caused by negligence in the manufacture of chattels distributed by retailers. *Accord:* Rest., Torts § 395 (1934); see *MacPherson v. Buick Motor Co.*, 217 N.Y. 382, 111 N.E. 1050 (1916).

This liability is necessary to establish a fair and reasonable measure of security for the population at large. See Steffen, Independent Contractor and the Good Life, 2 Univ. Chi. L. Rev. 501, 532 (1935). Ample justification exists for providing this security by imposing liability upon the manufacturer. First, the manufacturer is best able to undertake risk prevention and risk distribution. See Douglas, Vicarious Liability and Administration of Risk, 38 Yale L. J. 584 (1929). Second, it is probably more convenient for him to shift the risk to insurance companies. Third, he is usually well able to bear the shock of individual losses, while the dealer is often financially irresponsible. (In 1929 half of the retail establishments in the United States had a gross annual sale of less than $12,000, averaging $5,500. 1 Census of Distribution Reports, pt. I, 15 (1933). Ninety-four per cent of the manufacturing companies did a gross annual business of over $100,000. 1 Census of Manufacturers 61 (1933).) Finally, there is increasing recognition that the dealer is losing his autonomy. He has become, to a great extent, a cog in the manufacturer's machine. *Baxter v. Ford Motor Co.*, 168 Wash. 456, 12 P. (2d) 409 (1932); see Isaacs, The Dealer-Purchaser, 1 U. of Cin. L. Rev. 373, 383 (1927); Steffen, Independent Contractor and the Good Life, 2 Univ. Chi. L. Rev. 501, 519 (1935). It is essential to the safety of the consuming public that the courts penetrate the fiction of the dealer's independence and grant the consumer his only effective remedy, an action directly against the manufacturer.

Trusts—Deferred Payment Life Insurance Policies as Creating Trusts—Validity of Spendthrift Provision against Creditors of *Cestui*—[Illinois].—A deferred payment insurance policy entitled the beneficiary to receive the principal sum and interest in sixty monthly installments, and contained a provision that the installments should not be assignable. The plaintiff, a judgment creditor of the beneficiary, instituted garnishment proceedings against the defendant insurance company and obtained a continuing order in the trial court for execution against each installment as it fell due. On appeal, *held*, reversed. The insertion of the clause against voluntary assignment by the beneficiary rendered the interest of the beneficiary unassignable and thus outside the scope of the garnishment statute. The court added that this provision in the policy created a spendthrift trust. *Holowaty v. Prudential Life Ins. Co.*, 282 Ill. App. 584 (1935).

Deferred payment life insurance policies such as that in the principal case are frequently used to avoid the risk of mismanagement of the funds by the beneficiary. The provision against assignment is an attempt to put the installments beyond the grasp of the beneficiary's creditors. Davis, Spendthrift Trusts in Life Insurance Policies, 5 B. U. L. Rev. 91 (1925). Similar restraints on alienation have been provided by statute. Colo. L. 1925, c. 116; Minn. Stat. 1927, §§ 3403–5; N.Y. Pers. Prop. L. § 15; Neb. L. 1933, c. 73. Some states, for the protection of the beneficiary, permit insurance companies to be trustees of their own policies without requiring the segregation of any fund. Conn. Gen. Stat. 1930, § 4193; Mass. Gen. L. 1932, c. 175, § 119a; Miss. Code 1930, § 5172; Vt. Pub. L. 1933, §§ 7012–14; Del. L. 1931, c. 52, § 44. See 2 Bogert, Trusts and Trustees § 245 (1935).

Since Illinois has no such statute, it is questionable whether a provision in a policy that the proceeds are to be paid in unassignable installments is sufficient to create a spendthrift trust. Two trial court decisions have held that such provisions will make the insurance company a trustee and the beneficiary a *cestui;* but the appellate courts avoided the trust question by disposing of the cases on other issues. *New York Life Ins. Co. v. O'Brien,* 27 F. (2d) 773 (D.C. Mich. 1927); *Cronbach v. Aetna Life Ins. Co.,* 153 Tenn. 362, 284 S.W. 72 (1925). Designating the relationship created by a deferred payment policy a trust ignores several fundamental rules in the law of trusts. It is elementary that there must be a segregation of specific property, a *res,* devoted to the purpose of the trust. *Fulton v. Gardiner,* 127 Ohio St. 77, 186 N.E. 724 (1933); *Marble v. Marble's Estate,* 304 Ill. 229, 240, 136 N.E. 589, 594 (1922). And insurance companies do not set aside specific assets to meet the installments of the deferred payment policies. 36 Yale L. J. 394 (1927). Secondly, it is a basic rule that a person cannot be trustee of an obligation against himself and it is usually held that a deferred payment policy creates only a debtor-creditor relationship. See *Samuels v. Drew & Co.,* 296 Fed. 882 (C.C.A. 2d 1924); *Crossman Co. v. Rauch,* 263 N.Y. 264, 188 N.E. 748 (1934); Vance, Insurance 609 (1930). Further, it is usually essential to a spendthrift trust that only the income be paid to the beneficiary, whereas in the insurance cases, the chief purpose is to pay out the principal. Davis, Spendthrift Trusts in Life Insurance Policies, 5 B. U. L. Rev. 91 (1925). Finally, the claim of a *cestui* against a defaulting trustee is exclusively in equity while in the principal case, if the insurance company were to refuse to pay over an installment when it became due, the beneficiary could recover the sum at law. 1 Williston, Contracts § 369 (1920). While these objections are deeply imbedded in the law of trusts, it must be admitted that courts seeking to use the trust as a remedial device in particular situations have ignored the absence of one or more of the orthodox requisites. Where a debtor has been instructed by his creditor to hold the debt in trust for a third party, courts have charged him as a trustee for the third party. *Tillow v. Sandquist,* 234 Fed. 613 (C.C.A. 9th 1916); *Woodhouse v. Crandall,* 197 Ill. 104, 64 N.E. 292 (1902). In England it has been held that mutual promises by two partners to pay a stipulated sum annually for the remainder of the partnership term to the widow of either partner, should he die during the term, operated to create a trust in favor of the widow. *Murry v. Flavell,* 25 Ch. D. 89 (1883). And in Illinois the payment of part of the principal to the beneficiaries with each installment would not alone defeat the trust. *Wagner v. Wagner,* 244 Ill. 101, 91 N.E. 66 (1910). These exceptions were permitted because of the exigencies of the situations at bar, and do not purport to relax the strict trust requirements generally. Where, as in the instant case, all the exceptions must be called into play to create the trust relation, it is apparent that new meaning and content are being given to an old term. While a legislature can, of course, provide that the consequences of a trust relation shall follow the creation of certain kinds of debts, courts should be slow to permit such consequences without a statute. Particularly in the instant case where an alternative ground for the decision existed, the declaration of the court seems gratuitous.

Trusts—Effect of Contract on Rights of Contribution and Indemnity between Persons Held Jointly and Severally Liable for Breach of Trust—[New York].—The defendant guardian asked the plaintiff, a stockbroker, to aid her in speculating in common stocks for the purpose of increasing her wards' estate. Fearing liability to the