

as that term is used in the Act, shall mean, "any receipt given by any person for any goods, wares or merchandize in his actual, visible and continued possession as bailee thereof, in good faith and not as of his own property." As pointed out by the Honourable Mr. Justice Cross, who delivered the majority judgment in the King's Bench, a warehouse receipt, in the common use of language, is understood to be a receipt issued by a warehouseman. Does the statutory definition enlarge or restrict the ordinary significance of the term "warehouse receipt" as regards banking transactions? The majority of the court in *La Banque Nationale v. Royer* considered that the statute gave it a wider meaning and that a clerk in the employ of wholesale grocers, to whom the possession of a part of the stock in trade was committed, was a bailee in actual, visible and continued possession within the statutory definition, although such part of the stock in trade was merely set apart in portions of a building leased by the firm to their clerk at a nominal rental. A warehouse receipt had been issued by the clerk as warehouseman for goods received from his employers, the grocery firm, actually placed in the rented portion of the building. The portion of the premises so used as a warehouse was boarded off from the other part of the building and was kept locked and the clerk kept the key. The warehouse receipt signed by the clerk, acknowledged that he had received in store at his warehouse from the grocery firm goods, as per lists certified by the subscriber, to be delivered to the order of the bank. The bank made an advance in good faith to the grocery firm on the security of this warehouse receipt. When any part of the warehoused goods were sold by the grocery firm, the clerk, as warehouseman, by arrangement with the bank, released such part on being paid the proceeds and accounted for such proceeds on the same day to the bank.

Many years ago, the Canadian Parliament in the interests of banking, passed a statute permitting certain classes of traders to issue warehouse receipts to banks, affecting goods of which such traders continued to be in possession.