

Eng. Rep.]

ELLIS v. McHENRY.

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*Allan*, 8 B. & C. 477; *Bartley v. Hodges*, 9 W. R. 692, 1 B. & S. 375.

But, thirdly, where the discharge is created by the legislature or laws of a country which has a paramount jurisdiction over another country in which the debt or liability arose, or by the legislature or law which govern the tribunal in which the question is to be decided, such a discharge may be effectual in both countries in the one case, or in proceedings before the tribunal in the other case. This is only consistent with justice in the case of bankruptcy, as the debtor is thereby deprived of the whole of his property, wherever it may be situated, subject to the special laws of any particular country which may be able to assert a jurisdiction over it. In the case of the Legislature of the United Kingdom making laws which will be binding upon her colonies and dependencies, a discharge, either in the colony or in the mother country, may, by the Imperial Legislature, be made a binding discharge in both, whether the debt or liability arose in one or the other; and a discharge created by an Act of Parliament here would clearly be binding upon the Courts in this country, which would be bound to give effect to it in an action commenced in the English courts. In *Edwards v. Ronald*, 1 Knapp. P. C. 259, it was decided that an English certificate in bankruptcy was a good answer to a debt arising in Calcutta and sued for in the Supreme Court there. In *Lynch v. McKenny*, 2 H. Bl. 554, a defendant who was sued in England for a debt contracted in Ireland was considered as discharged by an English certificate. In *The Royal Bank of Scotland v. Guthbert*, 1 Rose, 462, 486, it was held by the Court of Session that an English certificate was a bar in the Scotch courts to a debt contracted in Scotland. And in *Sidaway v. Hay*, 3 B. & C. 12, a discharge under a Scotch sequestration in pursuance of an Act of the Imperial Parliament was held to be a good answer to an action in the English courts for a debt contracted in England. It was also laid down by Bayley, J., in *Phillips v. Allan*, 8 B. & C. 481, that a discharge of a debt pursuant to the provisions of an Act of Parliament of the United Kingdom, which is competent to legislate for every part of the kingdom, and to bind the rights of all persons residing either in England or Scotland, and which purported to bind subjects in England and Scotland, operated as a discharge in both countries. In *Armani v. Castrique*, 13 M. & W. 447, Pollock, C.B., says: "A foreign certificate is no answer to a demand in our courts; but an English certificate is surely a discharge as against all the world in the English courts. The goods of the bankrupt all over the world are vested in the assignees; and it would be a manifest injustice to take the property of a bankrupt in a foreign country, and then to allow a foreign creditor to come and sue him here." In the recent case of *Gill v. Barron*, L. R. 2 P. C. 176, the following passage occurs in the judgment of the Court as delivered by Kelly, C.B.: "It is quite true that an adjudication in bankruptcy, followed by a certificate of discharge in this country under the bankrupt laws passed by the Imperial Legislature, has the effect of barring any debt which the bankrupt may have contracted in any part of the world; and it would

have the effect of putting an end to any claims in the island of Barbadoes or elsewhere to which the appellant might have been liable at the date of the adjudication." In referring to the English certificate being a discharge of debts contracted in any part of the world, the Lord Chief Baron was, of course, speaking of the effect of such a certificate in a British court. The same distinction between the effect of Colonial and Imperial Legislation was very pointedly recognised by Wightman and Blackburn, J.J., in *Bartley v. Hodges*, 9 W. R. 693, 1 B. & S. 375; see also *The Amalia*, 1 Moo. P. C. N. S. 471. The case of *Rose v. McCleod*, 4 Ct. Sess. Cas. 308, which was relied on by the plaintiffs, at first might seem to be opposed to these views, as it was there held that in a suit commenced in the Scotch courts an English bankruptcy and certificate were not a discharge of a debt contracted in Berbice. But the only question argued and really determined was, whether the debt was to be considered as having arisen in Berbice or in England; and the Court having decided that it was an English debt, it was assumed that it would not be barred by an English certificate, without any question having been raised or decided upon any other point. It is pretty clear from the statement of the law of Scotland in Bell's Commentaries, 6th ed. p. 1300, that only the international view was presented to the Court in that case, and that the paramount effect of Imperial legislation was not considered. The case of *Lewis v. Owen*, 4 B. & Al. 654, was also relied upon by the plaintiff; and it was, no doubt, there held that a certificate under an Irish bankruptcy was no discharge of a debt contracted in England; but in that case the principal question which was raised and decided was, whether the debt arose in England or in Ireland, and it being held to have accrued in England it was considered that the debt was not barred by the Irish certificate. The point as to the effect of Imperial legislation, however, did not arise, as the Irish bankrupt law at that time in force depended on statutes of the Irish Parliament passed before the union; and, when a similar question arose as to the effect upon an English debt of an Irish certificate obtained under the provisions of an Act of the Imperial Legislature—viz., 6 & 7 Will. 4, c. 14—it was held that the Irish certificate was a bar to the English debt: *Fergusson v. Spencer*, 1 M. & G. 987. It was likewise held that a discharge in Scotland by a *cessio bonorum* under the general Scotch law, and which only discharged the person of the debtor, was no answer to an action brought in the English courts for recovery of a debt contracted in England: *Phillips v. Allan*, 8 B. & C. 477; but it was considered in that case, and there is the opinion of Bayley, J., before quoted, that the decision would have been the other way if there had been an absolute discharge created by an Act of the Imperial Parliament. And in *Sidaway v. Hay*, 3 B. & C. 12, it was expressly decided, as already mentioned, that a discharge under a Scotch sequestration, in pursuance of an Imperial statute, was a discharge in England from a debt contracted here. It has also been held that a discharge in Newfoundland under a special Act of the Imperial Parliament was a discharge in this country of a debt con-