

Lord Russell, L.C.J., gave judgment for the defendant.

The plaintiff appealed.

Their Lordships held that, although it might be that the information was irregular, there was to be collected from it a fair intendment that the plaintiff's master suspected on reasonable grounds that the plaintiff, his servant, had stolen goods, and that the magistrate had jurisdiction to grant the warrant.

Appeal dismissed.

A RETROSPECT OF COMPANY LAW.

Looking back with the experience of thirty-five years, what are we to designate as the chief defect in the working of the company system? Not the statutory machinery. That has worked well. Not the losses of creditors, though they have been considerable. Not the glowing falsehoods of prospectuses. The real defect, the cardinal vice, has been that the company has been too much the mere puppet of the promoter, and has had contracts fastened on it in its helpless infancy which never ought to have existed. We know the *modus operandi* well. The unscrupulous promoter having got something marketable—a patent, a concession, or a mine—sets himself to palm it off on the public at an exorbitant price. For this purpose he forms the company, drafts its memorandum and articles, furnishes it with directors, perhaps qualifies them, and then presents to the company—that is, his director-nominees—for acceptance a cut-and-dried contract made with a trustee for the company. The purchase is improvidently adopted at the first board meeting, and the company stands committed to a ruinous bargain, starts waterlogged, and shortly founders. The directors—good easy men—may not actually mean to betray the company, but they may not be men of business, or they may be dupes of a plausible promoter, or they may say to themselves: “Here is the company's memorandum. The company was formed to carry out this very agreement.” The result, whatever the reasoning, is the same: the company is made the prey of the promoter-vendor, and is commercially lost by over-capitalization. Unfortunately, this evil is as rife to-day as it was thirty years ago, only instead of the promoter we have the promoting syndicate.—*Law Journal (London)*.