

His character, morally, is reported as not being of the highest standard, but I have no personal knowledge; *we cannot always look into that.*" In other words, the end justifies the means. This is evidently Mr. Beers' meaning, and one needs no better index to the moral sense of a man who expresses such views. Is this the right sort of man to be at the head of a great company like the New York Life? We do not think so. It will be in the interest of the policy-holders to have some radical changes made among high officials.

SPECULATION AND EMBEZZLEMENT.

We choose the above heading because it seems to us that there is nowadays much connection between speculation and embezzlement. How often in recent years have we read of instances in the United States where persons in positions of trust have embezzled money from their employers, either to risk it in speculating in grain and stocks or to make up losses incurred in so doing. A particularly sad case is just now in point in the clerk in a bank in Ottawa, married, popular and in good standing, who lost \$7,000 of money not his own in speculation, presumably to enable him to keep up a better appearance than his salary would allow.

The list of embezzlements in the States last year, as published by a Chicago journal, is of a rather startling character, showing, as it does, defalcations aggregating \$19,720,294, the heaviest since 1884, when these thefts reached \$22,154,000. In 1890, the record shows the sum of \$8,622,956 to have been appropriated by defaulters. Pennsylvania heads the list with \$7,055,846, New York second with \$5,518,659, Massachusetts third with \$1,577,491, and Illinois fourth with \$610,874. The States which have been exempt from defalcations are Florida, Idaho, North Dakota, Oregon and Vermont. California occupies seventh place, the sum set down being \$238,000.

On this the San Francisco *Grocer* remarks: While the list is a sad commentary on human weakness, and shows a surprising lack of principle on the part of those who have betrayed their trusts, considering the immense sum in the aggregate handled by men occupying positions of financial responsibility, the percentage of money lost by defalcations, which has averaged about \$6,400,000 annually for the past thirteen years, is perhaps no greater than could be expected.

A RARE INSURANCE CASE.

About a month ago the stock of a merchant in this city was damaged by fire and water to a considerable extent. The representatives of the companies that had the building and stock insured, as is usual in all such cases, went to view the building and damaged stock in order to ascertain the probable loss; but one and all of them, we understand, were refused admittance into the building containing the damaged stock. The assured said they were acting

on the advice of their legal advisers, in refusing the admission of any of the companies' representatives to view the premises. It is alleged that such a proceeding is in accordance with the provisions of the Ontario statutory conditions. We have made diligent enquiry of insurance adjusters of many years' standing, one and all of whom say that in all their experience they have never known of a similar case. The record is broken, we believe, for the first time in Canada.

There are two parties at least to every contract, and surely an insurance contract forms no exception. A stock damaged by fire, and especially by water, should be attended to with the least possible delay, by separating as far as can be done, the damaged from the undamaged stock. The longer this necessary work is delayed the greater the loss will be. Surely then the representatives of companies insuring such stock should have the privilege of seeing that this is properly and expeditiously done. In the case referred to such a privilege has been denied the underwriters. If such an extraordinary position can legally be taken by the assured under the Ontario statutory conditions—and if this was the intention of the Legislature in framing these conditions—the sooner they are amended the better.

What security have the insurance companies in such a case as this, that the best possible care is taken of the damaged goods? None whatever. Everything will depend on the honesty or otherwise of the assured as to the amount of the loss and damage. We shall watch with some interest the final outcome of this case.

UNITED STATES LEGISLATION ON LUMBER.

On Saturday last the Ways and Means Committee at Washington decided upon important action concerning the question of free lumber. A bill drawn by Mr. Bryan, the Nebraska member, providing for the abolition of the duty on unmanufactured lumber, has been informally considered and an agreement reached which will be embraced in a report soon to be made to the House. The bill provides that on and after Oct. 1, 1892, the following articles shall be exempt from duty:

Timber, hewn and sawed, and timber used for spars or building wharves; timber, squared or solid; wood unmanufactured, not specially enumerated or provided for; sawed boards, planks, deals and all other articles of sawed lumber: hubs for wheels, posts, last blocks, wagon blocks, oar blocks, gun blocks, heading blocks and all like blocks or sticks, rough, hewn or sawed only; staves of wood, pickets and palings, laths, shingles, clapboards, pine or spruce logs, "provided that if any export duty is laid upon the above mentioned articles, or either of them, by any country whence imported, all articles embraced in this act imported from said country shall be subject to duty as now provided by law."

The section levying on planed or finished lumber (planed on both sides) "25 cents per thousand feet, board measure, and, if planed on one side and tongued and grooved, 50 cents per thousand feet, board measure, if planed on two sides and tongued and grooved, 75 cents per thousand feet, board measure," is the language of the McKunley bill, but provides for but one-half the duty levied in that measure.

DECISIONS IN COMMERCIAL LAW.

PHOENIX INS. CO. vs. MCGHEE.—A vessel insured for a voyage from Newfoundland to Cape Breton went ashore on Oct. 30th at a place where there were no habitations, and the master had to travel several miles to communicate with the owners. On Nov. 2nd a tug came to the place where the vessel was, the master of which, after examining the situation, refused to try and get her off the rocks. On Nov. 16th one of the owners and the captain went to the vessel and caused a survey to be had, and the following day the vessel was sold for a small amount, the purchaser eventually stripping her and taking out the sails and rigging. No notice of abandonment was given to the underwriters and the owners brought an action on the policy, claiming a total loss. The only evidence of loss given at the trial was that of the captain, who related what the tug had done, and swore that, in his opinion, the vessel was too high on the rocks to be got off. The jury found, in answer to questions submitted, that the vessel was a total wreck in the position she was in, and that a notice of abandonment would not have benefited the underwriters. On appeal from a judgment refusing to set aside a verdict for the plaintiff and order a non-suit or new trial,

Held by the Supreme Court of Canada that there being evidence of some loss under the policy, and the owner being entitled in his action for a total loss, to recover damages for a partial loss, a non-suit could not be entered, but there should be a new trial unless the parties agreed on a reference to ascertain the amount of such damages.

FIRES AND FAILURES.

To what extent the moral hazard influences the aggregate fire losses of the country it would be impossible to conjecture. There are some underwriters who think that every fire that is not accounted for by plain causes is the result of the moral hazard. In years like 1891 when the "world burns up," as the slang phrase goes, this idea grows, and every business risk that was destroyed last year was under suspicion from some of the underwriters involved in the settlement. We have made up, for curiosity, a table comparing the fire losses with the mercantile failures during the past sixteen years. It is as follows:

Year.	No. of Failures.	Total Liabilities. Mil. lions.	Total Property Loss. Mil. lions.	Insurance Loss. Mil. lions.
1875	7,740	\$201	\$ 78	\$39
1876	9,092	191	64	34
1877	8,872	190	68	37
1878*	10,478	234	64	36
1879	6,658	98	77	44
1880	4,735	65	74	42
1881	5,582	81	81	44
1882	6,738	101	84	48
1883	9,184	172	100	54
1884	10,968	226	110	60
1885	10,637	124	102	57
1886	9,834	114	104	60
1887	9,634	167	120	69
1888	10,679	123	110	68
1889	10,882	148	123	73
1890	10,907	189	108	65
1891	12,273	189	not reported.	

The statistics of failures are from the annual reports of Dun & Co., while the fire loss reports are from the Chronicle Fire Tables. These two authorities on the respective subjects are equally good and will be accepted as complete. It will be observed that while there have been great fluctuations in the aggregate of failures, the fluctuations in fire losses have been immaterial—they have

*National Bankrupt Law repealed this year.