

# THE AMERICAN LAW REGISTER.

FOUNDED 1852.

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THE MAGAZINE. With this number the Magazine resumes the old name, The American Law Register, by which it was known for so many years. The prospects for the coming year are very bright. For a full statement of contributors, see our announcement in the advertising pages.

SHIPPING; DAMAGE TO CARGO OF SUGAR IN TRANSIT; MEASURE OF DAMAGE; AUCTION SALE; *The Franklin Sugar Refining Co. v. Steamship "Earnwood";* United States District Court, Eastern District of Pennsylvania, July 2, 1897 (not yet reported); J. Rodman Paul, Esq., for Libellant: Henry R. Edmunds, Esq., for Respondent. A cargo of dry sugar in transit from the West Indies to Philadelphia was somewhat damaged by moisture, which was held by the court to be due to insufficient dunnage, for which the steamship was responsible. The damaged cargo was sold by the con-

signees at public sale after due advertisement and notice to the trade, some three weeks subsequent to the arrival of the cargo, and was bought in by the consignees themselves. During the interval between the date of arrival and the date of public sale, the price of sound sugar had fallen from three and three-sixteenths cents per pound to two and seven-eighths cents per pound, and the damaged sugar brought on that day two and one-half cents per pound.

Butler, J., held that the proper method of liquidating the damage was by a fair auction sale of the damaged cargo, and that libellant's measure of damage was the difference between the sound value of the sugar on the date of arrival and the proceeds of sale of the damaged sugar with allowance for wharfage charges and autioneer's expenses; and, further, that the additional loss caused by the decline in the price of sugar between the time of arrival and the time of sale, must be borne by the vessel. The learned judge said: "The point made that account should be taken of the change in market value of sound sugar between the date of arrival and of the subsequent sale, in ascertaining loss, is interesting, and, if new, would present difficulty. It has, however, been involved in numerous cases, and in no instance has it been decided as the respondent contends it should, nor does any elementary authority so qualify the general rule governing the subject." Libellant's brief was annexed by the learned judge to his opinion.

This case decides a point in the law of the measure of damages in relation to goods injured in transit that has seldom been discussed. It is quite true, as noticed by the learned judge in his opinion, that it must have been involved in numerous cases, and passed over in silence. The rule of the measure of damages in these cases has been constantly reiterated, viz., that it is the difference between the value of the sound and damaged goods at the time and place of arrival: Hale on Damages, p. 254; Sutherland on Damages, § 933; Sedgwick on Damages (1891), § 845, *et seq*; *The "Mangalore,"* 23 Fed. 463 (1883); *Manufacturing Co. v. The "Guiding Star,"* 37 Fed. 641 (1889). But it has never been clearly pointed out how the value of the damaged goods, as and of that time and place, shall be determined. If by the opinion of experts or inspectors after examination of the goods, an element of great uncertainty is introduced, while great injustice may be done the carrier, by reason of the irresponsibility of expert opinion; if, on the other hand, a public auction sale is the proper way to determine the value of the damaged article, a sufficient time must intervene between the date of arrival and the date of sale to give due advertisement and notice to buyers, and in this interval a serious difference in the value of the damaged article may be shown to have occurred, and the value at the date of sale may not be the value at the date of arrival as required by the rule.

In considering the former method, it must be remembered that there are always to be found those who would not wish the damaged article at any price. As Judge Morris said, in

the case of *Hamilton v. Bark "Kate Irving"* 5 Fed. 630 (1881), "It may be that damaged goods of the particular kind are not often dealt in. It is often difficult to find merchants who will buy unmerchantable goods at any price, although to the consumer they may be as serviceable as before they were damaged. In this case, one of the principal iron merchants, called as a witness, said he would not have taken the damaged cotton ties at any price." And yet, on a sale, these ties brought not far below their sound value. But the uncertainty of expert testimony is sufficiently well known, and it is unfair that either party should be subjected to it, especially the innocent receiver of the goods, who should be left in no doubt as to his proper course, in order to liquidate or determine the exact amount of damage.

