

and Strand Company had this power under their Act of 1899. That is quite true; but it is also true that the Brompton company now has it, and, on getting it, received an increase of the amount of their nominal capital. It may be a hard case; that may be quite possible; but the result cannot be avoided by appealing to this clause, section 40, in a private Act. I agree that the courts will take every means of defeating an attempt to affect by a private Act the rights either of the Crown or of other persons who have not been brought in, and I desire to say for myself that I am not satisfied in regard to these private Acts of Parliament that there is sufficient means either for securing accurate drafting or for protecting the rights of persons other than those who are concerned in the private legislation.

LORDS ASHBOURNE, MACNAGHTEN, JAMES OF HEREFORD, ROBERTSON, ATKINSON, and COLLINS concurred.

Judgment appealed against affirmed, and appeal dismissed with costs.

Counsel for Respondent—The Attorney-General (Sir Wm. Robson, K.C.)—W. Finlay. Agent—Sir F. C. Gore, Solicitor of Inland Revenue.

Counsel for Appellants—M. Lush, K.C.—Roskill, K.C.—Ernest M. Pollock, K.C. Agent—R. Hill Dawe, Solicitor.

## HOUSE OF LORDS.

Friday, May 8, 1908.

(Before the Lord Chancellor (Loreburn), Lords Ashbourne, Macnaghten, James of Hereford, and Atkinson.)

LONDON AND INDIA DOCK COMPANY  
v. ATTORNEY-GENERAL.

(ON APPEAL FROM THE COURT OF APPEAL  
IN ENGLAND.)

*Revenue—Finance Act 1899 (62 and 63 Vict. cap. 9), sec. 8—Company—Issue of Debenture Stock—Re-arrangement of Existing Debenture Stock without Increase—Liability to Stamp-Duty.*

A company with an issue of debenture stock already in existence re-arranged the stock and modified the rights of the holders under the authority of a private Act. The stock was divided into two new classes, "A" and "B," and existing stock-holders obtained certificates for a quantity of each class, proportionate to their original holdings, upon delivering up the old certificates.

Held that this amounted to an issue of debenture stock under the Finance Act 1899, sec. 8, and that the company was bound to deliver a statement thereof bearing the appropriate stamp-duty

The Attorney-General claimed £12,887 from the appellant company under the

circumstances stated *supra* in the rubric, for stamp-duty and penalty in terms of sec. 8 of the Finance Act 1899.

Judgment against the company was pronounced by WALTON, J., and affirmed by the Court of Appeal (COZENS-HARDY, M.R., MOULTON and FARWELL, L.JJ.).

The Company appealed.

At the conclusion of the argument for the appellants their Lordships gave judgment.

LORD CHANCELLOR (LOREBURN)—I do not think that your Lordships need have any hesitation in affirming the decision of the Court of Appeal. Indeed the matter is one so simple, and the case has been so satisfactorily explained, that it is not necessary for me to say much. The first point objected to was that this was not an "issue of stock." It is quite clear to my mind that it was. The stock now in existence had no existence at all until after the Act passed; something different existed, different both in amount and in security. Whatever words were used by the ingenuity of the draftsman, the fact is that the debenture stock which is now held by the owners of it must have been issued. To prevent what is in fact an issue from being an issue also in law, ambiguities of expression in a private Act will not suffice. The second point was that this was not an issue of anything described in sec. 8, sub-sec. 5, of the Finance Act 1899. The answer is that it is debenture stock, and "debenture stock" is there named. I also think that, if necessary, I should be prepared to hold that it was "capital which had the character of borrowed money," which is the same as if the money due before had been paid off and re-borrowed. It is quite clear, upon all the grounds stated by Walton, J., and the Court of Appeal, that this appeal ought to be dismissed, and I move your Lordships accordingly.

LORD ASHBOURNE—I quite agree.

LORD MACNAGHTEN—I agree.

LORD JAMES OF HEREFORD—I concur.

LORD ATKINSON—I also concur.

Judgment appealed against affirmed, and appeal dismissed with costs.

Counsel for Respondent—The Attorney-General (Sir Wm. Robson, K.C.)—W. Finlay. Agent—Sir F. C. Gore, Solicitor of Inland Revenue.

Counsel for Appellants—Upjohn, K.C.—Cecil W. Turner. Agents—E. F. Turner & Sons, Solicitors.