

## LAW STUDENTS' DEPARTMENT—EXAMINATION QUESTIONS.

corporate body, or levying and collecting void and illegal taxes and assessments upon real property \* \* \* has been affirmed or recognised in numerous cases in many of the States. It can, perhaps, be vindicated upon principle, in view of the nature of the powers exercised by municipal corporations and the necessity of affording easy, direct and adequate preventive relief against their abuse. It is better that those immediately affected by corporate abuses should be armed with the power to interfere directly in their own names, than to compel them to rely upon the actions of a distant State officer."

The action of the Chancellor, therefore, in overruling the motion to dismiss the bill for want of jurisdiction was proper. The charter of the City of Chattanooga provides that the corporation "shall have full power to borrow money on its bonds for any object that its authorities may determine to be important for the promotion of its welfare, and is not made improper by existing law, provided that the sum borrowed under the provisions of this section shall not exceed the sum of \$50,000, without being specially authorized to do so by a majority of the qualified votes of said city."

The unconstitutionality of the Act of March 20th, 1873, has been argued with great earnestness, because the caption of the Act does not state the subject of the Act, and because it repeals the section just quoted from the charter of incorporation of the City of Chattanooga. In the view we have taken of this case, it is immaterial whether said act is constitutional or unconstitutional, or whether it repeals any part of the charter or not. Neither by the Act of March 20th, 1873, nor by the charter has the corporation any power to issue warrants on the treasurer, or city scrip, for the purpose of raising money for the ordinary expenses of the corporation. Warrants on the treasurer may be given by an authorized officer to pay money, but only as evidences to him that the debts had been audited by the properly authorized officers of the body, and serve as vouchers to him for his disbursements: *Mayor and Council of Nashville v. Fisher et al.*, Supreme Court of Tennessee, not yet reported. If there be not money in the treasury, then the corporation should borrow, as provided in the charter or by existing law, or they should levy and collect such tax as to raise whatever sum is needed, and if they can neither borrow nor raise the money by taxation to meet their expenditures, then they should cease their expenditure until they can thus realize according to law.

But for no purpose had the corporate authorities the right to issue warrants on the treasury payable in city scrip, or to issue the city scrip. Their action was illegal and contrary to law and public policy. This city scrip is about the size,

and upon the same kind of paper, and in every respect very much like national bank notes, and was doubtless designed to circulate as currency.

The Court will strictly construe municipal charters, and require clear authority for the powers assumed to be exercised under them. While these defendants aver that they have acted in the utmost good faith, yet so much abuse of power, not to say corruption, has been found in some municipalities, and such onerous and ruinous burdens placed upon the taxpayers, that to use the language of a distinguished author, "it is the part of true wisdom to keep the corporate wings clipped down to the lawful standard."

Let the decree be modified as indicated in this opinion, and the injunction be made perpetual. — *American Law Register.*

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## EXAMINATION QUESTIONS.

## INTERMEDIATE EXAMINATIONS: EASTER TERM, 1878.

*Equity.*

1. A promissory note made by A payable to B or order is endorsed by B for A's accommodation, whereupon A negotiates the note, and before its maturity B purchases it at less than its face amount, and upon its maturity calls on A for payment. What amount is B entitled to recover from A? Explain the principle.

2. A demises a house to B for five years at an annual rent. B in the lease covenants to pay this rent, and at the expiration of the term to deliver up the premises in good repair. During the first year of the term the house is absolutely destroyed by fire, the result of accident. Is B obliged to pay any, and if so, what rent, or to rebuild? Give reasons for your answer in each case.

3. A, the owner of a freehold estate, contracted with B, whereby B becomes entitled at any time within five years to purchase or not to purchase this estate, as he alone should determine. A dies within the five years, and before B has elected, and thereafter B within the five years elects to purchase the land. Are the heirs or next of kin of A entitled to this purchase money? Give your reasons.

4. What jurisdiction has our Court of Chancery to grant relief in a suit which could have been brought at law, and in which, if so brought, full and adequate relief would have been given?

5. To what extent will this Court decree