COMMERCIAL LAW.

GROUNDING OR STRANDING UNDER LLOYD'S POLICY.

(Liverpool Journal of Commerce.)

Judges Day and Lawrence, in the Queen's Bench Division, gave judgment on a point relating to grounding (the steamship Auckland Castle, Mordey, Jones & Co., v. the Great Britain Steamship Small Damage Indemnity Association, Limited). The steamer was insured by Messrs. Mordey, Jones & Co., for twelve months from February 20, 1888, to February 20, 1889, to secure indemnification against small damages, and subject to the rules endorsed upon the policy. Rule 2 provided that (a) all steamers entered in this association shall be deemed to be fully insured either by the usual form of Lloyd's policy warranted free of particular average under 3 per cent., unless stranded, sunk, or burnt, and (or) (b) by policies effected with Mutual Marine Insurance Associations." On November 25, 1888, the Aucland Castle grounded at Bilbao, and incurred damage in respect to which Messrs. Mordey, Jones & Co. made a claim against the association, which was rejected on the ground that the Lloyd's policies by which the ship was insured at the time the grounding occurred were not in the usual form of Lloyd's policies within the meaning of the rules of the association; but by an agreement dated March 8, 1890, the matters in dispute were referred to arbitration under the 13th rule of the said association. The ship was insured for £4,000 by mutual insurance clubs, and for £10,000 under Lloyd's policies by various insurance corporations and indemnity members of Lloyd's Attached to £9,500 of Lloyd's policies a slip was gummed to them reciting the clause "1888 clauses," and the grounding clause therein was worded as follows:—Grounding in the Suez Canal or in the rivers Parana, Danube, Demerara, Bilboa or on the Yenikale or Bilboa bars shall not be deemed to be a stranding." Mutual marine insurance clubs had a clause to the same effect; and the policy for £4,000, issued by the association which insured the Aucland Castle, had that clause in it. The arbitrators found, from evidence of brokers and underwriters in London, that at the date when the Aucland Castle was insured, and throughout the year of membership, about 80 per cent. of Lloyd's policies had the Grounding Clause" attached. That clause is not, however, in the statutory form prescribed by schedule to the Act of 1867, 30 Vic., cap. 23. This construction of the policy was objected to on behalf of the association on the plea that rule 2 (a) of the rules of the association expressly provided that where the insurances in hull were done at Lloyd's, or on a Lloyd's form, that they were to be "warranted free from particular average under 3 per cent., unless stranded, sunk or burnt;" and it was contended that the evidence tendered would go to contradict the express terms of the contract, and to import a qualification on the word "stranded" in the clauses which it was expressly agreed should be deemed to be inserted in the policies on hull. But the arbitrators took a different view of construing the clause, and held that though the majority of policies had the grounding clause attached it was customary to specially stipulate for its embodiment. Or, in other words, the "1888 clause" was left open for adoption. Admitting that the clause were not compulsory, it was argued that according to policies issued by Mutual Marine Insurance Associations a grounding at Bilboa would not be a stranding within the meaning of such policies; that if the steamer had, in fact, been wholly insured in Mutual Marine Associations, the Great Britain Steamship Small Damage Association would have been liable under the policy in question: and that, in fact, the association had paid the proportion of Messrs. Mordey, Jones & Co's claim appertaining to the £4,000 of insurance which was affected with Mutual Marine Insurance Associations. There was, however, a further liability for small damage, and the association (defendants) disclaimed their liability for that percentage. The Court ruled that the policy which gave rise to the action was not an ordinary Lloyd's policy, and judgment was entered against the plaintiffs. This action is remarkable for divergencies between Lloyd's, the Mutual Insurance Associations and the small damage societies. The decision turned on the fact that when a Lloyd's policy is agreed upon it implies that the ordinary printed form contains the terms of contract, and that the many outside clauses, which may or may not be accepted, do not govern the conditions. With respect to the stranding clause, we may refer to pages 124 and 146, "Shipping and Commercial Hints." Lord Tenterden, in Wells vs. Hopwood, laid down a precept which has been acted upon. His lordship held that, "when a vessel takes the ground in the ordinary and usual course of navigation and management in a tidal river or harbor, upon the ebbing of the tide, or from natural deficiency of water, so that she may float again upon the flow of tide or increase of water, such an event shall not be considered a stranding within the memorandum." Chief Justice Tindal defined stranding, as distinguished from common grounding, as consisting of accident from extraneous cause. A heavy swell setting into a dock and carrying away hawsers and thus casting a ship adrift, or the violence of the elements driving a vessel on to the ground, would be treated as extraneous. This subject cannot, however, be exhaustively disposed of unless the negligence clause is spoken of; but we confine our remarks to the signification of an ordinary Lloyd's policy, and not to all the superfluities.

HE MADE THE SALE.

"Have you got any buff trimming to go with this stuff?" asked a flashily-dressed woman of an assistant in a large draper's near Regent street the other day. "I think so, miss," answered the polite young man, taking down a piece of goods and spreading it on the counter. "Buff! Do you call that buff!" exclaimed the woman. "That's too dark for a buff." "But, miss, that is——" "It's too dark! I can see it is." "Why, of course it's dark, madame," persisted the man. "It's blind-man's buff—the new shade, you see." He sold the goods.

SACRIFICE THE SLOW SELLERS.

The dealer should not let his money be locked up in unsalable goods on his shelves or in drawers. It is well to keep up prices so as to make fair profits, but rather than carry over goods from one season to another he should mark them down in time and make the proper effort to sell them. Goods out of fashion are out of date, and the quicker they are disposed of the less will be the loss. It is far better to meet the loss on stock of that character at first than a greater one later on. Money put in goods having a ready sale is like money out at compound interest—it soon doubles up.—*Herald of Trade and Grocer.*

TIMBER.

The lumber market is beginning to assume more activity, and a rise has occurred this week on spruce, 10s. per standard being the advance at Liverpool, where there has been a great run on white wood recently, and where stocks are abnormally low. Smaller shipments were being not long since advised; now there is an amount of grumbling at the emptiness of the decks and the breadth of quay unoccupied, while the drain from pile continues. In London, auctions have been small and thinly attended, and the prices realized have been anything but cheering, a lot of stuff going at what must be a loss after charges paid. All over the country reports are of prospective good trade with improved weather and a fair autumn business may be looked for.—*Montreal Trade Bulletin.*

VICTORIA IMPORTS.

The returns of stock imported into British Columbia at this port for the half-year ending June 30 were:

	Sheep.	Horses.
January	1,390	9
February	2,756	18
March	1,985	72
April	2,502	78
May	4,000	71
June	154	28
Total	12,787	276

For the months of July and August the returns were:

	Sheep.	Horses.
July	3,132	72
August	3,760	63
Total	6,892	135

A large number of the sheep imported were distributed throughout the Province. The horses imported were of a superior class, and will be used for draught purposes.

A decision has been rendered by Chief Justice McDonald, of Nova Scotia, in the case of the Farmers' Loan and Trust Co. vs. the Nova Scotia Central railway, ordering the foreclosure and sale of the road. The road was originated and constructed by New York and Boston capitalists who put $100,000 into the undertaking. The Dominion and Provincial Governments gave $700,000 in subsidies and $400,000 was advanced by the Halifax Banking Company upon bonds for which the Farmers' Loan and Trust Company are trustees. The foreclosure by the bond holders will give them the road at a nominal figure, and the Americans who put their money into it stand a chance to lose every dollar.