Demurrer—Res Judicata.—Demurrer will not lie to a bill on the ground of *res judicata*, unless it avers that everything in controversy as the foundation of relief was also in controversy in the former suit. CRANWORTH, L.C., said: "I could not find, upon looking at all the authorities to which I had recourse, an instance of a demurrer to a bill upon such a ground as a former dismissal. I take it to be so for this reason, that it never can happen without averments, which are not likely to be introduced, that everything that was in controversy in the second suit as the foundation for the relief sought, was also in controversy in the first. That is a very clear principle, and upon that principle I think the demurrer must be overruled." Moss *v.* Anglo-Egyptian Navigation Co. Ch. Ap. p. 108.

Act of Bankruptcy—Fraudulent Assignment.—An assignment by a trader of all his property, as security for an advance of money which he afterwards applies in payment of existing debts, is not necessarily fraudulent within the meaning of the Bankruptcy Acts. In order to make such an assignment fraudulent, the lender must be aware that the borrower's object was to defeat or delay his creditors. Such an assignment cannot be an act of bankruptcy unless it is also void as being fraudulent.

Lord Cranworth observed: "This is an important general question. I do not think there has been any act of bankruptcy here. It appears that Mrs. Colemere, the alleged bankrupt, was carrying on a small business in the beginning of this year. She was no doubt in embarrassed circumstances. How far that was known to others does not appear very clearly, but she applied in the month of April to her solicitor, Mr. *Salter*, to try and effect through him a loan of money. Mr. *Salter* had in his hands £200 belonging to another client of his of the name of *Carsley*, for the purpose of putting it out at interest; and in order to further the views of the client who wanted to borrow, and at the same time the views of his client who wanted to lend, Mr. *Salter* agreed that he would invest £150, part of *Carsley's* money, on loan to Mrs. Colemere, upon an assignment to him of all her stock-in-trade, and all her property, by way of security. Five weeks afterwards, the stock and goodwill of Mrs. Colemere were sold to another person, and she was manifestly insolvent. The Act, 12 and 13 Vic. c. 106, s. 67, says, that if any trader shall make, or cause to be made, any fraudulent grant or conveyance of any of his lands, tenements, goods, or chattels, he shall be deemed to have committed an act of bankruptcy. This was a very old enactment, repeated from time to time in the successive Acts; and it was held that any assignment made by a trader of all his goods was fraudulent, because it prevented him from carrying on his trade, and so, that whenever a trader had assigned all his goods, he had committed an act of bankruptcy. But to this general doctrine a very reasonable qualification has been introduced, that the assignment to be fraudulent must be an assignment, not for the purpose of raising money to enable the trader to go on with his trade, but for the purpose of paying some favored creditor, or making some payments to all his creditors, otherwise than through the Court of Bankruptcy. In either of these cases it is an act of bankruptcy. But if it is for the purpose of enabling him to raise money to go on with his trade, that cannot be called a fraudulent act, as tending to defeat and delay his creditors, for it probably is, or may be, the wisest step he could take to promote the interest of his creditors. Now, in this case I think upon the facts I must come to this conclusion—certainly that Mr. *Carsley* did not know that he was lending this money for any fraudulent purpose of delaying creditors; and I think I must also come to the conclusion that neither was that known to Mr. *Salter*, who was his solicitor, and also the solicitor of Mrs. *Colemere*, the trader. It was said that what was known to the client must have been known to to the solicitor. That must be taken with great qualification. Certainly, when a solicitor is acting for both parties, facts that are important to the matter in hand, and which are known to the solicitor, may be said to be known to both parties; but it is carrying that proposition a great deal further to say that all facts known to the client are to be taken as known to the solicitor; and to say that a fact not connected with the loan of the money, a