

Law Report.

THE MASSAWIPPI VALLEY RAILWAY.—The *Sherbrooke Gazette* calls attention to the proposed arrangement between the Passumpsic Railway and the Directors of the Massawippi Railway Company, with the view of securing the building and equipping of the latter road.

It is proposed that \$165,000 of stock be subscribed in Canada and paid in gold, and that an equal amount shall be furnished by the Passumpsic Railway Company, making \$330,000 cash stock. The contractors to take as part payment \$70,000 of stock, and there will be issued \$400,000 of bonds by the Massawippi Company which the Passumpsic Company endorse and guarantee, and provide for. The road and real estate from the Line to Lennoxville will be mortgaged for security of these bonds, and to aid in the redemption, a like amount of stock will be issued. The Passumpsic Company undertakes to build, equip, and run the Massawippi Valley road, and to lease the same, paying the interest on the bonds, \$24,000 in gold, to the holders, in semi-annual payments. The Passumpsic Company also undertake to pay to the stockholders in the Massawippi R. R. Co., from the earnings of both roads, equal dividends per share with that paid to the stockholders in the Passumpsic Railway Company. The total of the dividends appropriated to the Massawippi Railway Co. stockholders not to be less than one-fifth of the whole sum divided to both Corporations. The gold value of the Passumpsic Railway is estimated at and put into the partnership thus in effect formed at \$3,200,000, and the Massawippi Valley Railway is put at \$800,000. Both roads will be operated by the Passumpsic corporation in connection with the Massawippi corporation. The spur to Rock Island is to be built and worked in the same way as the main line. The contractors are to be approved by both corporations, and to be responsible parties, and will receive \$330,000 cash, and \$70,000 in stock and proceeds of the road, and \$400,000 in bonds. The Massawippi Company may retain, however, out of the \$70,000 mentioned, \$15,000 to assist in payment for the right of way, and the expenses of preliminary surveys.

The Passumpsic Railway stock has for years been worth 80 per cent., and has paid for several years past dividends of six per cent., and there can be no question but the earnings of that end of the road will be increased by the connection made between its present terminus at Derby Line and Lennoxville; and the stockholders will receive a *pro rata* share in the increased receipts of the other end. It is of importance, also, to consider that efforts are being made to construct the Chamblé and Waterloo road to the head of the Massawippi Lake, and that there is a project on foot to construct a railway through Missisquoi and Brome counties to connect at Newport with the Passumpsic road; either of these if built before the line from Lennoxville connects with the Passumpsic at Stanstead will effectually prevent the construction of the Massawippi Valley line and leave this part of the townships cut off from direct communication with Boston and New York.

The \$165,000 to be contributed on this side to the construction of the road is composed of subscriptions in Stanstead and vicinity, \$100,000; in Hatley debentures, \$15,000; and in Ascott debentures, \$40,000, with some subscriptions in the vicinity to pay for the right of way over and above what the \$15,000 in stock will meet, and for the preliminary expenses.

FIRE POLICY—INCUMBRANCES—FALSE SWEARING.—One of the conditions of a Policy of Insurance was that every incumbrance affecting the property at the time of assurance, must be mentioned in the application, otherwise the policy should be void. The property in question had been conveyed to the plaintiff and his wife by one S. and wife, in consideration, as expressed in the deed, of a then subsisting indebtedness by S. and wife to plaintiff, and of a bond by plaintiff *alone* to support S. and wife during their lives, who by the said deed released to plaintiff and wife all their claims upon the property. In his application for assurance

plaintiff stated the property to be unencumbered.

Held, affirming the judgment of the Court of Common Pleas, 16 C. P. 493, that there was no lien for purchase money, and that the property was not encumbered.

Another condition of the Policy was that any fraud or attempt at fraud, or false swearing, on the part of the assured, should cause a forfeiture of all claims under the Policy. After the loss by fire plaintiff made a statement under oath, that he was absolute owner of the property at the time of the fire, whereas, under the conveyance to him and his wife, he was only jointly interested with her therein:

Held, reversing the above judgment, J. Wilson, J. *dissentiente*, that he was not guilty of false swearing within the meaning of the condition; for that the word "false," as used there, meant wilfully and fraudulently false (of which defendants had themselves at the trial acquitted plaintiff), whereas it was merely an incorrect description of his title with which he could be charged.—*Mason vs. Agricultural Mutual, XVIII C., P. Rep. 19.*

MISREPRESENTATION—"OWNER," MEANING OF.—One of the conditions of a fire policy was that the application, with the survey and diagram of the premises, should form part of the insurance contract; and there was a proviso, in the shape of a covenant on the part of the assured, that the representation given in the application contained a just, full and true exposition of all facts, &c., and the interest of the assured therein, so far as same were known to the assured, and that if any material fact should not be fairly represented the policy should be void. In the application plaintiff described the subject of insurance as "all the property of the assured," and to one of the enquiries therein contained, whether he was owner, mortgagee or lessee, he replied "owner." The property in question consisted of two buildings belonging to plaintiff, though it appeared that the land on which they stood was leasehold. Defendants, among other pleas, in effect pleaded that plaintiff in his application had misrepresented the facts connected with the property, and especially as regarded his title thereto, having described himself as owner, whereas he was merely lessee. At the trial plaintiff tendered the evidence of the owner of an adjoining building, to show that he (witness) had told defendants' agent how the buildings were situated, and that the agent knew the position of all to be the same; but this evidence was rejected, as contradicting plaintiff's own written statement, and the jury were directed to find for defendants on the above plea, the learned judge refusing to leave to them the question of misrepresentation on plaintiff's part:

Held, that the direction was wrong; that the word "owner," having no definite meaning in law, but being applicable to various interests which parties have in buildings, if plaintiff used it in good faith he ought not to suffer, and the question whether he fairly represented the facts regarding the risk should have been left to the jury.

