

REVIEW OF CURRENT ENGLISH CASES.

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**TRUSTEE—INVESTMENT—INSUFFICIENT SECURITY—MORTGAGE—
TRADE BUILDINGS—ADVANCE OF MORE THAN ONE HALF VALUE
—VALUATION—BREACH OF TRUST—TRUSTEE ACT, 1893 (56-
57 VICT. c. 53) SS. 8, 9—JUDICIAL TRUSTEES ACT, 1896 (59-
60 VICT. c. 35), s. 3—(1 GEO. V. c. 26, ss. 30, 36, ONT.).**

Palmer v. Emerson (1911) 1 Ch. 758. This was an action against trustees for an alleged breach of trust in having invested the trust fund on an insufficient security and without procuring an independent valuation of the property. The security in question consisted in part of premises in which for forty years, the business of a butcher had been successfully carried on. At the time of the loan, a bank had in 1899 advanced £6,000 by way of overdraft to the mortgagor on the security of a deposit of the title deeds, and it was arranged that the bank should accept £3,500 from the trustees, who were to be first mortgagees therefor, and the bank was to take a second mortgage for the balance of its debt. The property had been valued in 1896 by a competent valuator at £6,550, of which the butcher business premises represented £3,800. Subsequent to the loan the butcher business was discontinued, and the value depreciated so as to be an insufficient security. On the evidence, Eve J. found that at the time of the loan the value of the property was £5,500, and he came to the conclusion that there is no rule which prevents trustees from lending more than one half, where part of the security consists of premises used for trade purposes; and that having regard to the advances made by the bank, and their willingness to take a second mortgage, the trustees had not acted unreasonably, and that though the loan was somewhat in excess of the amount which ought properly to have been lent, it was nevertheless a case in which he ought to exercise the discretion given him by statute to relieve the trustees from personal liability.

**CANADIAN PACIFIC RAILWAY—CONSTRUCTION CONTRACT OF C.P.R.
CL. 16—(44 VICT. c. 1 (D.))—EXEMPTION OF LANDS FROM
TAXATION UNTIL SOLD OR OCCUPIED.**

The King v. Canadian Pacific Railway (1911) A.C. 328. By the construction contract under which the Canadian Pacific Railway was built, ratified by 44 Vict. c. 1 (D.), it is provided by