FIRE INQUEST.—An inquest was held at Bridgeport, Waterloo Co. Ont., to inquire into the cause of a fire which resulted in the partial burning of the house of Jno. D. Mueller of that place. The property was insured in the Waterloo Mutual for $450 and the attendant circumstances being of a suspicious character an investigation was had before a coroner's jury. After hearing the evidence the jury gave their verdict to the effect "That the house of Jno. D. Muellar was designedly set on fire by a party or parties unknown".

FIRE RECORD.—Quebec, May 20—Residence of P. Poitras was burned to the ground. House and contents a total loss; also some stables owned by Mr. Kilcart, a milkman.

Cobourg, May 22.—Carriage and implement factory of J. Wellwood. The Provincial had a policy of $200 on the finished and unfinished work; there were also $200 on the building, and $100 on the tools and machinery. Value of property, $800. The origin of the fire is a mystery.

Kingston, May 22.—An empty building on Barrie Street; cause believed to be incendiarism.

—Guelph has at last obtained a fire engine.

SAULT STE MARIE CANAL.—A memorial is being extensively circulated in the Lake Superior region, asking Congress to make an appropriation for enlarging the Sault Canal. The depth of water that can now be relied on at all times does not exceed 10½ feet, while to allow the passage of the largest class of lake vessels requires 14 feet of water.

Law Report.

COLLISION—VALUE—GOLD.—In an action of Gordon *vs.* the Propellar *Vaughan*, brought in the U. S. Circuit Court of New York. In giving judgment, Judge Blatchford said: The law is well settled that in case a contract to deliver goods is broken, the party is entitled to recover the full value of the goods at the place of delivery. And such value is to be computed in the currency prevalent at such place. This was the rule applied by Judge Shipman in the case of Ross *vs.* the *Patrick Henry*, in this Court, (July, 1867,) cited for the libellants. In that case, the suit was on a bill of lading to deliver sovereigns at New York, and on proof that the sovereign was worth at that place at the time $7 05, in the currency then and there prevalent, the Court decreed a recovery on that basis. If in this case the action was on the bill of lading of the barley for its non-delivery at New York, the proper rate of damages would be $1.70 per bushel. But in cases of loss of cargo by collision or other tort, the rule is equally well settled that the value of the loss property at the time and place of its shipment is the measure of damages. * * *

The damages computed on the principles above set forth will amount to a certain number of dollars in the money of the United States, and the decree will be for that number of dollars. The case will stand the same as if the barley had been shipped from England, in which event the value of the barley there, in sterling money of Great Britain, converted into the coined money of the United States at the commercial value of such sterling money at the time in such coined money, would be the legal measure of damages, the only difference in the present case being that as the currency prevalent in Canada is the coined money of the United States, it does not require to be converted into such coined money. The rule is the same as if the action were one for the breach of a contract to deliver the like quantity of barley at a foreign port, whether in England or in Canada, or for the breach of a contract for the payment of money made abroad and to be performed abroad in a foreign currency. In a case of the latter description this Court has held that the proper rule of damages is the commercial value of the foreign money in the coined money of the United States, without any allowance for any premium on such coined money. The fact that under the act of Feb. 25, 1862, (12, U. S. Stat. at Large, 345,) the debtor can discharge a judgment entered for the amount of damages so ascertained, by paying it in United States notes or legal-tender currency, without any allowance for any depreciation in the value of such currency or notes, cannot affect the question as to the proper measure of damages or the proper mode of computing them. A debt contracted in the United States before such notes were made a legal tender, and payable in the United States, can be discharged by such notes, dollar for dollar, according to the tenor of the contract. Such is the law; and the privilege of so discharging any judgment which may be entered in this case for damages computed on the principles herein set forth, is one which the debtor is entitled to as an incident of the bringing of the suit in this form.

MARINE INSURANCE.—The important Marine Insurance case, M'Andrew v. Saunders, which will be long remembered in the profession and in the mercantile community as one of the most remarkable that ever occurred, and in some respects without a parallel, was tried in London before Lord Chief Justice Sir A. Cockburn.

