The Legal News.

VOL. III. APRIL 24, 1880. No. 17.

INSURANCE PAYABLE TO MORTGAGEE.

We notice that the question presented in the recent case of *Black & National Insurance Co.*, (*ante*, p. 29), has recently been discussed before several Courts of the United States. In one case, *Continental Insurance Co.* v. *Heilman*, Supreme Court, Illinois, February, the opinion of the Illinois Court coincides with that of the minority of our Court of Appeal. The summary of the decision is as follows:—

An insurance policy issued to A., with loss payable to B., mortgagee, was made and accepted on the condition that any subsequent contract of insurance, valid or not, made without the consent of the insurer, would avoid the policy. Afterwards, without knowledge of the company, a new policy of insurance in another company was taken out in the name of the wife of A. *Held*, that the policy was avoided by the subsequent insurance without consent, and this though the subsequent insurance was invalid. Also, a designation of payment to a mortgagee is not an insurance of his interest.

In another case of *Humphrey* v. *Hartford Insurance Co.*, U. S. Cir. Ct., N. Y., January 28, the Court appears to have taken a similar view, holding that where a contract of insurance is made with the mortgagor, the mortgagee cannot recover where the mortgagor has committed a breach of the conditions of the policy.

SURETYSHIP.

A point of some interest under Art. 1963 C.C. is noted in the case of *O'Brien & McLynn*. The Code says: « Celui qui ne peut pas trouver de caution est reçu à donner à la place, en nantissement, un gage suffisant." It was held in the case referrred to, that hypothecs on real estate may be transferred as security for debt and costs on an appeal to the Court of Queen's Bench. In the case of *Farmer*, ins., & *Bell*, petr., reported in 6 Q. L. R. p. 1, it was also held that a debt may be pledged. See also Art. 1974 C. C., which regulates the imputation of interest where a debt bearing interest is given in pledge.

GOODS SOLD ON ORDERS OBTAINED BY AGENTS.

The question discussed in the cases of *Gnaedinger* v. *Bertrand*, 2 Legal News, p. 377, and in *Gault* v. *Bertrand*, 2 Legal News, p. 411, as well as in numerous antecedent cases, continues to elicit a cross-fire of decisions. We note in the present issue two pronounced by Judges of the Superior Court holding the Circuit Court in Montreal. In one, *Desmarteau* v. *Mansfield*, Mr. Justice Jetté followed the ruling of Mr. Justice Papineau in *Gault* v. *Bertrand*, and maintained the declinatory exception. The case of *Prevost* v. *Jackson*, apparently, was even more favorable to the defendant, for the goods were sold to him in Toronto through a broker residing there, subject to ratification of the principal in Montreal. Yet the right of action was held to have originated in Montreal, and the declinatory exception was dismissed, Mr. Justice Rainville coinciding with the opinion of Mr. Justice Johnson in *Gnaedinger* v. *Bertrand*. As this question is occasioning much litigation, and can only be set at rest by an Act of the legislature or by a decision in Appeal, we are glad to be able to add that the case of *Gault* v. *Bertrand* is now before the Court of Queen's Bench, and the judgment of this tribunal will probably be obtained at an early date.

WIFE PLEDGING CREDIT OF HUSBAND.

The following, from the *N. Y. Times*, refers to a decision which has excited much interest:

Wives will pout, husbands will rejoice, and tradesmen will, we fear, swear at a very recent decision of the Common Law Division of the English Court of Appeals, which the lawyers of our own country will do very well to make a note of. Mrs. Mellor purchased of the plaintiffs, Debenham & Freebody, various articles of dress suitable to her rank in life, and which by her orders, were charged to her husband at fair prices. When the bill was sent in, however, he declined to pay it. He made his wife an allowance, he said, and had directed her not to pledge his credit. The plaintiffs replied that they knew nothing of his private arrangements with his wife, and that they should certainly hold him responsible. The tradesmen's case seems an exceedingly strong one, and with such counsel as Mr. Benjamin, whose career at the Eng-