A Paper Currency Article

MR. EDMOND J. Barbeau, of the Credit Foncier of this city, has an article on note circulation in the March number of *La Revue Nationale*. The writer opens his theme by some remarks, which seem intended to take the conceit out of this generation by showing that we moderns, in art, literature, manufactures, science, were equalled by the ancients, our achievements being only developments of what existed in past ages. He applies this to our current forms of money, in which he is quite justified, as forms of paper currency, bills of exchange, and letters of credit were doubtless familiar to merchants in ancient times, as it was an absolute necessity to have some more portable money than metal. Short sketches follow of the currencies of the Bank of England, the Bank of France, and the Dominion Government. Mr Barbeau points out that in one feature the Bank of France is more extensively and popularly useful than the Bank of England. He draws attention to the extraordinary number of promissory notes discounted for small traders by the Bank of France. According to a report of the bank, he finds that 5,667,110 of this class of notes were held. Amongst them there were 19,100 bills for $2, or under, 836,417 for from $2 to $10; and 1,276,072 from $10 to $20. This exhibit, he says, shows that the great French bank is no less useful to small dealers than it is to capitalists. The very small sums for which bills are given in France is well known in England, and it is also known that they are paid at maturity, a dishonored note given by a French merchant being practically unknown to the English banks which receive them for collection. Mr. Barbeau, in speaking of bimetallism, remarks justly that it causes no difficulty in France, because gold is readily obtainable for notes. *La Revue Nationale* for March is full of good matter, the subjects are interesting, the historic ones instructive, and their treatment is characterized by that brightness of style which is the peculiar gift of French authors.

A Benzine Case

THE Supreme Court of Wisconsin has placed an interpretation upon the clause in a policy forbidding the presence of benzine in premises insured, which makes such clause practically of no effect. The furniture store and repair shop of one Faust were insured in the American Fire Insurance Company. The policy contained these words "This entire policy, unless otherwise provided by agreement endorsed hereon or added hereto, shall be void * * * if (any usage or custom of trade or manufacture to the contrary notwithstanding) there be kept, used, or allowed on the above described premises, benzine" Claim being made to recover amount of the policy, the trial court granted the company's motion for non suit, upon the ground that the contract of insurance was rendered void by a violation of the provision prohibiting the keeping or use of benzine. The Supreme Court took a different view, and one not entirely consistent with the prohibitory terms of the policy. The judgment reads "Keeping in mind the undisputed evidence that the prohibited article was not kept as an article of merchandise for sale, but as an article usually and necessarily kept in operating the business of the repair department of the furniture store, which the policy expressly covers, we find abundant authority to support the general rule, which we adopt, that where a contract of insurance, by the written portion, covers property to be used in conducting a particular business, the keeping of an article necessarily used in such business will not avoid the policy, even though expressly prohibited in the printed conditions of the contract." The Court pointed out that a rigid enforcement of such a clause as the above would prevent the business of a furniture repair shop being carried on, and said "No such absurdity can be held to have been contemplated by the parties, unless the terms of the contract are such as not to permit of any other reasonable construction." The issuance of a policy covering a furniture repair shop, in which there was a clause prohibiting the use of benzine, was certainly an "absurdity," and shows there to have been some laxity on both sides. The insured person ought to have pointed out the necessity of benzine to his daily work, and the company should have known that benzine was such a necessity in a furniture repair shop.

JUSTICE BABY ON INCENDIARISM.

When opening the Court of Queen's Bench in this city on the 2nd ult., Mr. Justice Baby delivered an address to the Grand Jury of more than usual interest, in the course of which he expressed a high opinion of the functions and privileges of the grand jury system. As several of the prisoners to be arraigned before the Court are charged with incendiarism, the Judge made some comments upon the prevalence of this crime, which are worthy the serious attention of the fire underwriters. To avoid any misapprehension as to the views of Justice Baby, we give his exact words as read in Court:—

"The great facilities afforded by insurance companies to individuals for insuring arises no doubt from the great rivalry and competition which exists among them, by which they are induced, most of the time, to lay aside such precautions as are necessary to secure a safe risk, and which makes them accept a premium which otherwise, if listening to common prudence only, they would refuse. This is evidently an incentive, I must say, to the committal of the crime, the extent of which is now so loudly complained of, and justly so. Be it as it may, the prevalence of arson in our midst, it must be admitted by all, has justly alarmed the public, for it is a crime which involves very often the danger of loss of life and property, and the alarm is greater when it is seen that incendiaries band themselves together for the commission of this nefarious crime."

There is no misunderstanding this language. It is a clearly drawn indictment against the fire insurance companies for affording such facilities to fraudulent insurers as constitute an incentive to the crime of incendiarism. They accept risks, says Judge Baby, which common prudence dictates should be refused, and they lay aside the precautions necessary to secure safety in risks. It is very easy to make charges in such general