

erected works for the purpose. The Minister was to deliver D.N.P. and other materials to the contractors, who were, at their sole risk and responsibility, to convert them into picric acid at an agreed price. The agreement was made in 1915. In March, 1916, the two contractors formed a private company, with a capital of £5,000 for the purpose of acquiring and carrying on the undertaking, and to this company, in consideration of the whole of the shares except two, the contractors assigned the works and the benefit of the contract with the Minister. This assignment of the contract, however, was not recognized by the Minister. The two contractors became the directors of, and managed, the company. After the formation of the company, D.N.P. was brought upon the premises, and stored in the neighbourhood of packages of nitrate of soda, a fire occurred, and by reason of the proximity of the D.N.P. to the nitrate of soda, a violent explosion occurred, causing damage to the plaintiffs' property. It was not at the time known that D.N.P. was likely to explode, but the accident proved that on being exposed to great heat it would do so. Scrutton, L.J., who tried the action, held both the company and the two directors liable. He regarded the company as a mere sham. The Court of Appeal (Lord Sterndale, Atkin and Younger, L.J.J.) affirmed his judgment; but Younger, L.J., dissented as regarded the directors, and considered that in the absence of personal negligence being proved against them, which he held had not been, they, as directors, were free from responsibility. The majority of the Court, however, considered that they were liable because they had initiated the manufacture, and could not, having created what proved to be a nuisance, escape liability by transferring the works, over which they continued to exercise control, to the company, not merely as directors but also as original contractors. The Master of the Rolls considered that the company might be said to be acting as agents for the two directors—but even if not, the two directors had assumed such a control over the business of the company that they were personally liable on the ground of having personally authorized the creation of a nuisance on the company's premises.

RESTRAINT OF TRADE—SOLICITOR AND MANAGING CLERK—CONTRACT OF SERVICE—RESTRICTIVE CONTRACT—LIMITED IN SPACE, UNLIMITED IN TIME—REASONABLENESS—INJUNCTION.

*Dewes v. Fitch* (1920) 2 Ch. 159. This was an action to restrain a breach of covenant in restraint of business. The defendant, by an agreement made in 1912 with the plaintiff, a solicitor, practising at Tamworth, became the plaintiff's manag-