

made a contract on behalf of his principal. Their Lordships held that in such a case the measure of damages is the loss actually sustained by the principal in consequence of the misrepresentation, but not any prospective profits which the principals might possibly have made had the representation been true.

COMPANY—COMPROMISE—CONCEALMENT OF ASSETS—RE-OPENING
AGREEMENT OF COMPROMISE—LAPSE OF TIME.

Watt v. Assets Co. (1905) A.C. 317 is also an appeal from the Scotch Court of Session. The action was of a somewhat extraordinary character. The City of Glasgow Bank had gone into liquidation in 1878. In 1879 the liquidator compromised the amounts claimed from the defendants as contributories. In 1882 the assets of the bank were vested in the plaintiffs, the Assets Co., who in 1901 and 1902 brought actions to set aside the compromise of 1879 on the ground that the defendants in negotiating with the liquidator had concealed or failed to disclose a portion of their property. The compromise was made on the express terms that any untrue statement by the debtors should invalidate the discharge. Notwithstanding the long delay, strange to say, the Court of Session gave effect to the plaintiffs' claim; but the Lords (Halsbury, L.C., Macnaghten, Davey, James and Robertson) unanimously reversed the decision, holding that no concealment of assets had been proved or could at this distance of time be assumed.

TRUSTEE—BREACH OF TRUST—TRUSTEE ACTING UNDER ERRONEOUS
ADVICE OF SOLICITOR—TRUSTEE ACTING HONESTLY AND REASON-
ABLY—(62 VICT. (2) C. 15, S. 1, ONT.).

National Trustees Co. v. General Finance Co. (1905) A.C. 373, although an appeal from an Australian Court, deserves attention because it places a construction on an Australian statute similar in terms to the Ontario statute 62 Vict (2) c. 15, s. 1. The facts of the case were simple. A married woman died, and on her death her husband became entitled to the whole of his deceased wife's proportion of a fund of which the appellants were trustees. Under the erroneous advice of their solicitor the appellants paid two-thirds of the fund to the wife's children and one-third into Court, the solicitor assuming erroneously that the fund was thus distributable under a statute which, however, was not passed until after the wife's death. The appellants contended that they had "acted honestly and reasonably, and ought fairly to be excused" under the provisions of the Trustee Act above referred to, but the Judicial Committee of the Privy Coun-