Held, also, that in order fairly to judge of the answers of plaintiff, evidence might be given of the surrounding facts as to the ownership of the building and of the land; and that, to establish the *bona fides* of plaintiff's answer, he might show that defendant's agent, who drew up his statement, had been informed by plaintiff, or some one else to plaintiff's knowledge, of the state of the title to the premises. A new trial was, therefore, granted without costs.—*Hopkins v. Prov. Ins. Co., 18 C. P. 74.*

MUTUAL INSURANCE COMPANIES—IMPRISONMENT OF PLAINTIFF.—A. insured with a Mutual Insurance Company, by a policy expiring on the 26th June, 1863. The 29 Vic. ch 37, passed on the 18th September, 1865, enacted that no suit should be brought on any policy after one year from the loss, or one year from passing the Act, if the loss had happened before, saving the rights of parties under legal disability.

To a plea that the loss happened before the Act, and that the action was not commenced within one year from its passing, defendant replied that when the Act was passed, A. was

in prison (not saying for felony), and continued there until his death on the 21st February, 1867, and that the action was commenced within a reasonable time after his death.

Held, that the replication was no answer to the plea.—*Tallman vs. the Clinton Mutual, 27 Q. B. 100.*

Commercial.

Toronto Market.

A gloomy and unsettled state of the breadstuffs market has prevailed throughout the week, and prices continue to decline. Flour has fallen off in a fortnight fully \$1 per barrel, and is slow of sale at that reduction. Very little business was done, and nothing comparatively will be done, until the market reaches bottom, or, if done, it will not be reported. The decline in both wheat and flour has a serious aspect when it is remembered that over \$3,000,000 are held in Montreal, and a large stock of wheat. On the flour alone an aggregate loss of \$80,000 to \$90,000, must have been suffered. In this market stocks of flour are ample but not heavy; wheat is believed to be in pretty low stock though we have not any late figures, and hence losses will be moderate. Still there is no question that the accumulations of some firms must be already swept away. Continued good reports from the growing crops, and steadily declining prices in Liverpool, render it impossible to say when a change may be hoped for. It is likely that prices may recover before harvest; but whether they return even to present quotations depends almost wholly upon the harvest itself, which again depends on so many contingencies that the whole question as to the future of prices for the next three months is involved in inextricable uncertainty.

GROCERIES.—*Sugars*—have been dull, and in the early part of the week were quoted a shade lower; but later they have become firm, and quotations remain as they were before. *Tea*—Greens have advanced in New York 5 to 6c. per pound, Blacks and Japans are also firm. In our market there is no change, but a firm feeling is reported. Prices of other articles are quite steady as quoted.

GRAIN.—*Wheat*—Receipts 1,350 bush. 2,384 bush. last week, and 8,004 bush. for the corresponding week of last year. Not only here but throughout the continent prices have moved steadily downward, it being noticed, however, that the decline for artificial reasons no doubt has not been so great in the leading Western markets as in New York, Montreal and elsewhere. Spring is now down to \$1.36 and \$1.40, and Fall to \$1.45 and \$1.55, a reduction of 20 to 25 cents per bushel on the week. In the present unsettled state of the market very little business can be done. *Barley*—is quiet and firm at \$1 to \$1.03. *Pens*—dull and 10 cents lower closing with a downward tendency at 70 to 72c. *Oats*—Only a small local trade doing at 53 to 54c. by the carload.

FLOUR.—Receipts 1,005 brls.; 1,205 brls. last week, and 1,950 brls. for the corresponding week of last year. The market has been in an unsettled and altogether unsatisfactory state for the week, and prices closed 60 to 75 cents per brl. lower, superfine being now worth only \$5.90 to \$6.00 at the close; a lot of spring wheat extra sold at \$6.25, and 100 brls white wheat extra at \$7.50 on Wednesday. The large stock in Montreal, which amounts to 83,000 brls., has a depressing effect on prices. The receipts at the principal Western markets are much in excess of last year. Taking five of the leading centres in the Western United States an increase of 5,000,000 bush. in the receipts of grain since Jan. 1st is shown. Good crops everywhere are the principal influence which has led to the break down. A San Francisco correspondent says:—

The prediction of an immense crop in California this season, and a surplus of at least 20,000,000 bushels of wheat for exportation is now certain of fulfilment. The grain is already ripening in the fields, and is beyond the reach of harm. The surplus for exportation will not fall under twenty million bushels, and may exceed that figure. There is an immense demand for farm hands at this time, and it is not impossible that there may be some loss from a lack of hands to secure the crops, but it is hardly likely to be very great. A correspondent of one of our San Francisco dailies says:

"I have just returned from a trip to the Upper Sacramento, and having travelled through all that section in truth must report to you that they have the best prospect for a very large crop of grain, that the writer of this has seen in a twenty-one year's