of the checks and bills cleared in the Bankers' Clearing house for the week ending Wednesday, December 22:—

Thursday, December 16	£16,881,000
Friday, December 17..............	15,231,000
Saturday, December 18............	18,462,000
Monday, December 20	15,845,000
Tuesday, December 21	15,361,000
Wednesday, December 22	11,984,000
	£93,764,000

The total at the corresponding period of last year was £102,714,000.

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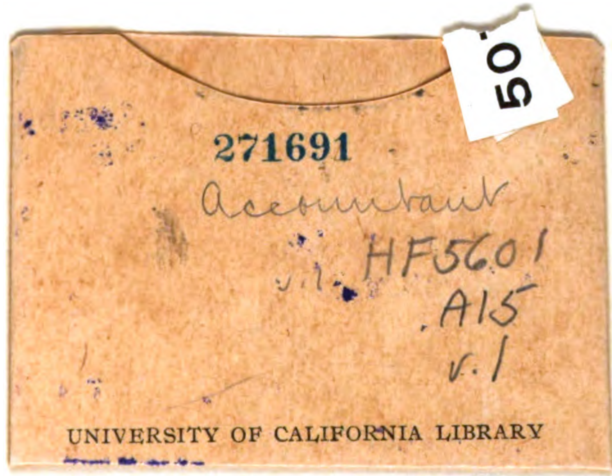

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