

weakening of same, and explosion; in short, it is necessary that the man who makes these inspections, be thoroughly versed in everything which will tend to safeguard his employers or their clients from disaster.

CORRECT INFORMATION NECESSARY.

Nearly all contractors' risks present some unusual conditions, more especially on work of magnitude, and it is therefore important that when a proposal is submitted to the home office or a request made for a rating, that the risk be accurately and completely described so that the underwriters will have no difficulty in forming a correct and intelligent idea of the hazard and thus be placed in a position to name a correct rate, and as there may be competition for the line it is necessary that a rate be quoted with as little delay as possible, it being very disappointing to the broker as well as to the home office when the information furnished is not sufficiently complete for the underwriter to form a correct judgment of the business and incidentally a correct rate.

One of the principal requisites in the general make-up of an inspector doing work for a liability insurance company, is honesty of purpose; he should recognize the fact that the object in view when his services were engaged was to make him a guardian and not a destroyer of business. He should learn that his best value lies in making ordinary hazards, first-class ones, and that a large percentage of business which would be condemned as uninsurable can be put on a safe basis, if good judgment is used in presenting his suggestions in such a way as will make his case thoroughly clear to all concerned. Where he comes in contact with conditions that preclude insurance, he should be emphatic in his condemnation and come to the front having the full strength of his well-thought out convictions, and thus prove to his employers that he is striving to give them the warning which will best serve their interests.

VALUE OF THE WORK.

Inspection work is, I am happy to say, advancing daily towards better recognition, and I think will in time receive such encouragement that the best mechanical and engineering skill will not be ashamed to join its ranks. Opportunity for the mutual exchange of thought along the lines of protection of life and limb will add to the value of these men, and the insurance companies should wake up to the fact that a special education in safeguards would add very much to the value of their inspection force and give them ample returns for any expense that such training would necessitate.

IMPORTANT BANKING CASE.

A case of much interest was disposed of by Mr. Justice Gervais, in the Court of Appeals, on Monday, when His Lordship dismissed the inscription in the case of the Northern Crown Bank, and Herbert. The case as reported by the *Montreal Gazette*, was as follows: Herbert was a member of the Andrew H. McDowell Company, and had written the bank a letter in which he undertook personally to guarantee all liabilities of the company to the bank, whether arising from dealings between the bank and the company or from other dealings by which the bank might become a creditor of the company customer. The McDowell Company owed the

Dominion Thread Company \$3,442.94. Both the McDowell Company and the Dominion Thread Company went into insolvency. At a date anterior to the giving of the letter of guarantee, the Dominion Thread Mills Company had made a deed whereby it purported to transfer to the bank its book debts, past, present and future, and all its securities and commercial paper. Acting on the strength of Herbert's letter of guarantee, the bank then claimed recovery from Herbert of the above-mentioned sum due to the Dominion Thread Mills by the McDowell Company.

NOT DEALINGS AS A BANK.

Mr. Justice Gervais fell in with the view of the judge of the lower court, who dismissed the suit. His Lordship averred that the acts of the bank plaintiff whereby it claimed to be a creditor for the sum mentioned, were not dealings in the way of its business as a bank, within the meaning of the letters of guarantee. The question of the plaintiff in respect of the sum involved in the suit, was one of agency. Whether it be regarded as the carrying out of the deed of transfer of book debts or of the attempted collection of dishonored acceptances its action was for the account benefit and on behalf of the Dominion Thread Mills Company, and had no relation to any banking service or assistance to the guaranteed customer.

It might be observed, declared His Lordship, that while a bank had power to engage in "such business generally as appertains to the business of banking," it was, nevertheless, forbidden to engage "in any trade or business whatsoever."

LIMITATION OF BANK BUSINESS.

There was nothing to enable a bank to engage in the trade of collecting agent of the book debts of a manufacturer, especially of book debts not yet in existence. The defendant, when he became guarantor, was enabled to assume that the bank would not attempt to do that. His Lordship proceeded, declaring that the covenant in the letters of guarantee was to be construed in a business sense, and that it did not intend to attach liability to the defendant for a claim alleged to have arisen in the way stated in respect of the sum now claimed in this suit.

At the trial it was proved that the McDowell Company had accepted drafts of the Dominion Thread Mills Company for the amount claimed in the case; that those drafts were to the order of the bank; that they were put into the bank for collection, and that, being dishonored, they were returned to the drawer, but were again in the hands of the appellants at the time of the trial. The appellant contended that the respondent, either by the effect of the deed of transfer of book debts or by the bank having become holder of the acceptance, was "under liability," within the meaning of the guarantee. His Lordship held that the interpretation to be put on the words of the letters of guarantee, "to other dealings by which the bank might become in any manner whatsoever a creditor of the customer" meant that the bank could avail itself of the guarantee to claim payment from Herbert, of money which it might have laid out for account of the guaranteed customer in taking up maturing notes or bills of the latter or in discharging drafts which might come forward. In other words the "dealings" must be in the way of its business as a bank.