DECISIONS IN COMMERCIAL LAW

ECKHARDT v. LANCASHIRE INS. CO.—The plaintiffs, by a contract with the defendants, insured their stock-in-trade against fire for $15,000, "subject to seventy-five per cent. co-insurance"—these last words being conspicuously printed in red ink on the face of the policy. The policy contained a "co-insurance" clause, printed in red ink, among the variations of the statutory conditions, as follows: "The premium having been reduced in consideration of this condition, the insured shall, during the currency of this policy, maintain insurance concurrent with this policy on each and every item of the property insured to the extent of seventy-five per cent. of the actual cash value thereof, and if the insured shall not do so, the company shall only be liable for the payment of that proportion of the loss for which the company would be liable if such amount of concurrent insurance had been maintained." During the currency of the policy, the plaintiffs sustained a loss by fire of $42,120.17, the cash value of the property insured being $115,000, and the whole amount of insurance on it, including the $15,000 named in the defendants' policy, $70,000. The defendants had two alternative rates of premium, one for insurance with, and the other for insurance without, the "co-insurance" clause, the former being substantially less than the latter, but the plaintiffs had no actual knowledge of this, except in as far as that knowledge was obtained from the terms of the policy. It was held that the "co-insurance" clause was a condition, and a variation of statutory conditions 8 and 9; and, as it could not, under the circumstances, be found to be "not just and reasonable," within the meaning of section 171 of the Ontario Insurance Act, R.S.O., c. 203, it was binding on the insured.

A CHEQUE ON INTEREST.

Judge Gill, of Montreal, rendered an important judgment recently in which he applied the Mowat law reducing the interest on a note when the usurious rate of interest on said note does not appear on the face of it. The action was one taken by the testamentary executors of the late L. A. Drapeau, claiming the balance due on a note for $280, with interest of $30 for three months, being at the rate of 42.85 per cent. per annum. The note was signed by the present defendant, M. E. Auclair, in Oct., 1895, and made in favor of L. A. Drapeau. The sum of $34 having been paid in account on the capital, besides the extraordinary interest above mentioned, there now remained due a balance of $246. In rendering judgment, the Court held that as there was nothing on the note to show the rate of interest, except by means of a calculation, applying the law provided for such cases, judgment would go in favor of the plaintiffs for the $246 due, but with interest of 6 per cent. only.

MIDDLETON, N.S., people have already subscribed over $6,000 for the purpose of re-establishing S. F. & W. E. Roop & Co.'s wood-working factory, which was burned a few weeks ago.