

COMPANY—REDUCTION OF CAPITAL—DISCRETION OF COURT, HOW TO BE EXERCISED.

*Poole v. National Bank* (1907) A.C. 229 was an application to the Court to sanction the reduction of the capital of a limited company, which, in view of the recent Companies Act, 7 Edw. VII. c. 34, s. 13(O), it may be useful to note, though, under the latter Act, the application for reduction is to be made to the Lieutenant-Governor and not to the Court. The proposed reduction had been sanctioned by Farwell, J., and his decision had been affirmed by the Court of Appeal. The House of Lords have now affirmed the decision, holding that on such applications it is not essential to shew that the capital which the company proposes to cancel has been lost, and that where creditors are not concerned, the questions to be considered on such applications are: (1) whether out of regard to the public, who may be induced to take shares, the sanction should be refused, and, (2) whether as between the different class of shareholders the proposed reduction is fair and equitable.

ADMIRALTY—COLLISION—DREDGER—MEASURE OF DAMAGES.

*Mersey Docks v. Marpessa* (1907) A.C. 241 was an action in the Admiralty Court to recover damages for a collision, and the sole question on this appeal to the House of Lords was what was the proper measure of damages. The plaintiffs' vessel was a dredger, used in dredging sand in a harbour, and was injured by a collision with the defendants' ship, which was in fault. The dredger cost much to maintain and earned nothing, it was rendered useless for nine days. Besides the cost of repair the plaintiffs claimed for the value of the work which would have been done by the dredger but for the damage to it, and also a sum for owner's profit; but the House of Lords agreed with the Courts below that though the plaintiffs would have been entitled to recover the cost of hiring another vessel to do the work, they, not having done so, were not entitled to claim anything for owner's profit; but, besides the cost of repair, they were entitled to recover the value of the services of the dredge, which might be reasonably estimated at the amount of the daily cost of operating it for nine days.