

tiff as shareholder, owing to his having bought shares on the faith of a prospectus which omitted a material contract. The House of Lords (Lord Halsbury, L.C., and Lords Macnaghten, James and Lindley) affirmed the judgment of the Court of Appeal, holding it to be immaterial that the director was advised and *bonâ fide* believed that the omission was immaterial, because, notwithstanding that fact, the prospectus must "be deemed to be fraudulent within s. 38 of the Companies Act, 1867," (2. Edw. VII., c. 15, s. 34 (D.)), and that the director was liable both under that Act and the Directors' Liability Act, 1890, (R.S.O. c. 216, s. 4).

COMPANY—FLOATING CHARGE.

Illingsworth v. Houldsworth (1904) A.C. 355, is a case known in the court below as *In re Yorkshire Wool Combers' Association* (1903) 2 Ch. 284, which was noted ante vol. 39, p. 704, for the fact that it furnished a judicial definition of what is "a floating charge" on the assets of a company. It is here only necessary to say that that decision has been affirmed by the House of Lords.

INSURANCE — PROPERTY OF ALIEN ENEMY — LOSS BEFORE COMMENCEMENT OF WAR—SEIZURE BY ENEMY'S GOVERNMENT—WARRANTY AGAINST CAPTURE, SEIZURE AND DETENTION.

Robinson Gold Mining Co. v. Alliance Insurance Co. (1904) A.C. 359 was in its previous stages (1901) 2 K.B. 919, and (1902) 2 K.B. 4 & 9, (noted ante vol. 38, p. 149, and vol. 39, p. 25). The House of Lords have now affirmed the decision of the Court of Appeal. The facts were briefly as follows:—Gold, the property of the plaintiffs—a company registered under the laws of the late South African Republic—was insured by the defendants against "arrests, restraints, detainments of all kings, princes and people" during transit from the mines of the United Kingdom, but subject to a warranty "free of capture, seizure, and detention whether before or after declaration of war." In contemplation of hostilities, but before the actual declaration of war, the gold was seized by the government of the republic and appropriated to its uses. Their lordships (Lord Halsbury, L.C., and Lords Macnaghten, James and Lindley) held that this was a "seizure" within the meaning of the warranty, and therefore the insurers were not liable. We may observe, in passing, that the methods of insurers are curious, and while issuing policies appearing to insure against a specified loss a clause of warranty adroitly introduced practi-