The only other and the universally preferred method of ascertaining the value of damaged articles, is a public sale after due advertisement and opportunity for bidders to be present: *Greenwood v. Cooper*, 10 La. Ann. 796 (1855); *Henderson v. "Maid of Orleans,"* 12 La. Ann. 352 (1857). In the case of the ship "Thirlmere," No. 35 of 1894, in this District, unreported, the precise point was fully discussed by the learned Commissioner, Mr. Morton P. Henry, and his report was confirmed by the court. There a cargo of chalk arrived somewhat damaged by manganese dust. The consignee refused to accept it, although it had been delivered at his yard, and merely notified the shipowner that it was held subject to his order and requesting him to remove it. On the assessment of damages before the commissioner, the chalk was still in the possession of the libellant, and he attempted to prove the extent of the damage by the opinions of various experts who had examined the chalk. The commissioner ruled that a sale was the only proper and satisfactory way of ascertaining the character and extent of the damage. The commissioner further held that a month was a reasonable time within which the sale should have taken place, and allowance was made for storage, expenses, etc., only up to the period of one month after the arrival of the damaged chalk.

The sale must be deliberate, with a careful regard for the rights of all concerned. This requires time, and the time in the present case was not excessive. See *The "Marinin S.,"* 28 Fed. 664 (1886). The authorities sustain the position that intermediate fluctuation of the market for sound goods between arrival and sale of damaged goods should not be regarded in determining the value of the latter, as of the prior date of arrival. In *Colliard v. The Southeastern Railway Co.*, 7 Hurlstone & Norman, 77 (1861), the carrier was held liable for damage to certain hops, consigned to a purchaser and rejected by him. The shipper, to whom they were returned, dried the same hops which were rendered as good as ever for actual use, but their market value was depreciated. A sale of the hops was then had, but at that time the market price of hops had considerably fallen from what it was at the time when they

should have been delivered to the consignee. It was held by the Court of Exchequer that the plaintiff "was entitled to recover as damages the difference between the market price on the day when the hops were sold and the day when they ought to have been delivered." It will be observed that, in deciding this case, the court did not consider how far more speedy action on the part of the plaintiff might have brought the damaged hops into the market when higher prices were ruling for sound hops; the sale was merely the reasonable method of liquidating and ascertaining the real value of the damaged hops irrespective of intermediate changes of the market. In *Morrison v. Florio S. S. Co.*, 36 Fed. 569 (1888), a cargo of prunes, which should have been delivered not later than April 28th, was, by the negligence of respondent, not delivered until June 11th, and then in a damaged condition. They were sold on July 8th, on which day the market price for sound prunes was six cents per pound, but on account of their damaged condition a portion of the prunes brought only five and one-half cents. The market price on April 28th, when they should have been delivered, was five cents. As the sale, in this case, of the damaged prunes took place nearly a month after arrival, and the price of prunes had considerably advanced, it might have been assumed that the price of the damaged prunes would have been less on the day of arrival than on the day of sale, supposing the ratio of values between sound and damaged fruit to be always the same. But the court took the actual proceeds of sale as the only test, and awarded the libellant "the difference between the market price of sound prunes on June 11th, the day of delayed delivery (five and three-quarters cents) and the price for which the damaged prunes sold on July 8th (five and one-quarter cents)": see p. 571. On the question of the time elapsing before the sale, Judge Wales said: "Nor have the respondents any just cause to complain of the postponement of the sale of the damaged prunes. . . . It is questionable whether the libellant would have been justified in making an immediate sale and without an endeavor to secure the highest attainable price:" Citing *The "Marinin S."* *supra*. In this case neither the libellant on the one hand, nor the respondent on the other, was allowed to profit by the incidental rise in prices. The libellant was not permitted to compute the value of the damaged prunes as of the day of arrival by relation to the lower value of sound prunes on that day; nor was the respondent permitted to urge the increased market value of sound prunes as a recoupment to the libellant for his loss. The principal case is the exact converse of this. The "Earnwood" should no more profit by the accidental fall in the price of sound sugar than the libellant was permitted to profit by the accidental rise in prices in the prune case. Any other rule is based upon the assumption that there is a constant ratio between the values of sound and damaged articles having a market rating. This is a fallacy: peculiar circumstances, quite outside of those influencing the general market, affect the

prices of damaged goods. It would be injurious to the commercial community if the receiver of cargo, damaged in transit, must either sell instantly without proper care or deliberation, or must take the risk of fluctuations in the market if he waits a reasonable time; it would be equally unfortunate to assume as a measure of damage a supposed constant ratio between the market value of a sound article and the auction value of a damaged one.

J. R. P.

**TURNPIKE COMPANIES; EMINENT DOMAIN.** The Pennsylvania Superior Court has recently decided, *In re Petition of Indiana and Westmoreland Turnpike Co.* (not yet reported), that turnpike companies in Pennsylvania have the right of eminent domain. The doubt upon this subject seems to have arisen from the omission of the word "over" in the Act of 29th April, 1874, P. L. 73, Sec. 30, giving the company the right "to enter in and upon the lands *contiguous and near to* which the said road shall be made or constructed."

It was argued by the appellant that the Act of 26th Jan., 1849, P. L. 10, gave the right of eminent domain to turnpike companies in its sixth section, but that the Act of 29th April, 1874, having repealed the former act, and not having re-enacted the provisions of the sixth section, gave no right of eminent domain: and further, that the intention of the legislature to withhold this right could be inferred from the fact that section nine of the Act of 26th Jan., 1849, giving the right to enter in and upon land contiguous and near to the road, was re-enacted in the Act of 29th April, 1874.

The court, however, refused to adopt this view and practically held that the rights given in Act of 1874 included, in fact, the rights given by sections six and nine of the Act of 1849, which it repealed, and that it would be an absurdity to give a company the right to enter in and upon land contiguous to the road and withhold the right to enter upon the land over which the road was to run; and that the language of the Act necessarily implies, if it does not literally give, the right to enter upon the land for the purpose of constructing the road. "Moreover," says the court, "the Act of 1874 expressly gives all road companies incorporated in accordance with its provisions the benefits of all the general laws of the Commonwealth regulating turnpike and plank road companies, and this declaration furnishes very strong evidence of an intention not to withhold from turnpike companies to be incorporated in the future a power conferred by a prior law and one so essential to the execution of the purpose of their creation."

Though the language of the Act of 1874 is vague enough to give some grounds for the appellant's contention, the decision of the court would seem to be in accord with the generally-accepted view of the law on this subject. In the case of *Groff's Appeal*, 128 Pa. 621 (1889), reaffirmed on reargument in *Groff v. Turnpike Co.*, 144 Pa. 150 (1896), the Supreme Court of Pennsylvania decided that

turnpike companies, incorporated under the Act of 1874, by a charter which specifies the termini of its roadway, but is silent as to its intermediate route, cannot appropriate an existing public highway merely to avoid the expense of acquiring a new route through private property, but it certainly seemed to assume that the company had the right of eminent domain so far as the right to take private property was concerned. A strong dissenting opinion was given in this case by Mr. Chief Justice Paxson, which held that under some circumstances the turnpike company might even appropriate the public highway.

In view of the fact that the right could not have been well questioned until the passage of the Act of 1874, and that the courts have heretofore assumed and now have flatly decided that that Act has not changed the law, there seems to be no ground for denying that the turnpike companies possess and may exercise the right of eminent domain.

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INSOLVENCY; FRAUDULENT CONVEYANCES; RIGHTS OF GRANTEE. The Supreme Court of Oregon, in the case of *Sabin v. Anderson*, 49 Pac. (Oregon) 870, July 31, 1897, held the grantees, *mala fide*, of an insolvent, personally liable to his creditors for the property conveyed, viz., several promissory notes, for the proceeds of which they (the grantees) were to account to the insolvent, deducting 5 per cent. as compensation for their services.

The material facts of the case were as follows: Anderson, the insolvent, in fraud of creditors, delivered the notes in controversy to Lively & Bently, bankers (joined as co-defendants), in return receiving negotiable cash certificates for \$6,479.23. Apprehensive that these negotiable certificates would find their way into the hands of a *bona fide* purchaser, Lively & Bently afterwards purchased them (through an agent) from the insolvent for \$2,800. To the action by the assignee of creditors' claims, two defences were advanced by the grantees. First, that they had acted *bona fide*; second, that, in any case, the grantees were entitled to a credit for the \$2,800 expended in recovering the certificates. The first objection was dismissed by the court. As to the second, it was answered that, as the money had been paid to protect the defendants and not to restore the property held by them in fraud of creditors, they were entitled to no credit therefor: *How v. Camp*, Walk. Ch. (Mich.) 427 (1844); *Sanis v. Cotwise*, 4 Johns. (N. Y.) 596 (1820). The court also held that, as garnishment and attachment laws do not provide an adequate and complete remedy to uncover assets fraudulently conveyed and to compel an accounting, the jurisdiction of equity would attach. For the jurisdiction of equity in such cases, see *Pierstoff v. Jorges*, 86 Wis. 128 (1893); *Gullickson et al. v. Madsen*, 87 Wis. 19 (1894); *Feldenheimer v. Tressel*, 6 Dakota, 265 (1889). Property of an equitable character and property conveyed in fraud of creditors may be reached by a creditor's bill: *Spader v. Davis*, 5 Johns. Ch. (N. Y.) 280 (1821); *Spader v.*

*Davis*, 20 Johns. 554; *Webster v. Folsom*, 58 Me. 230 (1870); *Warner v. Moran*, 60 Me. 227 (1872); *Barry v. Abbot*, 100 Mass. 396 (1868); *Dunphy v. Kleinsmith*, 11 Wall. 614 (1870); See, also, Bispham on Equity, § 526, and cases there cited; *Hatch v. Dorr*, 4 McLean, 112 (1846); *Davidson v. Burke*, 143 Ill. 139 (1892); and see Wait on Fraudulent Conveyances, Third Edition (1897), § 68 *et seq.*

MINING: TITLE BY ADVERSE POSSESSION AS AFFECTED BY CHANGE IN PAPER TITLE TO COAL. The decision rendered in the case of *Finnegan v. Stineman*, 5 Pa. Super. Ct. 124 (May 3, 1897), decides a point never before raised in Pennsylvania, *i. e.*, whether the mere recording of a conveyance of coal stops the running of the statute of limitations in favor of one in the actual, adverse and exclusive possession of the land under color of title, at the time the conveyance was made.

The case in question was an action of trespass to recover the value of coal mined and removed from under certain land in Cambria county. The plaintiff claimed title by adverse possession for the period of twenty-one years and over immediately prior to the alleged trespass in 1895. The defendants rested their claim on an agreement dated the seventh of January, 1874, given by the then owners of the paper title to the land in dispute. This agreement was an ordinary lease, and the defendants claimed that it was a sale of the coal under the land, that it operated as a severance thereof from the surface, and having been recorded, the purchaser thereby entered into possession, and his possession afterwards was not affected by the ownership of the title to or the possession of the surface.

A long list of Pennsylvania cases support the claim that this lease amounted to a sale of the coal in place: *Sanderson v. Scranton*, 105 Pa. 469 (1884); *Montooth v. Gamble*, 123 Pa. 240 (1888); *Lehigh Coal Co. v. Wright*, 177 Pa. 387 (1896); *Hopes' Appeal*, 29 W. N. C. 365 (1891).

On the other hand, the cases show that where there has been a severance of the possession of the surface and the right to the minerals beneath it, that the owner of the surface can claim no title to the mineral by virtue of twenty-one years non-user on the part of the owner of the lower strata: *Caldwell v. Copeland*, 37 Pa. 427 (1860); *Armstrong v. Caldwell*, 53 Pa. 284 (1866); *Kingsley v. Hillside C. & I. Co.*, 144 Pa. 613 (1891); *Algonquin Coal Co. v. Northern C. & I. Co.*, 162 Pa. 114 (1894). In all these cases, however, the claim of title by possession of the surface was made only after the surface and the lower strata had been severed. The court distinguished the present case from the above in the following manner. "Here disseisin of the coal, as well as of the surface, had actually taken place before their severance in title. One was as much out of the actual possession of the owner of the asserted legal title as the other. At the date of the lease, and for many years

before, plaintiff was in the actual, open, adverse and exclusive possession of the land under a claim of right. His deed was on record, and in connection with his possession was notice to the world of the extent of his claim, which presumptively included not merely the surface but all beneath and above it, in accordance with the ancient common law maxim." . . . "Neither he nor his successors in title ever did anything which could be construed as restricting their possession to the surface merely. Nor, as we have seen, did the purchaser of the coal attempt to oust them, unless the recording of his lease was an ouster—a proposition that we cannot agree to."

The court, therefore, decided that as between the lessee and a third party, who is in the actual, open, adverse, exclusive and peaceable possession of the land, the recording of the instrument is not equivalent to an entry, and, there being no other interruption of his possession, when the full period of twenty-one years from its inception has elapsed, his title to the land becomes perfect.

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CRIMINAL LAW: HOMICIDE: DRUNKENNESS. In *Wilson v. State*, 37 Atl. 954 (N. J. Errors and Appeals, June 28, 1897), it was held that the extent of intoxication necessary to lower the grade of the crime to second-degree murder must be such that the prisoner's faculties were prostrated, and that he was rendered incapable of forming a specific intent to take life. From this decision there was a strong dissent, in which six of the judges concurred. The dissenting opinion was filed September 20, 1897, and is reported in 38 Atl. 428. The grounds for the dissent were that, upon the question of degree, the issue was whether, as matter of fact, the defendant had formed a specific intent to take life, and not whether he had proved that he could not have formed it.

The reasoning of the minority of the court seems to be correct and unanswerable. The question was directly decided in Tennessee, in the case of *Haile v. State*, 11 Humph. 154 (1850), in which the Supreme Court of that state took the same view as the minority of the court in the principal case. The same view has been taken in other jurisdictions: *Ferrell v. State*, 43 Tex. 503 (1875); *Territory v. Franklin*, 2 New Mex. 307 (1882); *State v. Mowry*, 15 Pac. 286 (Kan., 1887).

But drunkenness as a defence has always been regarded with disfavor by the law, and in order that it may mitigate the offence charged, it is only allowable in those cases where a specific mental condition is required to constitute the crime. Voluntary drunkenness never excuses a crime; and, by the weight of authority, it only lessens the degree when it exists to such an extent that the person committing the crime is incapable of forming the design. If he is capable, the intent will be presumed: *People v. Rogers*, 18 N. Y. 9 (1858); *Golliher v. Commonwealth*, 2 Duval (Ky.), 163 (1865); *Roberts v. People*, 19 Mich. 401 (1870); *People v.*

*Odell*, 1 Dak. 197 (1875). And see 4 American and English Encyc. of Law, 707 *et seq.*

In Pennsylvania it has been held that voluntary drunkenness is an aggravation of crime; and short of destruction of reason it is not a defence: *Commonwealth v. Hart*, 2 Brewster (Pa.), 546 (1868).

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DIVORCE; PREGNANCY. Concealment at marriage. (See vol. 36 N. S., No. 12, Dec., 1897, page 779.)

The question whether a marriage is rendered voidable by the pregnancy of the wife at the time of it by a man other than her husband, received able treatment at the hands of Jeune, President, in the recent case of *Moss v. Moss* [1897], Probate 263 (May 20th). Petitioner and respondent were married on September 29th, and the latter gave birth to a child October 17th. On the wedding day he first suspected her condition, and taxed her with it. She denied the charge. The court held that concealment by a woman from her husband at the time of her marriage of the fact that she is then pregnant by another man is not sufficient ground to declare the marriage null and void.