The vessel, which was built in January, 1864, at a cost of £33,000, was insured in January, 1867, in several policies—of which this was one—to the aggregate amount of £36,000, the value being stated in the policy at that amount, though, in point of fact, it was only worth £20,000. It was sent on a voyage to Odessa, and on its return with a cargo of grain worth £34,000 it met with a storm in which it was thought necessary that the crew should leave her (off the coast of Holland), not so much on account of danger to the vessel as from want of provisions and impossibility of getting into harbor, the furnaces being put out, and the steerage apparatus carried away. The vessel, however, was brought home to Hull by steamers so little injured that the valuable cargo it carried was not damaged materially, and the freight, which came to nearly £5,000, was earned. Large claims, however, were made for salvage, and in the meantime the owner having heard of the disaster had before the rescue of the vessel given to the insurers notice of abandonment.—*i.e.*, notice that he abandoned the vessel to them, and claimed to recover as for a total loss. The owner claimed to recover on the ground of this notice of abandonment, given as soon as it was known that the vessel had been left by the crew on the high seas, and at a time when all the known circumstances were such as might make it appear imprudent in him to take the ship; and he also claimed to recover as for a constructive total loss, on the ground that (as he alleged) the vessel would not be worth repairing—*i.e.*, that the cost of repairs would be greater than the value when repaired. The first ground of the claim rested chiefly on the admitted facts, that when the notice of abandonment was given the vessel was, in point of fact, abandoned by the crew, and reasonably abandoned, and on the uncertainty of the charges for salvage and repairs. The other ground of claim, on which the trial chiefly proceeded, rested on comparative estimates of repairs and of value; the case for the plaintiff on this point being that the repairs would cost £20,000 (although detailed estimates for the defence made the expenses only £10,000), and that the ship would then be worth only £15,000, although made as good as it was a few months before, when valued at £36,000. The question was whether the owner was entitled to recover that sum or only the real and actual total loss sustained,—*i.e.*, a "partial" or a "total" loss. The plaintiff's Counsel, however, said they claimed to recover the whole sum of £36,000, the sum stated in the policies as the value of the vessel.

The Lord Chief Justice.—That is to say, you had rather have the money than the ship, even fully repaired, showing an obvious motive for disparaging her value when repaired, and an obvious motive for wishing to get rid of her and refusing to take to her. But are you not in a dilemma as to the value? And can you recover more than the value?

The plaintiff's Counsel cited a case in the House of Lords (the great case of "Irving v. Manning"), in which it was held that the owner, upon a "valued" policy (that is, a policy in which the value was stated) to recover, in the event of a total loss, the whole amount so stated, though more than the real value when insured.

The Lord Chief Justice, however, observed that the decision in that case went upon the ground of a sort of estoppel—that is to say, that, as against the underwriters, the vessel, when insured, must be taken to have been worth the sum stated? And is not that estoppel mutual? And, supposing the vessel put into the same state as when insured, must it not be taken equally as against the owner that it is of the value stated in the policies?

The plaintiff's Counsel insisted that the insured, the owner, was entitled to receive the whole sum stated as the value, assuming it would not be actually worth as much when repaired.

The Lord Chief Justice.—Surely not so, if the real value was largely overstated. Otherwise policies of insurance would become mere gambling transactions, if it were allowable to insure vessels for more than the value, and then, in the event of a loss, to recover the whole amount insured without regard to the actual value.

The plaintiff's Counsel urged that it was the usual practice, and that underwriters really did not wish the real value to be insured. The higher the amount insured the better, as they got premiums accordingly, and in this very case received premiums upon £36,000. The Lord Chief Justice observed that it was deeply to be regretted that such a system should prevail, and: waiving for a moment the question of its legality, he knew what was contrary to honesty, and morality, and public policy, and it would take a great deal to satisfy him that such a system was legal. If it could be brought within the case cited of course it could not be helped, so far as the law stood, but it would show the necessity for altering the law. He, however, was not satisfied that it was the law. The case cited, if it went on the ground of estoppel, implied that the estoppel would be mutual, and that the owner would be as much bound by the value stated as the underwriter. And, moreover, the question was not raised as to the effect of an intentional over-insurance—that is, of an amount stated as the value, which was known to be beyond the real actual value. Such a course was in his view fraudulent, *i.e.*, a fraud of the law of insurance. The plaintiff's Counsel urged that the underwriters took the premiums upon the sums insured, and stated as the value. The Lord Chief Justice, however, answered that they did not know the real value, and the owner did know it. Of course they took the value as stated by the owner, for they knew nothing about it, and of course they received premiums upon the sum insured; they could not do otherwise. But how did this show that they were bound to pay the value stated, if the owner had wilfully misstated it? He should certainly leave to the jury the question whether the value had been knowingly overstated and if they found that it had been so he should, if necessary, reserve for the Court the effect of their finding. It would open the door to the most dangerous gambling in insurance if parties were allowed to insure vessels for sums they knew to be far in excess of the real value, and then recover the whole sum insured; for instance, to insure, as in this case, a ship worth £15,000 for £36,000 and receive the whole sum. He should not willingly be satisfied that the law was so; if it were it would be most lamentable, and would be a case for the interference of the Legislature. But in his view contracts of insurance upon property were contracts of indemnity,—that is, to insure against actual loss, and upon the real value; and the insured were entitled only to recover the amount to which they were really entitled; that is, in the event of a total loss, the real and actual value.

Towards the close of the plaintiff's case, it being proposed to prove difficulty in re-insuring the vessel, the Solicitor-General objected, on the broad ground that the market or selling value was not the test in insurance, but the worth or value to the owner; because the test in insurance was what a prudent owner would do under such circumstances if not insured, and a prudent owner looked chiefly to the worth or value to himself; so that the market value was not the test of value.