

expressed were subjected to a fresh and illuminating discussion by Lord Haldane and Lord Parker of Waddington (n). By an agreement dated the 24th of August, 1910, a firm of wool brokers agreed to lend to a company carrying on the business of meat preservers a sum of £10,000 at 6%. If the interest was punctually paid the loan was not to be called in until the 30th of September, 1915, but the company might pay off at any time on giving one calendar month's notice. The loan was secured by a floating charge on the undertaking of the company. The agreement provided that for a period of five years from the date thereof the company should not sell sheepskins to any person other than the lenders so long as the latter were willing to buy at the best price offered by any other person and that the company should pay to the lenders a commission on all sheepskins sold by the company to any other person. The loan having been paid off by the company in January, 1913, in accordance with the agreement, the lenders claimed the right to exercise their option of pre-emption notwithstanding the payment of the loan. The House of Lords, reversing the Court of Appeal, held that the stipulation for the option of pre-emption formed no part of the mortgage transaction, but was a collateral contract entered into as a condition of the obtaining of the loan by the company; that it was not a clog on the equity of redemption or repugnant to the right to redeem; and that the lenders were entitled to an injunction restraining the company from selling sheepskins, in breach of the agreement, to any person other than the lenders.

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(n) As the judgments in this case have been made the chief basis for the discussion of the doctrine contained in the foregoing pages, it is sufficient here simply to state the decision.

JOHN D. FALCONBRIDGE.