

RECENT LEGAL DECISIONS.

INCUMBRANCE ON INSURED PROPERTY.—In an action against The British America Assurance Company, instituted in a United States Circuit Court, upon a fire policy issued in that country, the company defended on the ground that the insurance was voided by reason of an undisclosed incumbrance. It was held, however, that where the agent of an insurance company, at the time he writes the policy, has knowledge of an incumbrance, his knowledge binds the company, in the absence of fraud, and the company cannot dispute the validity of the policy on such ground, notwithstanding a condition in the policy. *McElroy vs. British America*, 94 Fed. Rep. 990.

SICKNESS INCLUDES INSANITY.—It has been decided by the Supreme Court of Rhode Island that insanity is a sickness within the meaning of a by-law of a benefit society, which makes an allowance of sick benefits. In arriving at this conclusion, decisions from other States of the Union were referred to in which it had been laid down as follows:—"In Pennsylvania insanity is a sickness in some senses of the word, beyond all question, and such legal authorities as appear to have considered the question hold that it is sickness within the meaning of such charters and articles of Association." In New York, "insanity has always been considered a disease, and comes strictly within the meaning of the term sickness." An English case was also cited in which it was held that insanity was sickness within the meaning of the rules of a friendly society, by which any member should receive eight shillings per week, during any sickness or accident that might befall him, unless by rioting or drunkenness, and in which Justice Blackburn said:—"I am of the opinion that lunacy is sickness within the meaning of the rules of this Society. It certainly seems to me that lunacy is a sickness affecting the health of body in such a way as to prevent a man's ability for earning his livelihood. If it were not the intention to exclude it, the rule should be framed so as expressly to exclude it." *Robillard vs. Société, etc., De Centreville*, 43 All. Rep. 635.

ACCEPTANCE OF WORTHLESS CHEQUE FOR DRAFT.—In an action brought by the National Bank of Commerce of Kansas City, against the American Exchange Bank of St. Louis, the following principle of law was decided. Where a bank accepts a cheque on another bank, in payment of a draft in its hands for collection, and surrenders the draft, it makes the cheque its own, and its liability is the same as if cash had been received. 52 South Western Reporter 265.

STOCK EXCHANGE NOTES.

Wednesday, p.m., Oct. 11th, 1899.

Prices on the whole have been working easier during the past few days, and the market closes on a somewhat lower level than a week ago, although there are one or two exceptions to note. The general sentiment, however, has been improving during the week owing to the recovery of prices in London, but on the news of the existence of a state of war in the Transvaal this forenoon the market reacted fractionally in sympathy with London. A further decline is not looked for unless a serious reverse overtakes the Brit-

ish forces, while any marked success would certainly send stocks up.

The question of money is still a serious one, and while there is no important change in rates in Montreal, the feeling is that money will become more plentiful almost immediately. Two banks during the week put their lending rate down to 5 per cent., but the ruling rate still remains at 5 1-2 per cent. In New York also rates have been lowered, and to-day the bulk of the loans on the Stock Exchange were made at 7 per cent.

The Bank of England and Imperial Bank of Germany are accumulating funds again, and the open discount rate is beginning to fall. Since our last issue the Bank of England advanced its rate from 4 1-2 per cent. to 5 per cent., at which figure it still remains.

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Canadian Pacific has had a steady advance during the week, closing to-day at 92 as against 89 3-4 last week. This is a total recovery in 8 days of 5 1-4 points. The advance was as usual led by London, but the local market followed promptly and on several days during the week actually advanced to higher figures than the London equivalent. The earnings for the week ending October 7th show an increase of \$61,000. The number of shares which changed hands during the week amounted to 3,167.

The election of Mr. C. R. Hosmer to the Directorate of the Railway is well regarded on the "street."

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The Grand Trunk Railway earnings show an increase of \$27,133 for the first week of the present month. The stock quotations as compared with a week ago are as follows:—

	A week ago.	To-day.
First Preference	82½	86
Second Preference	52½	55
Third Preference	21½	23

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Montreal Street Railway has been comparatively quiet during the week, the transactions amounting to only 493 shares. The fluctuations have been confined within a narrow range, the closing price to-day being 312 as against 314 a week ago. The earnings for the week ending 7th inst show an increase of \$571.80, as follows:—

	Inc.
Sunday	\$3,806.60
Monday	4,820.76
Tuesday	4,794.15
Wednesday	4,637.56
Thursday	4,768.84
Friday	4,695.34
Saturday	5,196.02
	420.31

* Decrease.

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Toronto Railway also shows a loss of 1 3-4 points during the week, closing to-day at 111 1-4 as against 113 a week ago. The number of shares traded in amounted to 955, and the earnings for the week ending 7th inst. show an increase of \$1,006.43 as follows: