

parties in that case was such as would be expected of reasonable, prudent men under a similar state of affairs. When a given state of facts is such that reasonable men may differ fairly upon the question as to whether there was negligence or not, the determination of the matter is for the jury. It is only where the facts are such that all reasonable men must draw the same conclusion from them that the question of negligence is ever considered as one of law for the court."

It may be observed, further, that it is incumbent upon the court to indulge every reasonable intendment and presumption in favor of the pleading. The Code of Procedure of the State of Washington provides one form of civil action for the enforcement or protection of private rights and the redress of private wrongs. 2 Hill's Ann. St. & Codes Wash. p. 34, § 109. The complaint in this action is required to contain, among other things, a plain and concise statement of facts constituting the cause of action without unnecessary repetition. *Id.* p. 9, § 188. It is further provided that in the construction of a pleading, for the purpose of determining its effect, its allegations shall be liberally construed, with a view to substantial justice between the parties. *Id.* p. 117, § 206. This rule of construction, contrary to that established by the common law, requires that every reasonable intendment and presumption is to be made in favor of the pleading; and it will not be set aside on demurrer unless it be so fatally defective that, taking all the facts to be admitted, the court can say they furnish no cause of action whatever. *Chambers v. Hoover*, 3 Wash. T. 107, 110, 13 Pac. 466; *Isaacs v. Holland*, 4 Wash. 54, 59, 29 Pac. 976; *Boyle v. Railway Co.*, 13 Wash. 383, 387, 43 Pac. 344; *Morse v. Gilman*, 16 Wis. 504; *Bank v. Kowalsky*, 105 Cal. 41, 38 Pac. 517; *U. S. v. Parker*, 120 U. S. 89, 94, 7 Sup. Ct. 454. We think, under this rule, that the amended complaint states facts sufficient to constitute a cause of action. The judgment of the lower court is therefore reversed, with directions to overrule the demurrer.

THE ANTONIO ZAMBRANA.

OIEN v. THE ANTONIO ZAMBRANA.

(District Court, E. D. New York. August 8, 1898.)

MASTER AND SERVANT—INCOMPETENT FELLOW SERVANT—ASSUMED RISK.

Where a seaman, who has made several voyages with a mate whom he knows to be addicted to intemperance, at times incapacitating him for his duties, undertakes a new voyage, and, as the ship is leaving the wharf, is injured by a negligent order of the mate, induced by the latter's intoxication, which the seaman has not reported to the master, but has attempted to conceal from him, such seaman cannot recover against the ship for such injury.

This is a libel by a seaman for a personal injury.

Grout, Jenks, Mayer & Hyde, for libelant.
Ward, Hayden & Satterlee, for claimant.

THOMAS, District Judge. Upon a dark night, the mate of a ship advised the master thereof that the bow line holding the ship to a wharf in the city of New York had been thrown off the cleat on such wharf, whereupon the master directed the ship to be moved astern. The line, in fact, had not been thrown off by the person on the wharf who attempted the same; and the libelant, an able seaman, who had cast the turns of the line off the bitts on the ship, and had given it slack to enable it to be cast off the cleat, was in an unexplained way caught by the line running out, and grievously injured. The mate had been intoxicated during the afternoon, and had been taken in charge by the libelant, who endeavored to overcome his intoxication before the arrival of the master, who was absent, and did not appear until shortly before the accident, at which time the mate had in such measure recovered from his insobriety that it was not necessarily noticeable. The libelant contends that the injury was caused by the negligence of the mate; that his intoxication contributed to the negligence; that the master was negligent in continuing the mate in service, and committing to his supervision the work of casting off the line.

There are certain basic rules of law governing the relations of master and servant, which may be stated generally as follows: The master must use reasonable care to secure competent servants, and if, after such due care, he employ a servant, the master cannot be charged with injury to a co-servant arising from the incompetency of the servant so employed, unless the master knew, or in the exercise of ordinary care should have known, of such incompetency. *Chapman v. Railroad Co.*, 55 N. Y. 579; *Cameron v. Railroad Co.*, 145 N. Y. 400, 40 N. E. 1; *Park v. Railroad Co.*, 155 N. Y. 215, 219, 49 N. E. 674. The burden is on the injured servant to prove the master's negligence in employing or continuing the employment of an incompetent servant. *Wright v. Railroad Co.*, 25 N. Y. 566; *Gilman v. Eastern Railroad Corp.*, 10 Allen, 233; *Davis v. Railroad Co.*, 20 Mich. 105, 122. When a servant becomes incompetent, his co-servant, knowing thereof, assumes the risk of injury to himself arising from such incompetency, unless he notify the master of the same when he has a fair opportunity to do so. *Davidson v. Railroad Co.*, 44 Fed. 476, 481; *Kroy v. Railroad Co.*, 32 Iowa, 357; *Youll v. Railroad Co.*, 66 Iowa, 346, 23 N. W. 736. The holding was correct in the dissenting opinion in *Tonnesen v. Ross*, 58 Hun, 415, 12 N. Y. Supp. 150, 151. It may be added that this assumption of the risk of such incompetency continues even after the master has been apprised thereof, if he continue the incompetent servant in his employment. This is qualified by the rule that, if the master hold out inducements to the co-servant to remain in his service, such co-servant may thereby be relieved from the risk of service with an incompetent person.

