clause being so largely in excess of the rental value of the premises as to indicate a want of intention in the parties to create such relationship.

Per STRONG, J., that no tenancy at will was created by agreement, but such a tenancy could be held to exist by operation of the Statute of Frauds, the alleged lease being for a period of more than three years and not signed by the mortgagee. The Imperial Statute, 8 & 9 Vict., c. 106, requiring leases for over three years to be made by deed (of which the Ontario Act is a re-enactment) does not repeal the Statute of Frauds, but merely substitutes a deed for the writing required by the latter statute.

Held, per GWYNNE and PATTERSON, JJ., that no tenancy at will, by agreement or otherwise, was created by the re-demise clause.

Held, per STRONG, J., GWYNNE, and PATTERSON, JJ., contra, that the demise clause might be construed as containing an agreement for a lease capable of being enforced in equity and, since the Judicature Act, to be treated by common law courts exercising the functions of Courts of Equity, to be treated as a lease.

Per GWYNNE, J., that the clause could only be regarded as an agreement for the creation of a tenancy in the future if the parties so desired, such agreement to be carried out by the execution of the mortgage by the mortgagees.

Held, per STRONG, GWYNNE, and PATTERSON, JJ., that the demise clause could only be construed as purporting to create a tenancy for the entire term of five years, and it could not be held a good lease for four and a half years, at a rent reserved of $1000 a year, and void for the remaining half year.

Appeal dismissed with costs.

Gibbons for appellants.

Moss, Q.C., for respondents.

MOLSONS BANK *v.* HALTER.

Preference—Defeating or delaying creditors—R.S.O. (1887) c. 124, s. 2—Construction of statute—Effect of words "or which has such effect"—Assignment by trustee to co-trustee—Pressure.

W., a trader, was one of the executors of an estate, and had used the estate funds in his private business; having become insolvent, he gave a second mortgage on certain real estate to his co-executor as security for the money so appropriated. In a suit by a creditor to set aside the mortgage as void under R.S.O. (1887) c. 124, s. 2,

Held, affirming the judgment of the Court of Appeal for Ontario (16 Ont. App. R. 323), PATTERSON, J., dissenting, that the mortgage was not void under the said statute, the co-executor not being a creditor of W. within the meaning of the said section.

2. That the words "or which has such effect," in the section referred to, only apply to the clause immediately preceding, that is, to the case of giving one or more of the creditors of the transferor a preference over others, and do not apply to the case of defeating, delaying, or prejudicing creditors.

3. That the preference mentioned in the statute as avoiding a conveyance must be a voluntary preference, and would not include a conveyance obtained by pressure on the transferer.

Held, per STRONG, J., that W., by misappropriating the funds of the estate of which he was executor, was guilty of a criminal offence, and the fear of penal consequences was sufficient pressure to take from the transaction the character of a voluntary conveyance.

Appeal dismissed with costs.

Bowlby, Q.C., for the appellants.

Aylesworth-Finlay and *Du Vernet* for respondents.

PEOPLE'S LOAN CO. *v.* GRANT.

Mortgage—Rate of interest—"Until principal is fully paid and satisfied"—Effect of provision—Rate after principal is due.

G. mortgaged certain real estate to the C. L. Ins. Co., giving certain policies of insurance on his life as collateral security. He afterwards made a declaration under the Ontario statute that the said policies should be payable to his wife, and in case of her dying before him, to his children. After this declaration was made he mortgaged the same property to the P. L. Co., giving the same policies as collateral, and the first mortgage was assigned to the P. L. Co., and was in fact, paid off with the proceeds of the second loan. The mortgage to the P. L. Co. contained a provision that it was to be void on payment at a certain time of the principal and interest thereon at the rate of 10 per cent. per annum "until fully paid and satisfied." In an action to have the assignment of the policies cancelled,