

(A)
**Enemy
 Contracts**

Rules of
 law :—

Executory
 contracts
 are suspen-
 ded but may
 be dissolved

As in part-
 nerships

Sale of
 goods

parties; and to affirm such a contract as standing, although at the present time and for the indefinite future it could not be acted upon, would be not to maintain the existing arrangement between the parties but to create an entirely different one. The outbreak of the war ended performance of the contract and the contract was dissolved. To treat the performance of it as capable of resumption after the war would be to put the parties in a position which they had never intended." (*Idem* at p. 351.)

So it is that executory contracts such as contracts of partnership, which involve commercial intercourse in the closest degree, are dissolved on the outbreak of war when one of the partners or more are alien enemies. [*Hugh Stevenson & Sons Ltd. v. Aktiengesellschaft Für Cartonnagen-Industrie*, 1916, 1 K.B. 763, 1916, 32 T.L.R. 299; 114 L.L. 180; 1916, W.N. 76.]

In a Bombay case, where the contract was between an Indian company and a German company for the purchase and sale of cotton waste over a period of time, it was properly remarked as follows :—"The more modern view seems to be that all contracts with alien enemies become illegal on the outbreak of war These decisions follow a simple principle consonant with common sense and capable of universal application, thereby avoiding the many troublesome questions which must arise otherwise as to what should be done during the continuance