

and it was provided that the sum of Rs. 150 should be paid by defendant to the plaintiff in respect of every day after the day fixed for completion that the buildings remained uncompleted. The contract provided that the lease was to contain the usual covenants, but it did not expressly provide that the lessee should covenant not to assign without the lessor's consent, but did stipulate that the lessor would not withhold his consent to an assignment unreasonably. The Judicial Committee of the Privy Council (Lords Macnaghten, Atkinson, Shaw and Robson), affirming the judgment of the court below, came to the conclusion (1) that the omission to complete the buildings was a continuous breach of the agreement after the fixed date, and that the stipulated daily sum was liquidated damages and not a penalty; and (2) that the stipulation that the lease should contain usual covenants did not include a covenant not to assign without the leave of the lessors, nor did the agreement by the lessor not unreasonably to withhold his consent to such assignment by implication entitle the lessor to a covenant by the lessee not to assign.

STATUTE—CONSTRUCTION—3 EDW. VII. c. 71 (D.); 4 EDW. VII. c. 24 (D.).

*Grand Trunk Pacific Railway v. The King* (1912) A.C. 204. This is the case in which the construction of the Dominion Acts, 3 Edw. VII. c. 71, and 4 Edw. VII., c. 24, was in question. By the first of these Acts the Dominion Government became bound to guarantee, to the extent of 75 per cent. of the cost of construction of a certain section of the Grand Trunk Pacific Railway, first mortgage bonds charged on the company's whole undertaking; and the balance of the cost was to be raised by second mortgage bonds of the railway. By the second Act the Government became bound to implement its guarantee so as to make the proceeds of the guaranteed bonds, which had, in fact, proved insufficient to meet the 75 per cent. of the cost of construction, equal thereto. Under this latter Act the Supreme Court of Canada had held that the railway was bound to issue additional first mortgage bonds to the extent of the deficit, and that the Government should guarantee them. But the Judicial Committee of the Privy Council (Lords Haldane, Macnaghten, Shaw and Robson) came to the conclusion that the true meaning of the second Act was that the Government was bound to provide money or its equivalent to meet the deficiency without imposing any further liability on the company.