confirmed the mortgages and securities already given by the company and made them a valid charge on its property and assets, and authorized the increase of its capital and the issue of debentures charged on its undertaking. The city of Perth having elected to purchase the undertaking, and arbitrators having been appointed to determine the amount of the purchase money, on a case stated by arbitrators, it was claimed on behalf of the city that the basis for determining the amount of the purchase money should be merely the value of the land and buildings, and the plant regarded as being in situ capable of earning a profit, and should not include the value of the company's statutory powers and privileges, or the amount of profits that had been or could be earned by means of the property or the exercise of its statutory powers. The Supreme Court of Australia gave effect to this contention; but the Judicial Committee of the Privy Council (Lords Macnaghten, Atkinson, Mersey, and Robson) reversed that decision, and came to the conclusion that on the true construction of the Act, in the absence of any express provision to the contrary, it must be held to contemplate the sale and transfer, with the consent of the incumbrancers, of the whole undertaking as a going concern; and not merely the physical apparatus by which the business was carried on, but also the statutory powers, and that the value of the whole must be included in the calculation of the purchase money.

INSURANCE (MARINE)—NON-DISCLOSURE BY INSURER OF MATERIAL FACTS.

Thames & Mersey M.I. Co. v. *Gunford* (1911) A.C. 529. This was an action on a policy of marine insurance, the defence being that the policy was null and void owing to the non-disclosure by the insured of material facts: (1) that the master of the ship had not been at sea for twenty-two years, and that the last ship he had been master of had been lost and his certificate had been suspended, and (2) the existence of "honour policies" in favour of the managing owner for disbursements made on account of the ship. The Court of Sessions, Scotland, had held that the non-disclosure of these matters did not avoid the policy. The House of Lords (Lord Loreburn, L.C., and Lords Macnaghten, Alverstone, Shaw, and Robson) agreed with the Court of Sessions (Lord Shaw, dubitante), that there was no duty on the part of the owners to inform the insurers