

time the insurance was effected then imminent with Great Britain, and the property insured having been subsequently seized by the Transvaal Republic for the purposes of that government. The Court of Appeal held the insurance valid and not contrary to public policy, Williams, L.J., dissenting. The House of Lords have approved of the judgment of the majority of the Court of Appeal. The judgments are noteworthy for the observations they contain on the danger of considerations of public policy being allowed to influence or control the decision of cases. Lord Davey declares that "public policy is always an unsafe and treacherous ground for legal decision."

INSURANCE—POLICY—SHIP VALUED AT LESS THAN REAL VALUE—GENERAL AVERAGE—SALVAGE.

In *Steamship Balmoral Co. v. Martin* (1902) A.C. 511, the House of Lords (Lords Macnaghten, Shand, Brampton, Robertson, and Lindley) decide, that where during a voyage of a ship insured a general average loss occurs for salvage, and in the salvage action the actual value of the ship and not its value as estimated for the purpose of the policy of insurance, and for which it was insured, was the basis on which the ship's contribution to the average loss was adjusted; in an action on the policy of insurance on the ship the underwriters were liable only for that proportion of the general average losses which the policy value bore to the proved value of the ship; and as in this case the value stated in the policy was £33,000 and the proved value was £40,000, therefore the underwriters were only liable for 33-40th of the ship's contribution to the average losses.

PRACTICE—FOREIGN SOVEREIGN—TITLE TO SUE—PARTIES—ACTION ON CONTRACT ON BEHALF OF FOREIGN STATE.

Yzquierdo v. Clyde bank Co. (1902) A.C. 524, was an action for breach of a contract made on behalf of the King of Spain. The parties to the contract were described as "The Chief of the Spanish Royal Naval Commission" and "The Commissary of the Commission (naming them) both in the name and representation of His Excellency the Spanish Minister of Marine in Madrid hereinafter called the Spanish Government of the one part" and the respondents, a ship building firm in Scotland, of the other part. The contract was for the building of a war ship. The action was