

ASSESSMENT.

MUNICIPAL IMPROVEMENTS — ASSESSMENT OF RAILWAY COMPANY — ROAD-BED.

The road bed of a railway company is property legally subject to assessments for benefits resulting from the building of a sewer. *State v. City of Passaic*. N. J. Supreme Ct., 23 Atl. Rep. 945.

BAGGAGE, LOSS OF—See Carriers 2.

BANK ACT—See Banks and Banking 2.

BANKS AND BANKING—SEE ALSO PARTNERSHIP 2.

1. COLLECTIONS—DEFAULT OF CORRESPONDENT.

Where a bank receives for collection a note or bill, payable at a distant point, with the understanding that such a collection is an accommodation only, or that it shall receive no compensation therefor, beyond the customary exchange, and the bank transmits such paper to a reputable and suitable correspondent at the place of payment with proper instructions for the collection and remittance of the proceeds thereof, it will not be liable for the default of such correspondent. In such a case, the holder will be held to have assented to the employment in his behalf of such agents as are usually selected by banks in the course of business in making collections through correspondents, and the correspondent so selected will, in the absence of negligence by the immediate agents and servants of the transmitting bank become the agent of the holder only. The exchange which is usually charged by banks for the transmission of money from one place to another is not a sufficient consideration to support an implied undertaking to answer for the default of a correspondent. *First Nat. Bank of Pawnee City v. Sprague*, Sup. Court of Nebraska, 51 N. W. Rep. 846. (Cent. L. J.)

2. EQUITABLE ASSIGNMENT—PRIORITIES BETWEEN ASSIGNMENT AND ATTACHING ORDERS—BANKS AND BANK

ING—THE BANK ACT — POWERS OF BANKS AS TO BUSINESS TO BE DONE.

This was an interpleader issue directed to try the right to certain moneys sought to be attached by the defendants in the issue, in the hands of the C. P. R. Co., under various attaching orders issued in actions against Egan Bros.

The moneys were claimed by the plaintiffs as assigned to them or to the plaintiff Nicholls, the manager of the plaintiffs' bank, for securing certain moneys due by the Egans to the bank upon their notes indorsed by Strevel.

Egan Bros., through their agent Edward Egan, agreed with Strevel that, if he would indorse their notes in favour of the bank to the amount of \$10,000, they would give an assignment to the bank of all moneys to be payable to them from the C. P. R. Co. on contracts made and to be made by them with that company, to secure the notes. In pursuance of this agreement the Egans gave to the plaintiff Nicholls, the manager of the bank, a power of attorney authorizing Nicholls, for the use and benefit of the bank, to collect of the C. P. R. Co., all moneys which then were or thereafter might be payable to the Egans under any contract then made or thereafter to be made by them with that company; the moneys in question were moneys payable on contracts then and thereafter made by the company with the Egans for such railway construction. Strevel indorsed the notes and the advances were made, and there was unpaid thereon an amount equal to the amount in question.

Held, that this transaction amounted to an equitable assignment to the bank of the sum in question. Any order, writing, or act which makes an appropriation of a fund amounts to an equitable assignment of that fund. That moneys arising out of future contracts can be assigned, is clearly settled.

The transaction was also objected to as not within the powers of the bank, which was a corporation subject to the Banking Acts of Canada. The transaction was effected before the coming into force of the Bank Act, 53 V., c. 31,