

Company—Bill of exchange—Articles authorizing directors to empower one of their body to draw bills on company's behalf—Bill drawn by director—Implied authority—Liability of company.

*Dey v. Pulinger Engineering Co.* (1921), 1 K.B. 77. This was an action against a limited company on a bill of exchange drawn by the managing director in the following circumstances: The articles of association empowered the directors to authorize one of their number to draw bills on behalf of the company. The managing director drew the bill in question without having in fact received any authority so to do. A Master who tried the action held that the defendants were not liable and dismissed the action; but a Divisional Court (*Bray and Sankey, JJ.*) held that he was wrong, and that the plaintiff taking the bill in due course was entitled to assume that the managing director had authority in fact to draw the bill, and therefore they gave judgment in favour of the plaintiff, and in so doing dissented from *Premier Industrial Bank v. Carlton Manufacturing Co.* (1909), 1 K.B. 106, noted ante vol. 45, p. 161.

Ship—Charterparty—Steamship requisitioned by Admiralty—"Sea risk"—Sailing under convoy—"Consequences of hostilities or war-like operations."

*Harrisons v. Shipping Controller* (1921), 1 K.B. 122. In this case the plaintiffs' vessel had been requisitioned by the Admiralty on the terms of a charterparty whereby it was provided that the Admiralty was not to be liable for loss occasioned by a sea risk, but the Admiralty took the risk of "all consequences of hostilities or warlike operations." The vessel was sailing without lights under convoy, and when it came near the port of its destination it was ordered to follow a pilot escort, which it did for upwards of an hour, when it suddenly lost sight of the pilot escort's light, and the master seeing a red light on the port bow immediately put the helm hard aport and almost immediately afterwards ran ashore and sustained damage. There was no negligence on the part of the master. In these circumstances *McCardie, J.*, held that the loss was a sea risk and not due to hostilities or warlike operations. The plaintiff therefore failed.