

defendants (a limited company) the amount of a loan made by the plaintiff to the managing director of the defendant company, the plaintiffs knowing at the time that the director had no authority to contract the loan for the company. It appeared that the proceeds of the loan had been applied in payment of the debts of the defendant company. Scrutton, J., who tried the action, thought that in these circumstances the plaintiff had no right of action, and accordingly dismissed the action. The majority of the Court of Appeal (Buckley, and Kennedy, L.J.J.) took a different view, and considered that in substance the transaction did not amount to a borrowing, but merely the replacement of one debt by another of the same amount and although the plaintiffs had notice that the director was not authorized to borrow on behalf of the defendant company yet that was immaterial; and that in the circumstances, the plaintiff had an equitable right to recover.

It is pointed out in the judgments of the majority of the court that this equitable right of the plaintiff is not strictly a right of subrogation, because if it were, the plaintiffs would be entitled to the securities held by the creditors whose claims were discharged, but that they are not entitled to. It would rather appear to be an equity similar in some respects to, but at the same time distinct from the right of subrogation. Williams, L.J., though admitting the existence of the equity, held nevertheless it can only arise in the case of a lender who is ignorant of the agent's want of authority.

NEGLIGENCE—LANDOWNER—UNFENCED LAND—LEAVE AND LICENCE TO ENTER—CHILDREN—INVITATION—ALLUREMENT—DANGEROUS OBJECT—INJURY—LIABILITY.

*Latham v. Johnson* (1913) 1 K.B. 398, was an action to recover damages for an injury sustained in the following circumstances. The defendants owned a plot of unfenced land from which houses had been cleared. It did not adjoin any highway, but was accessible from the back of a house where the plaintiff, a child about 3 years old, lived with her parents. The public were allowed to traverse the land and children of all ages were accustomed to play upon heaps of stone, sand and other materials which from time to time were deposited there by the defendants. The plaintiff went on the land unaccompanied and was found upon a heap of paving stones one of which had fallen upon her hand and injured it. There was