

That the principle is unquestionably a sound one clearly appears when it is applied to the case of a director whose name is perhaps the only qualification he possesses, and who is in request by the promoter for the sole purpose of dazzling the public with an imposing front sheet.

At the present moment there is a general demand for such legislation as will define in a more stringent manner the duties and liabilities attached to the office of director. It would, however, seem that the existing law is adequate, at any rate in such cases as those above referred to. Is there any reason why some method of procedure similar to that enjoined by the Act of 1862 in the case of a company in liquidation should not be available where the company is still a going concern? With regard to the prospectus itself, it may be remarked that the tendency of the later decisions on this point has been to increase the personal liability of directors for misrepresentations therein contained. Although we have thought it desirable at this moment briefly to put before our readers the present state of the law on these points, it is, of course, unnecessary for us to disclaim any intention of expressing an opinion upon matters which are at present *sub judice*, and as to the facts of which only *ex parte* statements have appeared.

THE AFTERMATH.

The New York *Commercial Bulletin* says:—The rage for "expansion" has received a setback during the past fortnight. The sad condition of our returning troops has raised this inquiry in the minds of those whom Mr. Lincoln called "the plain people." If we cannot administer affairs in our own territory better than Camps Alger, Thomas, Wikoff, and Black have been administered, how are we likely to administer the Philippine Islands, ten thousand miles away? If we cannot bring our heroes home from Cuba, four or five days distant, in better plight than those on the Seneca, the Alleghany, etc., what is likely to be the condition of sick and wounded men who must be three to five weeks on shipboard? Indeed, the fine outburst of imperialism that greeted us when the protocol with Spain was signed is much subdued. Evidence may be found in a series of interviews published by the *World* on the question, "What shall we do with the Philippines?" Ex-Senators Sherman and Edmunds, President Schurman of Cornell University, President Jordan of Stanford University, California, and a large number of equally eminent men, take decided grounds against annexation or retention of the Philippines, or any part thereof, except possibly a coaling-station. President Jordan delivered a powerful address against imperialism to the graduating class of his university, which has been published for general circulation by Mr. John J. Valentine. In this discourse President Jordan cites the treatment of the natives of Alaska since we acquired that country, and says that Russia has just as good cause to complain

against us on their account as we had to complain against Spain for her treatment of the Cubans. If that is treason, make the most of it.

LEGAL DECISIONS.

KETCHAM VS. AMERICA MUTUAL ACCIDENT ASSOCIATION.

(Supreme Court of Michigan, July 12, 1898).

Life Insurance—Warranties as to Health—Knowledge of Agent.

(An accident policy recited that it was in consideration of the warranties in the application, and that no waiver should be claimed by reason of acts of agents not authorized in writing. The application contained untrue answers as to the past health of assured which were warranted to be true, and the application stated that applicant had not concealed anything material to be known to insurer. *Held*, that the answers avoided the contract, and this though the agent had knowledge, when soliciting the risk, that they were untrue.)

Error to circuit court, Kent county; Allen C. Adsit, Judge.

Action by Emily B. Ketcham against the American Mutual Accident Association. There was a judgment for defendant, and plaintiff brings error. Affirmed.

Dwight Goss (N. J. Brown, of counsel), for appellant. Boltwood & Boltwood (M. C. Phillips, of counsel), for appellee.

MOORE, J. The husband of the plaintiff was insured in the defendant company. He accidentally slipped and fell, resulting in injuries which disabled him for a time. This suit was brought upon the policy. The circuit court judge directed a verdict. The plaintiff appealed.

A number of questions are raised by counsel, but the decision of one of them must end the case. At the time Mr. Ketcham applied for insurance, he was 53 years old. He was a soldier, and while in the army was sick with typhoid fever, resulting in a partial paralysis of his hips and legs. He had been lame so long, he was obliged to use a cane, but for the year preceding his application, though still lame, he got along without a cane. He had suffered two sunstrokes, which, as expressed by him on the witness stand, "at the time affected my whole general nervous system, back, spine, head, and everything else." At the time he made his application, he says he thought he had outgrown the effects of the sunstroke. His claim is, he was urged to insure in defendant company by its agent, who knew him well, and had known him for years. The application was in writing, and was filled in by the assured. Before writing the answers to the questions, Mr. Ketcham says he told the agent truthfully what his experiences had been, and the answers written in had the approval of the agent. The application provided the insurance should not take effect until approved by the officers of the company; that the membership should be based upon the statements contained in the application, which were warranted to be true and complete, and that the applicant had not concealed anything material to be known to the association. The certificate issued recites it is in consideration of the membership fee and the warranties and agreements contained in the application, and that no waiver shall be claimed by reason of any act or acts of any agents unless authorized in writing by the president of the association. In the