cold during the spring months, and in a number of districts the cotton planters had many discouraging conditions with which to contend. Commercial fertilizers were more freely used than in previous years. The increase in the acreage will, in a measure, offset the unfavourable weather conditions. The Chronicle is of the opinion that : "A pretty full crop is possible, but not by any means is such a result as well assured as it was a year ago. The weather, however, during the next two or three months has so much to do with the making of the crop, especially in the overflowed districts, that should all the surroundings be favourable a greater yield than in some years of much brighter early promise may be realized."

THE CO-INSURANCE CLAUSE AFTER FIRES.

Following the somewhat recent decision of Judge Armour as to the validity of the co-insurance clause as applied to fire insurance policies in the case of Wanless vs. the Lancashire and British America Companies, and the subsequent affirmation of that decision on appeal by the latter company, difficulties are evidently cropping up between the insurance companies and the public as regards the application of this clause to all manufacturing and mercantile risks—difficulties for which a satisfactory and final solution will, we fancy, have to be sought for in the higher courts or Privy Council. The clause in question reads as follows :—

"It is a part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the assured shall maintain insurance concurrent in form with this policy, on each and every item of the property hereby insured, to the extent of at least seventy-five per cent. of the actual cash value thereof, and that, failing so to do, the assured shall be a co-insurer to the extent of an amount sufficient to make the aggregate insurance equal to seventy-five per cent. of the actual cash value of each and every item of the property hereby insured, and, in that capacity, shall bear his, her, or their proportion of any loss that may occur.

"Attached to and forming part of Policy No...."

In view of the fact that a fair consideration of 20 per cent. reduction is made to the assured in premium rates as fixed by the Underwriters' Association for their acceptance of this clause, its rejection after the occurrence of a fire, when the company have a just claim upon the assured for contribution in accordance with stipulations in the clause referred to, is naturally regarded by the companies insuring as a breach of good faith on the part of the assured. There is nothing in the clause savoring of injustice or unfairness, for it is optional with the assured to pay the full rate of premium demanded, and in case of loss to receive full indemnity from the company to the amount of their policy, or to pay the lesser rate, and in the event of loss, and the value exceeding the proportion as set forth in the clause, become co-insurers with the company for such excess.

Complaint is made, and we think justly, that whilst the assured, when asking for insurance, manifest their willingness to accept the lower rate and to abide by the stipulations of the clause, just as soon as a claim arises exception is taken thereto and lawyers are consulted as to the legal bearing of the clause with the view of resisting its enforcement.

To our mind the excessive prevailing competition is responsible for a great deal of the difficulty between insurers and assured, and the lax manner in which, as we have reason to believe, the business of insurance is often conducted, is blamable in like manner. In years gone by it was the rule never to issue a policy from an office unless upon an application duly signed, in which it was set forth what and upon what conditions the property described was to be covered ; such application was considered part and parcel of the undertaking between the insurer and assured, and any infringement of the conditions was considered a violation of the policy. This is all changed to-day ; scarcely in one case in twenty in Canadian cities like Toronto and Montreal, is a proper application furnished. Indeed, the business of fire insurance appears to be conducted in a sort of "go as you please" style, the main point to be observed being to rake in all the premiums possible without regard to consequences that may result. It is evident that if complications and litigations are to be avoided the co-insurance clause must be carefully reconsidered and so worded that its meaning and import cannot be misinterpreted of misconstrued. And it should be printed on the policy, instead of being attached thereto, as is plainly pointed out in the decision of the court in the case above referred to. It is very clear that the leaning of our courts is towards making insurance policies unrestricted covenants to pay, and the fewer ambiguous terms that are introduced into the variations of the statutory enactments, which the judiciary appear to be jealous of guarding, the less chance there will be of conflict between insurer and insured.

AUSTRALIAN LETTER.

FROM OUR OWN CORRESPONDENT.

The building of the Australian commonwealth goes slowly on. The Constitutional Convention has met, drafted a constitution and adjourned to the 5th of September. The delegates have gone to submit their work to the several colonial parliaments, but after arriving at the best possible terms on which the colonies can be got to come together—at least it is to be presumed so—a very large number of these draftsmen propose to have it amended in important particulars by these parliaments. As the amendments will be far from harmonious, the Convention will meet on the 5th September to attempt the harmonizing once more. As it is possible that Queensland may be represented at this meeting, other amendments than those proposed by the five colonies may be incorporated to induce this shy sister to enter in. Their revised work will be submitted to the popular vote for approval, and then comes the rub.

The offspring of the Convention differs not materially from the still-born product of the Convention of 1891, in which such an heroic figure as Sir George Grey took part. The framers had not the practical advantage that members of the Quebec Conference had of seeing a federation in actual operation. Hence there was more of the doctrinaire element in their work, and their constitution is somewhat more like the Federal compact of the United States, than is the Canadian. The Australian proposals differ from the United States constitution in preserving the British form of a responsible government and a Governor-General appointed by the Queen. It is not proposed that New Australia shall "cut the painter."

The local jealousies compelled it to give the minimum power to the General Government and the maximum to the several provinces ; to refuse to take off the State debts, thus leaving a large surplus in the hands of the General Government to be distributed by a clumsy contrivance that pleases nobody, and to give equal representation to each province in the Senate, making it absolutely the guardian of provincial rights, and giving it strong influence over the Government of the day. In this respect it is inferior to the Canadian basis. It wisely proposes a smaller number of members in each house than is the case in Canada, but proposes to pay them two thousand dollars per annum. The first proposition meets with favor, and the latter has not been much objected to.

The Premiers have all gone to England for the Record Reign celebrations. Hon. G H. Reid, Premier of New South Wales, and Hon. C. C Kingston, intend to return through Canada. It is possible that Sir John Forrest, Premier of Western Australia, may likewise return that way. The others do not see how they can find time to do