

time to the mortgagee, his right to bring an action would not accrue until the 100 years were up, and no one in the meantime could as against him acquire a title by possession. This, of course, is an extreme case, but serves to show the possibilities of the law.

It has been a favorite argument with the advocates of the Torrens' system of registration of title, that the conveyance of land is thereby made as safe and expeditious as the transfer of a share in a company. But the fancied ease and security supposed to attend the dealing in shares of companies is, perhaps, not so real as was supposed. So far as the actual operation of transfer is concerned it is easy enough; but if the recent decision of Mr. Justice Street, in *Duggan v. The London and Canadian Loan and Agency Company*, 19 Ont., 272, is a sound exposition of the law, the operation is by no means as safe as has been supposed. In that case it has been held that a transferee of stock, held "in trust," though no specific trust is mentioned or referred to, has, nevertheless, constructive notice of the trust, whatever it may be, and is put upon inquiry to ascertain its terms, and, neglecting to do so, is responsible to the *cestui que trust* for the due execution of the trust. We believe that the introduction of the words, "in trust" into share certificates has been customary, not with the view of limiting the power of the holder of the certificate in dealing with the shares, but principally for the purpose of protecting the holder from personal liability as a shareholder, and we think it has been somewhat of a surprise, both to the public and the profession, to learn that the words "in trust" have the effect which Mr. Justice Street has attributed to them. The prevailing impression hitherto has been, that the holder "in trust," having the legal title to the shares, is able to make a good and valid transfer of them, and that the transferee is under no obligation to inquire into the trust, or the powers of the trustee, and in the event of any breach of duty on the part of the trustee, the *cestui que trust* had to look to the defaulting trustee, and not to his transferee, for relief. But Mr. Justice Street's decision has given a rude shock to all such theories as to the relative rights of the parties, and it will hardly be safe in the future to purchase shares without the intervention of a solicitor. The doctrine of constructive notice is one that has been the fruitful cause in the past of much injustice, and we do not think it one that it is desirable should be extended into new fields. The case before Mr. Justice Street was one of first impression, and determined on general principles, and we think it would not be a subject for any regret if, on appeal, a different conclusion should be arrived at. At the same time, we fear that the drift of authority is rather in favor of the view taken by the learned Judge. To use the language of Cotton, L.J., in *Williams v. Colonial Bank*, 38 Chy.D., 399, "if parties will, without inquiry, take documents which have on their face anything to put the takers on inquiry, they take them at their own risk; and if those from whom they take the documents have not a good title which they can transfer, then the transferors do not acquire a good title, although at the time when they take the documents, they do not in fact know of the real title of those who now assert it." That language was used