the amount of a premium which had been paid by the owner of the equity of redemption in the policy, under the belief that a contract had been made by the mortgagee to assign the policy to him, there being in fact, as the court found, no binding contract to that effect. The Court of Appeal (reversing Bacon, V.-C.) held that the claimant was not entitled to any lien for the amount so paid, although the mortgagee got the benefit of it, and that the claim could not be maintained on the ground of salvage of the security, or acquiescence on the part of the mortgagee.

Cotton, L.J., thus states what he considers the effect of the payment, at p. 243:

It is true that here the mortgagor, the ultimate owner of the equity of redemption, was no longer personally liable to pay the sums charged on the policy, and was not bound by the covenant to pay the premium (he had obtained a discharge in bankruptcy), but he pays it as the owner of the equity of redemption entitled to the ultimate interest in the property, although not personally bound to pay the debt or provide for the premium. It must be considered, in my opinion, that he paid it, not so as to get any claim in priority to the incumbrances, but in order to retain the benefit of the interest which would come to him if the property proved sufficient to pay off the previous incumbrancers. In my opinion, it would be utterly wrong to say that a mortgagor, the owner of the equity of redemption, can, under those circumstances, defeat the incumbrances on the estate.

With regard to the doctrine of salvage we may refer to what Fry, L. J., says at p. 254:

We have heard a great deal on both sides of what has been called the doctrine of salvage. I, like V.-C. Kindersley, exceedingly doubt whether that word can with propriety be applied to cases of this description. With regard to salvage, in case of ships and maritime perils, we know its meaning. It appears that the expression "salvage moneys," as we are informed by one of the learned counsel for the appellant, first occurs in the report of the case, *In Re Thorp*, 2 Sm. & G. 578, n., which was before Lord St. Leonards in 1852, when he seems to have used the expression as one familiar to the Irish courts in certain cases. I certainly wish the expression had remained on the other side of the channel where it seems to have arisen. I doubt whether any doctrine which is expressed by the word "salvage" applies to cases of this description.

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*In re Taylor, Cloak* v. *Hammond*, 34 Chy. D., can hardly be said to be a satisfactory decision. The Court of Appeal reversed the decision of Pearson, J., but inasmuch as Bowen, L.J., dissented, the net result of the case is that two judges were of one opinion, and two of another. The case turns on the construction of a will whereby a testatrix gave a share of her residue to her cousin Harriet Cloak. The difficulty arose from the fact that she had no cousin of that name, but she had a married cousin, Harriet Crane, whose maiden name was Cloak; and she had a cousin, T. Cloak whose wife's name was Harriet. Pearson, J., and Bowen, L.J., thought Harriet Crane was entitled, but Cotton and Fry, LL.J., thought the wife of T. Cloak was the one entitled.

## SELECTIONS.

### *PRECAUTIONS ON INVESTMENT BY TRUSTEES.*

The power of trustees to invest is gradually becoming more and more limited by the decisions of the Equity judges, and we propose briefly to call attention to some of the precautions which recent cases show that advisers of trustees ought to take so as to secure their clients from future trouble and loss. In the first place, they must see that the mode of investment is authorized by the power. In *Leigh* v. *Leigh* (55 L. T. Rep. N. S. 634), Mr. Justice Stirling held that trustees could not, under a power to invest on "real securities," invest on mortgage of long terms of years, created in real estate for the purpore of raising portions; and, of course, leaseholds are not real securities (*Jones* v. *Chennell*, 38 L. T. Rep. N. S. 494; 14 Ch. Div. 626).

But trustees, besides taking care that an investment is made on a security authorized by the power, must be careful to see that it is good of its kind, and that a sufficient margin of value is left. They cannot safely invest more than two-thirds value on freehold land, nor more than half value on freehold house property. In the case of buildings used in trade, they should not invest as much as half value, and where the trade or business is of a