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CONSCIENCELESS CLAIMANTS.

It is a generally accepted doctrine in commercial ethics, that corporations have no souls, and that in the matter of body they are quite as poorly off. The general prevalence of this notion is the only reason we can assign for the treatment they usually receive at the hands of creditors and claimants, and sometimes officers and servants. It is surprising to see the unhesitancy with which honest and even pious men—so called at least—make up a claim against an insurance company for loss by fire, how it is swelled out to ten times the amount of their actual loss, as no one knows better than themselves, and presented with the utmost gravity and coolness. Several cases of this kind have recently come to our knowledge. Not a month ago in a town of Ontario, a mercantile firm had a partial loss, with insurance on the property to the amount of \$9,000. A claim, duly substantiated, was presented for the whole amount, and insisted upon, but after a good deal of higgling between the claimants and the fire inspectors, \$1,500 was accepted in full! Another case was brought into court, and just as the trial was about to proceed the plaintiff's attorney intimated his willingness to settle. The matter was disposed of on the spot, by the claimant accepting some \$700 or \$800 in full, of a claim amounting to as many thousands!

These conscienceless claimants, no doubt, consider that there is no harm in robbing a

corporation; that the ten commandments say nothing about such soulless entities; that the penalties of the moral law do not reach their case; that if a corporation is killed there is no widow left, and no interesting younglings to cry for bread, all of which are very ingenious excuses for trying to deceive one's self and to settle the feeble qualms of a seared conscience. To expose this hollow theory would be simply wasted effort. Its falsity is displayed on its very face. A corporation is composed of individuals, and it would be difficult to see why it is a crime to plunder an individual, and innocent amusement to take what is not your own from a dozen together. The difference is only in the consequences, not in the motive which is the truest test of guilt or innocence.

It is perhaps not well enough understood that false representations as to the extent of loss, invalidate the claim altogether, and under certain circumstances render the claimant amenable to punishment for fraud.

Insurance Companies suffer from unfair treatment, not only at the hands of claimants, but juries are in the habit of saddling them with the payment of unjust claims, often in the very teeth of law and evidence. Why is this? It can only be accounted for by recurring to the loose notions that prevail about the rights of corporations. It seems to be a settled principle with juries, that as between the individual and the company, the former must get the benefit of all doubts, of all probabilities and of all possibilities; the conviction, or rather prejudice, seems to have prepossessed the juror's mind that the corporation is trying to evade payment of its just liabilities, and that the individual is but seeking to obtain his rights—that it is safe to assume that the corporation is corrupt and the individual honest.

A very large number of cases could be cited in which our judges have explained to juries the positive wrong they become responsible for in acting in the manner which has become a characteristic of trials by jury where insurance companies are pitted against individuals. They have enforced the duty of strict and equal justice as between individuals and corporations. The remarks of Judge Morrison at the Wellington Fall Assizes just closed, in a case of *McMillan vs. the Gore District Insurance Company*, are exactly in point. It will be seen that His Lordship used very strong language. He said in charging the jury: "The jury are cautioned not to favor the plaintiff because it is a company that is defending the case. They should deal with the matter as though it were two men that were concerned. If the jury found that there was any false swearing or attempt at defrauding the

Company on the part of plaintiff, then he would lose all claim to any part of insurance, and a verdict should be given for defendant. It was necessary that the laws should be so framed that there would be some check to prevent dishonest men from getting their property insured above its value and burning it to make gain. There was evidently a great difference between the amount claimed by plaintiff and his actual loss, and the Insurance Companies would not be doing justice to themselves nor to parties insuring in them unless they resisted such claims."

These observations put the question in a very clear light. Not one half the tedious and expensive litigation incurred in connection with fire losses is attributable to the companies, (though they get all the blame), but rather to the recklessness of claimants in seeking to get what they are not entitled to.

FAVORITISM IN FAILURES.

It is not easy to say anything new on the subject of insolvency, or to mention a fresh case of bankruptcy whose features have not a parallel in some case which has already come under our notice. The subject is like an oft-told tale, we have heard it so often, and conned it over so thoroughly, that we are weary of it. There are, however, some tales that will bear re-reading many times; and there are occasional failures whose leading features it is advantageous to study. As in a clever novel, when we read it, for the sake of the plot, another time for the sake of the characters, and once more for the sake of the language; so we read of an insolvency on account of the novel features, again for the moral it conveys, and yet again for the condition of mercantile life it discloses. In another column may be found a sketch of a recent fiasco in Quebec, which may serve to illustrate what we object to as Favoritism in Failures. Before the present law governing insolvents was enacted, it was competent for a trader to "prefer," as it was called, any whom he felt under obligations to, or who used threats or other pressure to induce him to pay them in full; and an assignment could be made to such a party, who would proceed to pay himself, to the detriment of the rest of the creditors, even though no security existed. This was done away with by the Insolvent act of 1864, and its amendments, and with manifest justice. Goods were sold, and credit given by a dozen people, upon a common basis of representation or belief, some at a short and a close profit, some on a longer time and at better prices, but all on a common hope, or promise of payment. When the debtors' blue Monday came round, how-