
ENGLISH CASES.

*EDITORIAL REVIEW OF CURRENT ENGLISH
DECISIONS.*

(Registered in accordance with the Copyright Act.)

**PRINCIPAL AND SURETY—MORTGAGEE—COLLATERAL SECURITY—MORTGAGEE
—EQUITY OF REDEMPTION, LIEN OF MORTGAGEE—SALE OF MORTGAGED PRO-
PERTY—APPLICATION OF PURCHASE MONEY—PRIORITIES.**

Dixon v. Steel (1901) 2 Ch. 602, seems a plain case involved in needless obscurity. The action was by a surety for redemption under the following circumstances. The principal mortgaged property B to secure £225 and £500. The surety gave a mortgage on other property to secure these debts by way of collateral security. The principal recovered a judgment and execution against the mortgagor for a debt not secured by the mortgage, and in respect of which execution the principal claimed a lien on the mortgagor's equity of redemption. Property B was sold and realized insufficient to pay the two mortgages on it. Part of the purchase money was applied in payment of the mortgage for £225, but the mortgagees as against the surety claimed the right to apply the rest of the purchase money on their execution debt, and contended that as the surety had not been called on to pay anything, the right of the surety in the property B was in abeyance. It seems tolerably plain that the lien on the equity of redemption was merely a lien on the right of the mortgagor to the mortgaged property, subject to the payment of the two mortgages thereon, and the property having failed to realize the amount of these two mortgages it was evident that no part of the purchase could properly be attributable to the equity of redemption and the whole of the purchase money was applicable on the two mortgages. The right to have the money so applied Cozens-Hardy, J., held the surety entitled to insist on, as he says, "It certainly is not the law that a surety has no rights until he pays the debt due from his principal."