The payment by the Railway Company above referred to was made in 1885, and was the last payment on account of either principal or interest of the mortgage, and defendant claimed the benefit of the Statute of Limitations. He had left the land in 1892, but claimed that he afterwards continued to hold possession for several years through his brother-in-law, Alfred Fowler, as his tenant. Almost all that Alfred Fowler did was to cut hay on the land. He did not reside on it, and at the same time that he was cutting the hay, Robert Fowler, who cut it with him, was acting under permit from the plaintiffs. The plaintiffs had paid all the taxes on the lands from 1888 inclusive, and the defendant had never paid or attempted to pay any taxes on them since those for 1887. The mortgage was in the usual form under the old system of registration with the statutory provisions for quiet possession to the mortgagees on default and for possession by the mortgagor until default.

Held, following *Bucknam* v. *Stewart*, 11 M.R. 625, and *Trustees, etc., Co.* v. *Short*, 13 A.C. 793, that defendant had not been in actual adverse possession for a sufficient length of time to acquire title under the statute as against the plaintiffs.

The remaining questions were as to the rate of interest to be allowed to the mortgagees after default and as to the number of years arrears to be allowed. The principal fell due on 25th May, 1884, and it was provided that the interest at the rate of eight per cent. per annum was to be paid half yearly * * * * till the whole of the principal was paid.

Held, following *Freehold Loan Co.* v. *McLean*, 8 M.R. 116, and *M. and N. W. Loan Co.* v. *Barker*, 8 M.R. 296, that, after May 25, 1884, interest was only recoverable as damages and only at the statutory rate and only for the six years prior to the commencement of the action.

Held, also, that, although 63 & 64 Vict. (D.), c. 29, making five per cent. the legal rate, provides "That the change in the rate of interest in this Act shall not apply to liabilities existing at the time of the passing of this Act," the interest for that part of the six years since the passing of that Act should only be allowed at the rate of five per cent. per annum: Am. & Eng. Encyc. of Laws, 2nd ed., vol. 16, pp. 1061 & 1062, and cases there cited, followed.

The word "liabilities" in that Act held not to refer to the principal debt, but to the obligation to pay interest as damages.

It is only in an action for redemption, or one in which the question of the number of years arrears of interest to be allowed is to be treated as if the action were one for redemption. That more than six years arrears are allowed on the principle that he who comes into equity must do equity: *Dingle* v. *Coppen* (1899) 1 Ch. 726; and *In re Lloyd* (1903) 1 Ch. 385, distinguished.

Mulock, K. C., and *Haggart*, K. C., for plaintiffs. *Wilson* and *Affleck*, for defendant.