

**BILLS OF EXCHANGE—SPECIAL ENDORSEMENT—
TRANSFER BY DELIVERY.**

A correspondent draws our attention to a case recently decided in Nova Scotia by Longley, J. (*Nova Scotia Carriage Co. v. Lockhart*, 1 E.L.R. 78), taking exception to the conclusion therein arrived at. His letter will be found in another place. The subject discussed was touched upon when we had occasion to criticise the judgment of the majority of the Court in *Sovereign Bank v. London*, 9 O.L.R. 146 (ante, p. 25). Street, J., dissented, and, in our view of the law, came to the right conclusion.

The bill of exchange in question in the case referred to was drawn payable to the order of the Union Bank of Halifax, which held the draft for collection for the drawer. It was dishonoured, and returned to the drawer by the payee, without endorsement. An action was brought upon the bill, the plaintiff claiming as "holder" of the draft.

Mr. Justice Longley, who gave the judgment, says:—"The contract on the acceptance of the note was that the defendant would pay the amount of the draft at the Union Bank of Halifax at Windsor." This partial statement of the contract created by the acceptance lies at the root of what must, we think, be regarded as an erroneous decision.

The contract contained a further condition, that the defendant should pay to the Union Bank of Halifax or order, and, indeed, the place of payment may not have been stated in the bill—apparently was not. The judgment proceeds:—"If he had paid it there he would have been free from further pursuit." This also would seem to be incorrect, if strictly construed, for if the acceptor had paid the bill at the Union Bank, but not to the holder, at maturity, the bill would still have been unsatisfied, and might subsequently have been enforced by the true owner. (Sec. 59.)

The learned judge further says:—"I think the drawer had a right to receive the bill from the bank as soon as it was dishonoured, and thereby became the lawful holder." This