their business; their property became depreciated in value; and on the 31st of December they executed a voluntary assignment to the plaintiff under the Insolvency Act (1864.)

It is now contended on behalf of the plaintiff that the mortgages are void under this act. But it is admitted that they were executed before the act was passed; and I am clear that, if valid when executed, the statute has not the effect of destroying their validity.

The learned counsel for the plaintiff further contended, that the mortgages were void under the enactments against preferences by insolvent debtors, 22 Vic., ch 26, sec. 18. Conveyances of chattels by a person in insolvent circumstances, made "with intent of giving one or more of the creditors of such person a preference over his other creditors," are thereby declared void as against creditors. I think that, under this enactment, a mortgage made to a creditor without any such intent, and under the influence of pressure on the part of the creditor, is not void under the circumstances in evidence here, though the effect of the transaction may ultimately be to give a preference over the other creditors, see *Harrison* v. *Tuer*, 14 U. C. C. P. 449; *Gottwalls* v. *Mulholland*, 15 U. C. C. P. 63; *The Bank of Toronto* v. *McDougall*, 1b. 475; *The Bank of Australia* v. *Harris*, 8 Jur., N. S. 181; *Bills* v. *Smith*, 11 Jur., N. S. 155.

The bill must, therefore, be dismissed with costs.

ENGLISH REPORTS.

BATEMAN v. THE MID-WALES RAILWAY CO. THE NATIONAL DISCOUNT CO. v. THE SAME. OVERAND, GURNEY, & CO., v. THE SAME.

Railway company—Bill of Exchange—Power to accept—Form of acceptance—8 & 9 Vic. c. 16, s. 97—Pleading.

The plaintiffs, as indorsees, sued the defendants, a railway company, as acceptors of a bill of exchange.

Held, that the defendants had no power to accept a bill of exchange, and were not liable in this action, they being a corporation created for the purpose of making a railway, and the accepting of a bill of exchange not being incidental to the object for which they were incorporated.

Held, also, that the defence was properly raised by a plea denying the acceptance of the bill.

[14 W. R.—C. P., May 3, 7, 8, 1866.]

These were actions on bills of exchange accepted by the defendants and indorsed by the plaintiffs. The defendants traversed the acceptance of the bills, and at the trial verdicts were found for the plaintiffs in all three actions, leave being given to the defendants to move for a rule *nisi* to enter a verdict for the defendants or for a nonsuit.

On a former day *Karslake*, Q. C., on behalf of the defendants, had obtained a rule *nisi* accordingly, on the ground, 1st, that the defendants had no power to accept the bills. 2nd, That if they had, these acceptances were in such a form as not to bind the company.

The defendants were incorporated by a private Act 22 & 23 Vict. c. lxiii, which incorporated the Lands Clauses Consolidation Act, 1845; the Railway Clauses Consolidation Act, 1845; and the Companies Clauses Consolidation Act, 1845. The powers of the defendants were subsequently extended by several other private Acts, but none of these conferred on the defendants any express power of accepting bills of exchange.

Messrs. J. Watson & Co., had contracted with the defendants for the construction of certain works which the defendants were empowered by their Acts of Parliament to construct. The bills on which these actions were brought were accepted by the defendants on account of the debt they had incurred to J. Watson & Co. in the construction of these works; and were endorsed by J. Watson & Co. to the plaintiffs for value. The form of the acceptance was as follows:—

"Accepted by order of the board of Directors and payable at the Agra and Mastermans' Bank, Limited.

"JOHN WADE, Secretary."

The bills were also impressed with the seal of the company.

E. James, Q.C., and *Sir G. E. Honyman* now showed cause against the rule on behalf of Bateman and the National Discount Company.

1. The question is, has a railway company the right to accept bills of exchange? No doubt certain corporations have not that power, viz., those which are not incorporated for trading purposes. This company is incorporated to make a railway, and after that to act as carriers, for which it is necessary that they should trade by purchasing coal, carriages, &c., to be used for the purpose of their business. The true rule is stated in Storey on Bills of Exchange, s. 79. *Broughton* v. *Manchester Waterworks Company*, 3 B. & Ald. 1, is not in point, because it depended on the Bank Acts. No doubt the defendants could only accept for the purposes for which they were incorporated, but here it is not proved that these bills were accepted for any other purpose than that for which the defendants were incorporated. *Stark* v. *Highgate Archway Company*, 5 Taunt. 792. The rule is correctly stated in *East London Waterworks Company* v. *Bailey*, 4 Bing. 283, that where a company like the Bank of England, or the East India Company is incorporated for the purposes of trade, it seems to result from the very object of its being so incorporated, that it should have power to accept bills or notes. [BYLES J.—The Highgate Archway Company had an express power, and the Bank of England and the East India Company implied powers of accepting bills: *Murray* v. *East India Company*, 5 B. & Ald. 204.] No power was given to the East India Company to accept; they were only a trading company. The power of the bank to accept is regulated by 9 & 10 Will. 4, c. 44. It is admitted that the defendants were carriers and if so they would be traders, and would be liable to the Bankruptcy Act. [ERLE, C. J.—Carriers were brought within the Bankruptcy Act, *eo nomine*.] BYLES, J.—Lloyds' Bonds would have been unnecessary if the companies had no power of accepting bills.] Story on Partnerships, c. 7, s. 102. [KEATING, J., referred to 7 & 8 Vict. c. 85, s. 19.] That was passed for the purpose of preventing the issue of loan notes. 2. The defendants say that even if the company had the power of accepting these bills, these are not accepted in the proper form, and that they should be signed by two directors as directed by 8 & 9 Vict. c. 16, s. 87. But that Act was not intended to take away any power of contracting, which companies possessed at common law, and at common law the contract might have been made under seal. 3. This objection