

purchase agreement. Default was made in payment of instalments under the hire-purchase agreement and the machinery was seized. The owners of the machinery demanded its return, and an order for winding-up the company was subsequently made. Mr. Justice Parker held that the claim of the bank, who were merely equitable mortgagees, could not prevail over the claim of the owners of the machinery, whose agreement was first in point of time.

In the recent case, mentioned in the opening lines of this article, a hire-purchase agreement was entered into in respect of a certain installation. The assets and liabilities of the firm which were the hiring parties under the agreement were subsequently taken over by a company, which issued a series of first mortgage debentures containing a charge in the usual form on the company's undertaking. A receiver and manager was appointed in an action on the part of the debenture-holders to enforce their security. The debenture-holders had no notice of the hire-purchase agreement. The owners of the machinery sought to recover it, as default had been made under the agreement. The Court of Appeal, affirming the decision of Mr. Justice Eve, held that under the hire-purchase agreement the parties who had hired out the machinery which was intended to be, and was in fact, affixed to the land of the company's predecessors in title acquired an equitable interest in part of the land—viz., in the machinery annexed to it; and that the interest of the debenture-holders, being equitable only, and subsequent in date to the interest of the parties who had hired out the machinery, the claim of the latter prevailed.

These cases show that a fixture properly so called is part of the land itself, and that the right of removal is one which when based on equitable grounds, such as on an agreement, is an equitable interest in land. It is now clear that such an equity would not prevail against a purchaser of the land acquiring the legal estate in that land without notice of the agreement.—*Law Times*.