

which I have just mentioned as being applicable to section 3. It embodies, in so many words, the rule that as long as the bill does not contain express words prohibiting transfer the bill remains payable to order. That was the Scotch law; it is now universal in Great Britain. It was adopted into the English law under their new Bill.

The clause was agreed to.

On section 9,—

HON. MR. SCOTT—I cannot understand the wisdom of introducing sub-clause (c) into this Bill.

HON. MR. ABBOTT—That is a clause embodying a practice in frequent use of late years, and I doubt if its legality has ever been disputed. The principle is now adopted almost universally in loans on time—that is to say, if the interest is not paid, or if any instalment is not paid when due, the whole debt becomes due.

HON. MR. SCOTT—It is an entirely new principle in Canada. The objection to this Bill is this: as I get into it I find that it will take a great many years to find out what the law is. We are going to have all the decisions of our courts upturned with regard to bills and notes. In my opinion, it would be much better to trust to the precedents established by the decisions of our courts. Under this bill all our valuable reports are going to be set aside as futile, and new precedents are to be established.

HON. MR. ABBOTT—I am not sure that my hon. friend's criticism is quite correct, for he will perceive that the changes we are making have already been sanctioned by the courts, and this clause is drawn in accordance with the decisions of the courts.

HON. MR. SCOTT—That if an instalment on a note is not paid within the time, then the whole amount becomes due? I don't think my hon. friend will find any law for that in Canada.

HON. MR. ABBOTT—This is the law in England.

HON. MR. SCOTT—By special statute there?

HON. MR. ABBOTT—By a statute that has been in force there for some considerable time, and that law rests on the decisions of the courts.

HON. MR. SCOTT—Then a single day of a mistake in a man paying a \$1,000 instalment on a note for \$10,000, payable in ten instalments, makes it all become due?

HON. MR. ABBOTT—My hon. friend will find that it is not an uncommon thing to make such a provision in other important transactions—mortgages, for instance.

HON. MR. SCOTT—What I say is this: that in an important document, such as a mortgage, the mortgagee may come into court with it, but he cannot enforce it summarily—he cannot get out an execution within ten days, as he can on a note.

HON. MR. ABBOTT—He cannot get it in ten days on a note either, if the maker has a defence.

HON. MR. SCOTT—It is presumed that there is no defence. The only defence would be that he did not make the note. Say he made a note for \$10,000, \$1,000 payable at a future day and the balance payable in nine instalments. The first payment by oversight of a single day is overdue, and the maker has failed to provide for it. He can be sued immediately for the whole amount under this Bill, and in ten days execution will issue. I think it is a very oppressive and arbitrary clause.

HON. MR. KAULBACH—It does seem certainly hard. It has been the law with regard to mortgages that in default of payment of instalment or interest the party could foreclose the mortgage.

HON. MR. ABBOTT—My hon. friend will see that the alternative lies between letting people do what they like and prescribing what they shall do. If a man can satisfy the exigencies of his own business by making an undertaking in this form under conditions of the law, surely he should be permitted to do it. He knows the conditions, and if he does not choose to make a note which will expose him to such a contingency, there is no obligation on him to make it.