Fraud will vitiate a marriage contract, but only such fraud as precludes the required voluntary consent of the parties. The fraud must go to the essence. Mere misrepresentations as to wealth, position in society, or even as to chastity, are not sufficient to impeach the bond of matrimony.

In some of the United States, although concealment of loss of virginity does not, yet concealment of the fact of pregnancy by another man at the time of marriage, does vitiate the contract. The three principal cases are *Reynolds v. Reynolds*, 85 Mass. 605 (1862), where it was held that concealed pregnancy is a ground for nullity of marriage; *Donovan v. Donovan*, 91 Mass. 140 (1864), where, under such circumstances, evidence of an express representation of chastity by the wife before marriage was deemed unnecessary; and *Allen's Appeal*, 99 Pa. 196 (1881), where such concealment was held to raise a question for the jury, under the direction of the court, whether the facts afforded a ground which would entitle the husband to disown the marriage. Further cases are *Foss v. Foss*, 94 Mass. 26 (1866), and *Crehore v. Crehore*, 97 Mass. 330 (1867).

The learned President, Sir F. H. Jeune, fails to agree with these cases, because he believes there is no sound distinction between concealment of loss of virginity and concealment of pregnancy.

His decision is in accord with the North Carolina case of *Scroggins v. Scroggins*, 3 Dev. 535 (1831), where, although a mulatto child was born to white parents, the woman having concealed from the man the fact of having received a negro's embraces about the time she received his, the marriage was adjudged valid. He quotes Bishop on Marriage, Ed. 1891, § 494, as agreeing with the conclusion in *Reynolds v. Reynolds*, *supra*, but finds the reasoning inade-

quate. His conclusion, then, is that the American cases rest on an unsound distinction, and that they should have no weight to alter the English rule, which is founded on the Canon Law.

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INSURANCE ; DUAL RELATION OF AGENT TO COMPANY ; PAYMENT OF PREMIUM ; ESTOPPEL. The peculiar relation that an insurance agent bears to his principal is illustrated by the case of *L. & L. Life Assurance Co. v. Fleming* [1897], A. C. 499. The Ontario agent of a London insurance company made out a policy containing the following stipulations: (1) "That this shall not be in force until the first premium is paid;" (2) "If a note or other obligation is taken in payment for the premium or any part thereof, and such note or obligation be not paid when due, the policy of assurance becomes null and void at and from default." The insured gave his note, which was never honored, to the Canadian agent in payment of the first premium, and the assurance company received the agent's note in discharge of an account which included the amount of the premium. In an action on the policy a strenuous effort was made by the plaintiff to show that the company was estopped from setting up the defence of non-payment of the premium, since by their acts they had treated their agent as the agent of the insured and had received the amount of the premium from him. This view of the case was taken by the trial judge in Ontario, and the judgment was affirmed by the Court of Appeal, the justices being equally divided. The Privy Council, however, reversed the judgment on the ground that "the dealings between the appellants (assurance company) and their agent were, as regards the assured, *res inter alios*, and afford no presumption of an intention of treating the agent as acting, not for his true principals, but as the representative of the assured:" *Acey v. Fernie*, 7 M. & W. 151 (1840) was approved, which rules that even if the insurance company has debited its agent with the amount of the premium, yet it is still at liberty to show as a defence that the agent did not receive the premium until the time for its payment, according to the terms of the policy, had expired.

American courts seem rather inclined to hold the company bound by its acts when it has debited the agent with the amount of the premium. The general rule has been stated, "Delivery of the policy to the agent authorized to deliver it to the insured and receive the premium, in his delivery of the policy to the insured and acceptance of a note for the premium, and procuring a discount of the same for his own account without paying the premium to the principal, constitutes a valid insurance, in spite of a provision in the policy that such agent shall be deemed the agent of the insured, and that the insurer shall not be liable until he actually receives the premium." See *Carson v. Jersey City Ins. Co.*, 43 N. J. L. 300 (1881); *Com. Ins. Co. v. Ives*, 56 Ill. 402 (1870); *Union Ins. Co. v. Clipp*, 93 Ill. 96 (1879); *Barbell v. Am. Ins. Co.*,