

THE CITIZENS' INSURANCE COMPANY (OF CANADA.)

Subscribed Capital..... 1,000,000

Especially empowered by Act of Parliament, and fully authorized by Government under the Insurance Bill

HUGH ALLAN, PRESIDENT.

Life Department.

THIS sound and reliable Canadian Company—formed by the association of nearly 100 of the wealthiest citizens of Montreal—issues policies on all the Modern Plans, including—Limited Payments, Endowments, Part Credit Premiums (without notes), Income Producing System; and several new and valuable plans.

A comparison of the very Low Rates, and of the liberal and unrestrictive nature of this Company's Policies with those of any other Company, British or American, is specially invited.

All Life Policies are absolutely Non-forfeitable.

Persons intending to assure their lives are particularly requested to first examine the Prospectus, List of Shareholders, and Policies of this Company, which, together with all information concerning the constitution of the Company, the working of the various plans, &c. may be obtained at the

Head Office, Montreal—No. 71 GREAT ST. JAMES STREET.

EDWARD RAWLINGS, Manager.

Agent for Toronto:

Agent for Hamilton:

W. T. MASON.

R. BENNER.

THE CANADIAN MONETARY TIMES AND INSURANCE CHRONICLE is printed every Thursday evening and distributed to subscribers on the following morning.

Publishing office, No. 60 Church-street, 3 doors north of Court-street.

Subscription price—

Canada \$2.00 per annum.

England, stg. 10s. per annum.

United States (U.S.Cy.) \$3.00 per annum.

Casual advertisements will be charged at the rate of ten cents per line, each insertion.

Address all letters to "THE MONETARY TIMES."

Cheques, money orders, &c. should be made payable to J. M. TROUT, Business Manager, who alone is authorized to issue receipts for money.

The Canadian Monetary Times.

FRIDAY, FEBRUARY 11, 1870.

WAREHOUSE RECEIPTS.

A very large portion of the business of the country is transacted by means of advances on warehouse receipts. It is of importance, therefore, to understand the legal construction put upon such receipts, and, by the light of some recent decisions, to examine the relative position and powers of parties giving and taking them. A warehouseman is simply a person to whom goods and chattels are delivered to be taken care of, in consideration of his being paid for his labor in keeping them; or one who lets out a store or place of deposit for hire. Our Courts take notice of the following in relation to the business of a warehouse-keeper in Canada: That he receives grain, among other commodities, to be kept at the disposal of the party delivering it, in large or small quantities, according to circumstances, giving to each person who delivers such grain a receipt or acknowledgment of the grain de-

livered; that unless under exceptional circumstances, or special agreement, all the several loads of spring wheat are mixed together, and so with other cereal grains, so that the spring wheat or other grain mentioned in any one receipt cannot, when stored, be distinguished from similar grain mentioned in other receipts, such receipts being considered as an undertaking by the warehouse-keeper to deliver to the holder the quantity of the specified grain for which the receipt is given.

When goods are delivered to a warehouseman, who undertakes to take care of them for certain hire or reward, the law casts upon him the duty of exercising the greatest possible diligence for their preservation. The document called a "warehouse receipt" is usually in the following form, or to the like effect—

"Received in store in our warehouse, at Front Street, Toronto, from A. B., 1,000 bushels of No. 1 spring wheat, to be delivered pursuant to the order of C. D., to be endorsed hereon."

"This is to be regarded as a receipt under the provisions of Statute 22 Vic., c. 20, being chap. 54 of the Consolidated Statutes of Canada, and the amended Statute 24 Vic., c. 23. (Date, &c.) "E. F. & Co."

These receipts may be given by the warehouseman or his clerk or agent.

For the purpose of affording additional facilities to commercial transactions, the Statute 22 Vic., c. 20, was passed, enabling the warehouseman, if he own the property in his own right, to give a receipt for goods in store, and declaring the receipt given and endorsed by him to be as valid as if the giver and endorser were not one and the same person. It has since been decided that the clerk of the warehouseman might give a valid receipt in favor of his master, and the latter could transfer it by endorsement. The

power of the warehouseman to give a receipt in his own favor has been much abused. It certainly does open the door for fraudulent practices, as we have had occasion to notice in several cases. The burning of Middleton's oil warehouse in Montreal brought to light the fact that receipts had been given for more oil than the warehouse was capable of holding. The destruction of Coleman's warehouse at Seaforth gave rise to an action, in which it was shown that a deliberate fraud had been practised in issuing receipts for grain in store, when there was not grain there to answer the receipts. In Mathison v. The Royal Ins. Co., an action which arose out of the Middleton matter, the Judge who presided at the trial in Montreal laid it down as law, that unless a man has actually put property into a warehouse and obtained the receipt for it, or bought property so warehoused and obtained a trans-

fer of the receipt, ascertaining at the same time that the property was still there, and being able lay his hands upon it, the receipt was worth nothing.

When a warehouseman sold 3,500 bushels of wheat, part of a larger quantity which he had in store, and gave the purchaser a receipt under the statute, acknowledging that he had received from him that quantity of wheat, to be delivered pursuant to his order indorsed on the receipt, it was held by the Court of Chancery that the 3,500 bushels, not having been separated from the other wheat of the seller, no property therein passed. This was in a case of Box v. The Provincial Ins. Co. But the Court of Error and Appeal at its last sitting reversed this decision. In Clark v. The Western Assurance Co., the plaintiff obtained a receipt for 2,000 bushels of wheat as in store for him, subject to his order, and effected an insurance on it with defendant, as upon so much wheat in the warehouse. According to the evidence, large quantities of the wheat were brought into the warehouse after the plaintiff's purchase and the insurance, and large quantities were taken away between the date of the policy and the fire. The Court held that provided there was, during the whole period, as much wheat in the warehouse as plaintiff was entitled to receive, the policy would attach to that quantity, not exceeding 2,000 bushels, to which the plaintiff was entitled, although he could not prove that the same identical grains of wheat which were in the warehouse at the date of the policy were those which were destroyed. If, after the date of the policy, the quantity of wheat remaining in the warehouse were at any time reduced below the quantity to which the plaintiff was entitled, the liability of the defendants would be proportionally diminished, and would not be restored, although other wheat was subsequently brought in sufficient to satisfy the existing claim of the plaintiff to the receipt.

The complications which may arise from the system of warehousing, and other dealings connected therewith, are many, and especially where the warehouseman, being owner, gives receipts either for wheat which he has not got, or disposes of wheat for which he has already given receipts to purchasers in fraud of them, or of those to whom he proposes to make a subsequent disposition of the same grain. The liability to prosecution for a misdemeanor has not prevented such frauds.

Prior to 22 Vic., warehouse receipts were in use, but the delivery of such instruments was not a constructive delivery of possession of the goods themselves; nor could our banks make advances on such property,