In the case at bar the libelant accuses the master of the ship of negligence in continuing the mate in his service, when, as it is charged, the mate was incompetent by reason of intoxication to perform his usual duties. The evidence shows that during the afternoon, in the absence of the master, the mate went ashore, and became intoxicated; but such intoxication had diminished to such an extent that

to ordinary observation the insobriety was not noticeable. It does not appear that the master knew of the condition before the accident; and, indeed, he testifies that he did not, and several others, including the pilot, stated that the mate was apparently sober. But how can the libelant charge the master with negligence? He knew of the precise condition, whatever it was. He did not notify the master, but, on the other hand, he used efforts to keep the fact of the mate's intoxication from the master's knowledge, and gave as a reason that, if the master had such knowledge, he would "chase him [the offending servant] ashore." Here is failure to notify, connivance at the transgression of the mate, and effort to prevent the master knowing a fact, the knowledge of which is made the present ground of the master's culpability. When a servant so acts, he assumes the risk of his co-servant's incompetency. A servant cannot conceal his co-servant's defects, and thereafter declare his master culpable because he did not see them. If the servant knows of defects in machinery, dangers connected with the place where he works, habits of his fellow workmen which threaten his own safety, he may pursue one of two courses: (1) notify the master, and wait for a reasonable time for the master to remove the dangerous condition; or (2) be silent, and take the risk. In the present case the libelant aided the offending servant, shielded him from the master's observation, and hid his offense. So the case is this: The mate was negligent. His negligence possibly arose from his insobriety. His co-servant sought to screen his fault from discovery, and to prevent his discharge from the ship. Under such a state of facts, he cannot assert that the mate was an unfit servant, and that he should have been expelled from the ship for the very offense which the libelant concealed, or sought to conceal. Such conduct on the part of the libelant was a violation of his own duty, and a waiver of his right to have his co-servant discharged or suspended from service for insobriety. The libelant testifies that he had served with the mate on previous voyages, and that, "the three last trips that I was on board, he was drunk every time," and that once he had seen him drunk in the presence of the master. The master denies knowledge of such intemperance. But it is enough that the libelant knew of it, and, after opportunities to leave the service, elected to continue the employment with such a co-servant; and if to this be added the fact, already discussed, that, at the very time when his intoxication is alleged to have contributed to the injury, the libelant condoned the offense, and shielded the offender, there can be no hesitation in deciding that the libelant assumed the risk of injury arising from the mate's habits and condition. The libel must be dismissed.

CLEWS et al. v. JAMIESON et al.

(Circuit Court, N. D. Illinois, N. D. July 5, 1898.)

PRINCIPAL AND AGENT—RIGHT OF PRINCIPAL AGAINST THIRD PERSON.

A principal who authorizes his broker to sell stock for him at a certain price cannot hold a purchaser to whom such broker has sold at a less price, since the principal is not bound by the sale.

In Equity.

Suit by the firm of Henry Clews & Co. against Malcolm M. Jamieson and others, co-partners as Jamieson & Co.

Towden, Estabrook & Davis, for complainants.

Tenney, McConnell & Coffeen, for defendants.

GROSSCUP, District Judge. The bill in this case is brought to charge a so-called trust fund in the hands of the Chicago Stock Exchange with the payment of a certain sum of money said to be due to the complainants from the defendants. The record presents many interesting questions, but the facts essential to the disposition of the case can be briefly stated as follows: The complainants, residents of the city of New York, in July, 1896, through their brokers, Schwartz, Dupee & Co., of the city of Chicago, sold upon the Chicago Stock Exchange, for the July account, 500 shares of the Diamond Match Company's stock, at 221½ per share, and subsequently 200 shares at 221½. Later in the month, at the instance of the complainants, these transactions were changed to the August account, at 229. The purchase and sale were, on both sides, probably, through brokers, whose respective principals remained undisclosed either to the broker or principal on the opposite side of the transactions. Under the rules and practice of the exchange, the method of doing business between the brokers is stated to be as follows:

"At ten o'clock there is an official call, at which the secretary and manager call all the stocks, bonds, and securities on the official printed list; and, as this call progresses, any member wishing to buy or sell bids thereon, and the record is made of the transaction, after which there is an irregular call, which closes at half past one, when the manager of the clearing house announces the clearing house or settlement prices for the day, which are the closing prices on the exchange for the respective stocks and securities. The manager then substitutes trades, and sends out cards to all buying or selling on the account for the current month or for the next month. That on the 25th of the month, and thereafter until the second day before the end of the month, two calls are made,—one for the current month, and one for the next ensuing month,—and this is done to allow those who wish to do so to change their accounts over to the next month. That this substitution was made by the clearing department by a system somewhat similar to that employed by the clearing house for banks; that is, that, where a broker has purchased and sold during the day the same amount of the same kind of stocks or bonds, his account is balanced by the clearing department, and all margins deposited by such broker may be withdrawn. That, when sales and purchases are made by different brokers,—one buying and the other selling the same kind of stocks or bonds,—a substitution is made by the manager of the clearing department, by which it appears that the broker selling has sold such stock, not to the person to whom it was originally sold, but to a person or persons other than those to whom such sales were originally made, and who originally