

ing, and that the loss was really only about 20 per cent. of the total value. It was further offered to be shown that the building could be renewed and rebuilt without tearing it down, and that by replacing the damaged parts it would be as good as new. This evidence was excluded by the Court, and judgment given against the Royal for the full amount of the policy. When the case came before the Supreme Court of Texas, Judge Denman said: "A careful reading of many reported cases, both upon marine and fire insurance, convinces us that such evidence as was excluded by the lower Court has been generally received upon the issue, whether the loss was total or partial, both in English and American Courts." After discussing fully the opinions of English and American authorities as to what constitutes total loss, Judge Denman concluded as follows: "We are of opinion that there can be no total loss of a building so long as the remnant of the structure standing is reasonably adapted for use as a basis upon which to restore the building to the state it was in before the fire. Whether it is so adopted depends on the question whether a reasonably prudent owner uninsured, desiring such a structure as the one in question was before being damaged, would, on proceeding to restore the building to its original condition, utilize such remnant for a basis for rebuilding. Upon such issue, the character of evidence offered and rejected in this case is competent, that our statute provided that, a fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for full amount of such policy * * * does not affect the character of evidence admissible on the issue as to whether the loss is total, but merely affects the rights of the parties in case of total loss. For the error in excluding the testimony, the judgment against the Royal Insurance Company is reversed, and the case remanded." The evidence sought to be put in by the Royal showing the loss to have been only partial, seems amply sufficient to ensure a final judgment in its favor.

THE CABLE AND POSTAL AMALGAMATION.

Dame Rumor has been active for some time with the affairs of the Commercial Cable and Postal Telegraph Cable Companies. The respective managements of these organizations ceased some years ago from rate cutting, or any injurious forms of competition. It has, however, been felt that as they were practically aiming to secure the same class of business in the same field, it would be to their mutual advantage to enter in a business alliance, so as to economize expenses, and have the entire system of both Companies under one direction. The arrangement arrived at leaves both organizations nominally as they were, but the Postal Telegraph has become the property of the Commercial Cable, by its purchase of the share Capital of the former Company. In this case the smaller has taken over the larger, as the capital of the Postal is 15 millions, and the Commercial Cable's 10 millions. The bonded debts of both Companies had been previously liquidated, the Cable's by payment of the bonds, and the Postal's by the re-or-

ganization of the Company in 1886. The proposition is for the Commercial Cable to issue \$20,000,000 of 4 per cent. bonds, of which \$15,000,000 would be devoted to securing the capital stock of the Postal Company, the exchange being made at par. By this conversion of their shares into 4 per cent. bonds, the stockholders of the Postal will receive the same return on their investment as they have done in the present year, when, for the first time, a 4 per cent. dividend has been paid. The Postal shareholders will have this advantage, the interest will be more of a certainty than the dividend. The balance of \$5,000,000 of the new bonds will be used for developing the Postal system, the work to be extended over ten years. It will be noted that by the arrangement proposed, no new stock will be created, nor any obligation assumed by the Cable that is likely to have anything but a favorable effect upon its financial returns. For some years the Cable has paid 7 per cent. steadily upon its stock of \$10,000,000. On the other hand, the Postal paid no dividend until 1896, the earnings up to 1886 of 3 1-3 millions, and its increased capital of 5 millions in 1895 having all been devoted to improvements and extensions. The result of this policy was the increase in mileage of wire service from 37,000 miles in 1886, which carried 3 million messages, to a service of 117,000 miles of wire, over which passed 12,500,000 messages. The two Companies were really so necessary, indeed supplementary, to each other, that their amalgamation, sooner or later, was inevitable, for, as *Bradstreet's* points out, "without a system of land lines reaching the important centres of the country, the cable system of the Commercial Company could not be worked to advantage; and the lines of the Postal Company fulfill that requirement." The stocks of these Companies have been a specialty of the Montreal Stock Exchange. The effect of the amalgamation is shown by the stock of the Cable having risen from 136 in September to 167 in December, and the Postal from 77 to 94 in the same interval.

A CASE OF SOUR GRAPES.

We have been shown a circular issued by a mutual fire insurance company, in which a point is sought to be made against the regular line organizations, because "the funds of the stock companies are in the vaults of aggrandized capital in the East and in Europe." The company from which the circular emanates is unable to claim possession of any funds beyond a nominal sum; we fear, therefore, this complaint, or charge, is a case of sour grapes. It is a just boast of the stock companies to have funds "in the vaults of aggrandized capital," in one form or other, sufficient to instantly provide for honoring such claims as they are liable to be called upon to meet. The policy holders in such companies derive great satisfaction from knowing there are funds promptly available to meet their claims. Any level-headed business man would very much prefer to have his assets in the vaults selected by "aggrandized capital" to having them scattered all over the country in the alleged pockets of those who might fail to respond to demands made upon them.