

the following manner:—The shoddy is placed in an “extractor,” into which is pumped from below bisulphide of carbon; this, rising through the shoddy, disengages the oil, which flows off through a hole at the top of the extractor. The bisulphide is then drawn off, and steam is introduced, which carries off the residue of bisulphide and oil remaining in the extractor into a still, where they are separated. The vapour which thus passes from the extractor would, in chemical terminology, be called a vapour, and not a gas, being condensable at a temperature above 32° (viz 109°); it is highly inflammable, and, when mixed with air in the proportion of one to fifteen, is explosive.

The accident was caused by a leakage in the gaskin (or packing of canvas), which lies between the lid and rim of the extractor, coupled with a stoppage in the pipe between the extractor and the still. The vapour, escaping through the hole, took fire at the lamps, and ignited some matting and bags lying near; and then, becoming sufficiently mixed with air, exploded. The explosion blew off the roof, and blew down part of the walls, and the fire then became general and burned for some time.

The defendants paid £25 into court for the damage done by the fire before the explosion took place, and contended that they were not liable for any further damage, as it did not arise from an explosion of gas within the meaning of the exception in the policy.

The total damage by the explosion and fire was found by the arbitrator, to be £483 16s 6d.—Mr. Quain, Q.C., contended, on the part of the plaintiff, that he was entitled to the whole sum, on the ground that it was a loss by fire within the meaning of the policy; secondly, that if it was not a loss by fire, it was a loss by the explosion of gas within the exception in the policy; and thirdly, that in any case he was entitled to £177 (minus the money paid into court), which the arbitrator had found was the amount of damage caused by the fire both before and after the explosion.

The Court held that the word “gas” applied only to ordinary illuminating coal gas, and did not include the vapour in question;

and, further, held that the defendants were exempted from liability for the damage done by the further fire, which was caused by the explosion; but the heads of damage not being severally found, they remitted the case to the arbitrator.

Loss from breakage by distant explosion, being a loss by concussion, is not covered by ordinary policies.¹

The case of *Taunton v. The Royal Ins. Co.*, which arose out of the explosion of the ship *Lotty Sleigh*, while lying at anchor in the Mersey, raised a question of some importance as to the discretion of directors of an insurance company to make good losses not covered by the policies of insurance.

On the 15th of January, 1864, the *Lotty Sleigh*, then lying at anchor in the Mersey, with a large quantity of gunpowder on board, caught fire and blew up. The concussion of the air produced by the explosion of the gunpowder caused great damage to property for several miles round, and in particular shattered the windows of several houses and manufactories in Liverpool and Birkenhead. Many of the persons whose property was thus injured were insured in the Royal Insurance company. The directors, acting upon what they termed a liberal construction in favour of the insured, had come to the determination to pay all losses consequent on the explosion which had been sustained by parties insured with the company, and had already paid claims for small sums, to the amount of 960*l*. The plaintiff, who was a shareholder in the company, protested against any application of the funds to make good these losses, on the ground that they were not within the terms of the policies, which contained a distinct provision that the company would not “be responsible for any loss or damage by explosion, except for such loss or damage as shall arise from explosion of gas.” He accordingly filed the present bill to obtain a declaration that the application of the funds in making good any loss occasioned by the explosion to persons insured against loss or damage by fire was

¹ *Everett v. London Ins. Co.*, Jurist, A.D. 1866, p. 311; *ib. A. D. 1865*, part 1, p. 546.

² Before the Vice-Chancellor's Court, Feb. 29, 1864.