the latter, as in the majority of the States, the received principle appears to be that where the insurance is taken out by the mortgagee for his own benefit, or by the mortgagor solely for the benefit of the mortgagee (*Westmacott* v. *Hanley*, 22 Gr. 382), there is a right of subrogation on payment of the loss, but where the insurance is taken out by the mortgagor, or by the mortgagee on behalf of the mortgagor, that there is no right of subrogation, unless there be a special subrogation clause in the policy, and the mortgagor be a party thereto. Thus in the very recent case of *Howes* v. *The Dominion Ins. Co.*, before Proudfoot, J., noted supra p. 564, where the policy was taken out by the mortgagee on behalf of the mortgagor, the latter paying the premiums, it was held there was no right of subrogation. For although the policy contained what is called the "subrogation" or "unconditional" clause the mortgagor was not a party thereto. It may be mentioned that there is another case, *Kline* v. *The Union Ins. Co.*, standing for judgment in the Chancery Division, in which the question of subrogation is involved.

CORPORATION—DIRECTORS—RATIFICATION.

York Tramways Co. v. *Willows*, p. 685, seems to be an important case on company law. The defendant strove to escape the payment for some shares in the plaintiffs' company. The two points in the case with which the judgments chiefly deal, may be briefly put thus: (i) The constitution of the company required the business of it to be managed by the board of directors, which board was not to be less than three. It was also provided that any "casual vacancy" in the directorate might be filled up by the board; and that in the event of a "casual vacancy" the continuing board might act. In this case the shares in question were allotted by two directors only; and it was, moreover, a question whether there was a third director in existence, since the man who had been appointed third director had sent in his resignation, which resignation had, by the constitution, to be accepted by the board before taking effect, and which resignation was accepted by the other two existing directors at the very meeting at which they allotted the shares in question to the defendant. Nevertheless, in either view, Lord Coleridge, C. J., and Brett, L. J., agreed in holding that the allotment was valid because it was made by the directors—that is, by a majority. The former says: "If there were three directors, the two acted as a majority of the board. If there were two directors only, the two were acting during a casual vacancy. . . I will consider the contention that the resignation of Fry (the third director) did not create a vacancy until it was accepted. Even according to that view the defendant cannot escape from liability, for the board must act by a majority; and until Fry's resignation was accepted the board did act by a majority, and did by a majority allot these shares to the defendant." Brett, L. J., puts the point very clearly: "If the board consisted of three members, two of them, being a majority, might act; for the articles of association direct that the board shall consist of not less than three directors, and that the business of the company shall be transacted by the board, and I think it sufficient that the majority acted. Then Fry's resignation created a casual vacancy within the meaning of the 72nd article, and it was lawful for the continuing board to act until the proper number of the board should be filled up. This circumstance makes a difference between the present case and all the others cited before us, in which the powers of boards of directors have been discussed." The third L. J. (Sir John Holker) however, though he agreed in the final result on other grounds, viz., that the defendant must pay for the shares, yet dissented as to the above matter. He said, as to this: "It is said that when the board consists of three members, it is sufficient if the majority act on behalf of the board. In my opinion the better view is that the