

TAXATION—EXCESS PROFITS—MONEY BORROWED—SHARE OF PROFITS PAID AS PART CONSIDERATION FOR LOAN.

*Walker v. Commissioners of Inland Revenue* (1921) 3 K.B. 648. This was a case stated, on a question of taxation. The plaintiff firm had borrowed £4,000 for the purposes of their business, and in consideration agreed to pay yearly £200, and 3/20ths of the profits made in excess of £1,000, but not exceeding £3,000. The firm made £3,000 profit and accordingly paid the lenders, in addition to the £200, a further sum of £300 which they contended was in the nature of interest on money borrowed and therefore not subject to taxation as part of excess profits; but Rowlatt, J., refused to accede to this contention and held that the £300 was a distribution of a share of the profits and therefore in calculating the profits made by the firm no deduction ought to be made in respect thereof.

ARMY—PRIVATE SOLDIER—RIGHT OF SOLDIER TO SUE FOR PAY.

*Leaman v. The King* (1921) 3 K.B. 663. This was a petition of right brought by a private soldier to recover pay claimed to be due to him. The Attorney-General, on behalf of the Crown, demurred. Acton, J., before whom the demurrer was argued, held that all engagements between those in the military service of the Crown are voluntary only on the part of the Crown and give no occasion for an action against the Crown. The demurrer was therefore allowed.

INSURANCE—MOTOR CAB—STATEMENT IN PROPOSAL FOR INSURANCE—“TO BE DRIVEN ON ONE SHIFT FOR 24 HOURS”—STATEMENT MADE BASIS OF INSURANCE—WARRANTY OR DESCRIPTION OF RISK.

*Farr v. Motor Traders Mutual Ins'ce Co.* (1920) 3 K.B. 669. This was an action on a policy of insurance on a motor cab against accidents. In the proposal for insurance, the assured stated that the two cabs to be insured were each used in one shift of 24 hours—and it was provided that the statements in the proposal were to form the basis of the contract. While the policy was in force, one of the cabs was used in one shift of 48 hours—for a very short time. Subsequently an accident happened to this cab while being used in shifts of 24 hours only. The defendants contended that the statement in the proposal was a warranty that the cabs during the currency of the policy would not be otherwise used, and claimed that the breach had the effect of putting an end to the policy, and therefore that they were not liable in respect of the accident