

SETTLEMENT—TRUST TO PAY ANNUITY OUT OF DIVIDENDS—
DEDUCTION BY A COMPANY OF INCOME TAX—WHETHER
PROPORTION OF INCOME TAX SO DEDUCTED CHARGEABLE TO
ANNUITANT.

In re Cain, Cain v. Cain (1919) 2 Ch. 364. By a settlement in question in this case the trustees were authorised out of income to be received from the settled property, which consisted of shares in a limited company, an annuity of £2,000 to the settlor's widow, and the trustees were directed to accumulate the surplus income for the benefit of the settlor's children. The company deducted income tax in respect of all dividends paid to the trustees. On this application the trustees sought the opinion of the Court as to whether or not they should deduct from the annuity payable to the widow the proportion of the income tax applicable thereto. The Vice-Chancellor of Lancaster held that the annuity was properly subject to the deduction for income tax, and the Court of Appeal (Warrington and Duke, L.JJ., and Eve, J.) affirmed his decision.

POWER—APPOINTMENT—OBJECTS OF POWER—"MY PEOPLE"—
APPOINTMENT TO THE DAUGHTER OF DONOR'S ILLEGITIMATE
SISTER.

In re Keighley, Keighley v. Keighley (1919) 2 Ch. 388. In this case the question to be decided was whether there had been a valid exercise of a power of appointment. The donee of a general power of appointment bequeathed all she died possessed of to her husband for his life at his death "to be willed to my people as he knows I should wish it." By his will in accordance with his wife's wish expressed to him during her lifetime he gave all the property in which he had a life interest under his late wife's will to the child of an illegitimate daughter of his wife's mother. This illegitimate daughter had always been regarded as one of the family. The question was raised whether she could come within the designation of "my people." It was contended that this expression implied legitimate relationship. Peterson, J., however, thought the word had a much wider meaning and could properly include others than relations by blood or marriage, and he upheld the appointment.