

that there was a large balance due to the trustees with respect to advances made by them to the life-tenants on the estate account; and there were balances due to the insurance trust funds. The Master set these off one against the other, treating the matter as one consolidated fund so far as the trustees were concerned; and with this the beneficiaries were content.

The liquidator of the trust company now appealed and desired to have the three accounts kept separate. If the trust company was insolvent, the effect of this was obvious. The right of the liquidator would be to compel payment to the company in full of the balance due by the beneficiaries in respect of overdrawn income; and, on the other hand, these same beneficiaries would have to rank upon the estate and obtain a dividend only, if the company should turn out to be insolvent.

It was suggested that, so far as this Province was concerned, such security is held by the Government that there would not in the end be any possibility of insolvency.

The learned Judge said that his conclusion was, that the set-off ought to be allowed, to the extent that all moneys which were due to the trust, by either of the two daughters, for advances made to them, could be set off against moneys held by the trustees for these two daughters respectively. The Master's report had not gone beyond this. The appeal ought therefore to be dismissed with costs.

If the Master had allowed a set-off of the balance due to one daughter against the amount due the other, the report should be varied.

The cases cited in Halsbury's Laws of England, vol. 25, p. 503, shewed that there was a wider right of set-off than was asserted by the appellant.

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PALTER v. SHER—MIDDLETON, J., IN CHAMBERS—SEPT. 28.

*Practice—Writ of Summons—Specially Endorsed Writ—Mortgage—Foreclosure—Parties—Owner of Equity of Redemption—Appearance without Affidavit—Rules of Court.*—Appeal by the plaintiff from an order of the Master in Chambers refusing the application of the defendant Kemp to dismiss the action as against him, but allowing him to appear without filing an affidavit of merits, and directing the plaintiff to pay the costs of the application in any event. The action was for foreclosure in respect of a mortgage upon two parcels of land. The writ of summons