

determined by the judgment, and are not now open to argument. The dates from which interest is chargeable are also fixed by the judgment, and as to these also there can be no controversy here.

The Master proceeded on the principle that what was to be aimed at was compensation to the plaintiffs for the loss they sustained through their chief administrative officer, who had under his immediate and intimate control the management of their affairs, having retained and appropriated for his own benefit moneys and assets of theirs. On some of the items interest at the rate of 6 per cent. compounded half-yearly is allowed. The Master found, and I think properly so on the evidence, that the plaintiffs had to pay and did pay that rate (compounded) on these sums. In one instance they paid at a still higher rate, but in that case the rate charged against the defendant is 6 per cent. (compounded). On all other items the rate at which the Master has calculated is the legal rate, 5 per cent., and here also interest compounded half-yearly is allowed.

The defendant argues that only six years' interest is chargeable (that, however, is disposed of by the judgment), and that in any event he should not be charged with more than 5 per cent. simple interest.

The principle to be applied in charging interest against a person holding the position of trustee should be regulated according to the circumstances surrounding the particular transaction in which the liability arises. In *In re Honsberger* (1885), 10 O.R. 521, the Chancellor, discussing the English practice in awarding interest against executors and trustees, defines (p. 526) the principle applicable in this Province; and, while stating the result of the judgment of the Court of Appeal in *Inglis v. Beaty* (1878), 2 A.R. 453, as being to modify some of the earlier decisions, he holds that the punitive element in awarding interest is now to be discarded, and that of compensation is to govern. In such cases regard is to be had to the character of the debtor's trusteeship and his misconduct or misfeasance in the use and disposal of the moneys with which he stands charged.

The judgment in *Inglis v. Beaty*, which is an exhaustive review of a great number of earlier decisions, while modifying the view expressed in some of these, does not go so far as to exclude the right to compound interest where a proper case is made out; and, while approving of the principle of compensation rather than of punishment, it recognises degrees of impropriety in the conduct of one whose position is that of trustee, and does not treat as improper the charging of compound interest under cer-