

tea and its exciting influence is not to be compared to the soothing character of Japan tea, which, owing largely to its moderate price has grown into such popular favor.

The construction of the Canadian Pacific Railway will bring a change in the transportation of tea from the place of growth to the place of consumption. At present the bulk of the tea comes to this continent *via* the Suez canal, because the freight *via* San Francisco is about 5c. per lb. gross, while *via* the Suez canal it is only from 2c. to 3c. lb. net. The first of all crops of the different kinds of tea come *via* San Francisco on account of the quick passage, the time by that route to New York from China and Japan being only 32 to 35 days, while by Suez canal 60 days are required. The time to England is about the same by either route, namely 45 days or thereabouts. The duration of the voyage will be much shortened after the completion of the Canadian Pacific road, the terminus of the road on the Pacific being nearer the ports of Japan and China than San Francisco, while the grades of the railway, being lower than most of the American Pacific, will admit of a traffic at a cheaper rate of freight; an important part of the transportation of the annual crop of Japan tea will then seek the Canadian road, and Montreal may become the distributing point of the importation, instead of New York. England may also find her interest in using the Canadian road in preference to the Suez canal. The voyage will be shorter, and the tea, especially the high-priced qualities, will not suffer in a northern latitude the deterioration in flavor due to change of temperature and the excessive heat on the Red Sea.

A LESSON FOR INSURERS.

A recent decision of the Court of Chancery in Toronto, in which the Canada Farmers' Fire Insurance Co. of Hamilton, Ont., defeated an attempt to recover the amount of a loss under one of its policies, exhibits rather questionable practice on the part of that company. Had the office of local Insurance Superintendent been in existence in 1877, the time at which the risk referred to was written, it is not likely that the then agent of the Canada Farmers' would have succeeded in issuing such a policy. As pointed out in our issue of August 20th, that company's affairs do not appear to be in the most satisfactory condition; and it is not improbable that the refusal to pay originated in something more than mere unwillingness.

The insurance referred to was effected

in December, 1876, upon the grist and fulling mill and machinery of J. W. & W. S. Boyd of St. Canute, Que., and was for \$4,000. The survey, particulars of the application, and valuations were all made out by the Company's agent, Mr. C. H. Wade. The risk was accepted, and a three years' policy issued on January 11th, 1877. A premium note for \$500 was signed by the insured, and a cash payment of \$85.50 made. It was stated in the policy that there was a further insurance on the property of \$2,500 in the Niagara District Mutual Fire Ins. Co. There was at the time an incumbrance of \$2,100 on the estate. Not only did the agent state that the company had power to take the risk, but a letter was sent him from the head office, stating that it had this power under the Act of Incorporation. In July, 1878, the proprietors of the mill property and land surrounding effected a further mortgage of \$3,000 thereon, agreeing to pay for it the sum of \$4,107.60 in fourteen semi-annual instalments of \$293.40 each. The usual transfer of insurance policies and agreement as to keeping the property insured having been arranged with the mortgagees, the Dundee (Scotland) Mortgage and Trust Investment Co. (limited), the assignment of the policy was duly endorsed by the insurance company. The policy for \$2,500 in the Niagara District having lapsed, insurance was effected in the Mutual Fire Insurance Co. of Sheffield and Brome (now the Eastern Townships Mutual) for \$1,300, which was also transferred to the mortgagees, and due notice thereof given to the Canada Farmers'. The circumstances of the Eastern Townships Mutual rendering a change advisable, the policy in that Company was cancelled, and an insurance for \$500 effected in the Scottish Imperial.

On the 21st December, 1878, the premises were totally destroyed by fire, and due notice given to the Company of the loss. They immediately sent out an inspector, who induced Boyd, by alleged fraudulent representations, to sign an agreement to accept \$2,650 in full of all demands, from which was to be deducted the balance of the premium note remaining unpaid, amounting to \$364. The amount written by the Scottish Imperial was promptly paid by that company. The total amount claimed by the plaintiffs, for whom Messrs. Drummond Bros. of this city are agents, is \$3,957.23 with interest, that is, allowing the assessment of \$112 to be deducted from the amount written.

The plaintiffs' agents, understanding from the Company that they were hard pressed for money, agreed to draw

upon them at ninety days, which was done, and for the aforesaid amount of \$3,957. The draft was allowed to go to protest, the Company contending that it should have been for only \$2,650 as per agreement of Boyd with the inspector, less premium note \$364. The Company finally refused to pay anything, alleging that, as a mutual company, they had no authority to insure such hazardous risks. A bill was filed in Chancery to compel payment. It appeared that the statute incorporating the Company authorizes it to effect contracts of insurance against fire generally on any class of buildings, upon such terms as might be agreed upon between the Company and the insured. Then follows another section which enacts that no mutual insurance shall be effected on any kind of mills, carpenter or other shops which are extra hazardous. It having been shown in court that the application signed by the insured was upon the mutual plan, and that the risk was extra hazardous, the Chancellor decided that the policy was *ultra vires*, was absolutely void, and that the plaintiffs could not recover under it. In concluding his judgment he said:

"I should have been well pleased to have been able to come to a different conclusion upon the question upon which I decide the case; for the defendants, the Insurance Company, in opposing the plaintiff's claim are resisting upon inequitable grounds the payment of a just debt. I should not say this if the evidence, which was taken before myself, did not lead me to that conclusion. I shall therefore do what was done by Lord J. Gifford in a case not unlike this in principle—refuse the company their costs."

Such a defence has been justly characterized by the *Globe* of Toronto, in an article on the subject, as iniquitous; and it advises the people to mark such companies and resolve never to insure with them.

A point was raised for the defendants also that they had not been duly notified of the change of insurance from the Eastern Townships Mutual to the Scottish Imperial, but of this the judge took no heed. Those who know the worthy president of the Canada Farmers', Mr. Thomas Stock of Waterdown, will wonder whether his counsels had any influence in determining the action of the company in this case, in which the only course in honor open to it was to pay the claim and to instruct its agents to avoid such risks for the future.

BEET-ROOT SUGAR.

His Excellency the Governor General, who it will be generally admitted would not have given expression to an opinion on such a subject without having good