monses is abolished. When a debtor has two or three executions against him, he can invoke the protection of the court, after which, on examination, it decides what dividend he is to pay and regulates the instalments. But if the debtor fails to meet the instalments, the court can only expostulate. The Act cuts down the costs of country solitors to a mere fraction. A case is mentioned on which one of them employed five of his staff for more than a fortnight, day and night—country attornies never sleep—and the whole could not be made more than £6. Here is one source of opposition to the measure. One thing is certain ; no bankrupt Act ever did or ever will give complete satisfaction ; for creditors will never be satisfied, when the credits they have extended, sometimes without due caution, expose them to loss. The new English bankrupt Act is too young for a decisive judgment on its merits yet to be formed.

INNOCENT SUFFERERS.

In addition to those fires which are absolutely unavoidable and which are followed by claims honestly prepared, there are many which are plainly owing to the design or to the wilful negligence of the owners of the property, and many others which may have been inevitable, but which are taken advantage of for the purpose of preferring grossly exaggerated and fraudulent claims. Arson, fraud, or wilful negligence are proper bars to the recovery of any portion of the losses or the claims; but it happens very frequently that the amounts, which would otherwise be due from the fire insurance companies, are payable to banks, wholesale merchants, or mortgagees, who have had no personal control over the property nor any hand in its destruction. These parties present themselves as "innocent sufferers," and claim that their interests should be satisfied by insurance companies notwithstanding the "bars" as to the owners arising from the fraud or evil practices of the latter.

Where the insurances are upon buildings included in mortgaged properties, provision is generally made, or is capable of being made, for this state of affairs, because mortgages judiciously made do not usually cover more than from one-half to two-thirds of the values of the properties including the buildings. So that, a fire may leave some margin of value to satisfy, in whole or in part, the mortgage, which is transferred to the insurance company on payment of an illegal claim. But, where the subject of insurance is grain, wool, farm produce, lumber or other property which is liable to be wholly destroyed or so injured as to leave little margin of value for any purpose, no provision is made for subrogation, and the loss is final. Again, when the insurance is upon a stock of merchandise, the values are variable and there are generally so many parties who have claims against the nominal owners and these latter are often so clearly insolvent as to prevent any arrangement for the protection of insurance companies from fraudulent claims by any system of subrogation, that the losses must inevitably fall upon "innocent sufferers" as before.

Now begins a discussion in which the owner of the burnt property is often the only person free from embarrassment, because *he* has generally "realized" the value of the destroyed property before the fire, either by spending the money of which the property was the equivalent, or, in some other way benefitting or enjoying himself. Indeed sometimes he is so debt-hardened as to look with unconcern upon the efforts of his creditors to recover from his insurers. But there are too many cases in which the creditors adopt the fraud and combine for its enforcement, sometimes going so far as to threaten insurance companies with loss of business, or to prevent their customers from what they call "patronising" the companies which refuse to join in a fraud by rewarding its perpetrators or by so condoning the offence as to pay the amounts which would have rightly been due if no fraud had been attempted. In fact the writer remembers several cases in which the insurance companies have been the subjects of unmerited reproach and even of persecution on this account, and have been so misrepresented as really to lose their business in some localities. Were the fact that arson, wilful negligence and fraud are bars to the recovery of loss claims, a *legal* fact only and not also of equity and justice, then the "legal fact" might possibly be a hardship—the remnant of some barbaric or Draconian code—and those insurance companies which availed themselves of it might possibly be accused of sharp practice. Therefore, in order that there may remain no illusion or misunderstanding on this subject, it may be well to consider the nature of the contract of fire insurance, the proper functions of fire insurance companies and the results which would of necessity flow from the payment of claims barred as we have described.

The contract of insurance is the voluntary act of the parties to it, by which it is understood and agreed that the insurance company is to protect the owner of the property from non-avoidable losses by fire, and is to pay claims honestly preferred. The contracts of mutual insurance companies which are associations of people for the purpose of insuring themselves and each other, have the same or similar forms of applications and of policies as have stock companies, foreign or domestic, proving that the restrictions are voluntarily assumed when they are not imposed by what has been termed a unilateral contract. The proper functions of fire insurance companies, whether stock or mutual, foreign or domestic, are to collect from the assured such moneys as will suffice to pay the losses and expenses of insurance. The form of collection is immaterial, whether it be by means of assessments on notes, or of straight premiums. In addition to this they arrange for a reserve for use in case of extraordinary fire losses, the Mutuals by assessable premium notes and the others by capital and accumulations. Beside these, a moderate profit must be made, without which there could be no insurance, no inducement to insure or be insured, nor any security for either assurer or assured.

The consequences which must necessarily result, were insurance companies to promote fraud by collusion or by comdonation, would be, first the increase of fires and fraudulent claims. This means not merely present dishonesty but the growth of it by its encouragement, a growth which does not argue its action against insurance companies only, but its incursions into fresh fields and pastures new whenever one road to success is "played out" by being overworked. The next result must necessarily be the increased cost of insurance, which means, in fact, the taxing of honest people for the encouragement and reward of dishonest ones. Then would follow the gradual impoverishment of the country by reason of the destruction of property. These would be accompanied by almost wholesale murder, because those who do not hesitate to set fire to property or to allow it to be burnt by their wilful neglect or carelessness, seldom allow considerations of human life to influence them. It is demonstrable, therefore, that these various results would finally culminate in the suppression of organization for insurance against loss by fire.

—It is not a little remarkable that the working of the new tariff law in the United States, as exemplified in the statements made by the Chief of the Bureau of Statistics at Washington, relating to the fiscal year 1884, instead of reducing the average rate of import duty by ten per cent. or more, has actually reduced the average only one per cent. We read in a New York journal : "It seems that the valuation for customs' purposes of free merchandise imported was $211,279,657, an increase of $4,000,000 over 1882-83, and of dutiable, $456,406,561, a falling off of $59,000,000. But this decrease is not due so much to a diminution in the quantities of goods imported, or a decline in foreign prices, as to the diminution of charges, inland transportation, commissions, coverings, &c.—expenses which were added to the cost of the merchandise to make the value for duty purposes in 1882-83, but not in 1883-84. Returns of the value of imports, however, are on the whole important only so far as they are an element in determining average rates of duties. It seems that the average rate on all dutiable goods fell from 42·6 per cent. in 1882-83 to 41·7 per cent. in 1883-84, or less than 1 per cent. The statement is illuminating, in view of the fact that the Tariff Commission, in 1882, reported that a reduction of 20 to 25 per cent was desirable."

—The working of the new English patent law shows the necessity of the provision which requires every application to be referred to an examiner. In four months, there were no less than 224 cases of apparent similarity, by which twice that number of applicants were affected. In the United States, the department undertakes to decide whether an application contains anything new, entitling the applicant to a patent. In Canada the patentees are left to fight out conflicting claims between themselves. This may be all very well, but the public are entitled to some protection ; and where an application contains nothing new, patent ought to be refused. The multiplication of patents, where the merit of originality is wanting, saddles the public with a monopoly for which there is no warrant or justification.