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THE BILLS OF EXCHANGE ACT, 1890.

This new Act, which is a codification of the *Lex Mercatoria* on bills of exchange, cheques, and promissory notes, gives in less than one hundred sections a complete code on that useful and general branch of law. And from a comparison of the laws of different nations on the subject of bills of exchange, it has been truly said that these laws show that in the municipal jurisprudence of every commercial nation there are general principles common to all nations, which constitute an international code, upon which the law of bills of exchange rests, and which establish a universal jurisprudence administered by all tribunals. These principles, having their origin in the customs and practice of mercantile communities, are deemed so proper in themselves as to be of universal obligation; and are held in the absence of any local statutable or positive regulations, to govern cases affecting bills of exchange; while the general deductions of natural law, and the law of nations, as well as those of the Roman Law, are often resorted to in order to expound and enforce them. It has, therefore, been truly said that a bill of exchange is the most cosmopolitan of all contracts; and that the law respecting negotiable instruments is, in a great measure, not the law of a single country only, but of the whole commercial world: *Per Story, J., in Swift v. Tyson, 16 Peters, 1.*

From the advance sheets of a new work on the "Bills of Exchange Act, 1890," by Thomas Hodgins, Q.C., we are enabled to extract the following references to the controlling effect of mercantile customs in modifying or reversing the rules of the common law, and as further illustrating the power of merchants to frame usages and customs of the trade which are recognized and enforced as law by the Courts.

The *Lex Mercatoria*, or law-merchant, is sometimes spoken of as a fixed body of law, forming part of the common law, and as if it were coeval with it. But as a matter of legal history, this view is altogether incorrect. The law-merchant thus spoken of with reference to bills of exchange and other negotiable securities, though forming part of the general body of the *lex mercatoria*, is of comparatively recent origin. It is neither more nor less than the usages of merchants and traders in the different departments of trade, ratified by the decisions of Courts of Law, which, upon such usages of merchants being proved before them, have adopted them and declared them to be settled law, with a view to the interests