

crossed a natural stream, the water from which they proposed to divert by a pipe placed in the stream at the crossing, so as to carry the water along their line to a tank, to be there consumed in working their locomotive engines. The appellant, who had also riparian rights in the same stream, which he utilized for the purpose of his mill lower down, took steps to prevent the plaintiffs from so diverting the water, and the plaintiffs claimed to restrain him from interfering with their use of the pipe. The defendant was unable to shew any material damage sustained by him by reason of the pipe, or that, if worked to its full capacity, it would have injured his mill. The Irish Court of Appeal granted the injunction as prayed, but the House of Lords (Lord Halsbury, L.C., and Lords Macnaghten and Lindley) held that the defendant was acting within his rights and dismissed the action, overruling the case of *Sandwich v. Great Northern Ry.* (1878) 10 Ch. D. 707. Their lordships hold that the only use a riparian proprietor is entitled to make of the waters of the stream is for the purpose of his tenement, and that the use which the railway company made of the water in question was not a riparian use at all.

MORTGAGE—CLOG ON EQUITY OF REDEMPTION—OPTION TO MORTGAGEE TO PURCHASE MORTGAGED PROPERTY.

In *Samuel v. Jarrah Timber Co.* (1904) A.C. 323, the House of Lords (Lord Halsbury, L.C., and Lords Macnaghten and Lindley) have affirmed the decision of the Court of Appeal (1903) 2 Ch. 1 (noted ante vol. 39, p. 618), to the effect that a provision in a mortgage deed giving the mortgagee an option to purchase the mortgaged property is a clog on the equity of redemption, and as such invalid. The Lord Chancellor regrets that such should be the state of the law, as the bargain was fair and each party knew what they were doing.

COMPANY—PROSPECTUS—OMISSION FROM PROSPECTUS OF MATERIAL CONTRACT—FRAUDULENT PROSPECTUS—SHAREHOLDER—DIRECTOR—COMPANIES ACT, 1867 (30 & 31 VICT. c. 131), s. 38—(2 EDW. VII., c. 15, s. 34 (D.))—DIRECTORS' LIABILITY ACT, 1890 (53 & 54 VICT., c. 64) s. 3, SUB-S. 1—(R.S.O. c. 216, s. 4.).

Shepherd v. Broome (1904) A.C. 342, is the case known as *Broome v. Speak* (1903) 1 Ch. 586 (noted ante vol. 39, p. 443). The point in issue was the liability of a defendant, who was a director of a limited company, for damages sustained by the plain-