

GARNISHMENT OF EQUITY DEBTS.

effectuate their obvious intention: (see the observations of Richards, C.J., in *Brown v. Dwyer*, 35 U. C. Q. B., at p. 364); and we presume that these mistakes are within the rules there spoken of.

GARNISHMENT OF EQUITABLE DEBTS.

It has been clearly laid down in many cases under the garnishment clauses of the Common Law Procedure Act, that only legal debts—debts for the recovery of which an action at law could be maintained—could be attached. Thus in *McDowall v. Hollister*, 25 L.T.N.S. 185, it was held that a creditor cannot attach a legacy given by a testator to the judgment debtor while in the hands of the executor, unless there has been such an account stated with the executor as would enable the legatee to maintain an action at law; and that the consent of the executor to pay, if the Court should so order, did not avail to warrant the attachment.

An attempt to give equitable extension to the doctrine of garnishment, which signally failed for the foregoing reason, is to be found in the series of cases, *Gilbert v. Jarvis*, 16 Gr. 265; *Blake v. Jarvis*, ib. 295; *Blake v. Jarvis*, 17 Gr. 201, and *Gilbert v. Jarvis*, 20 Gr. 478, wherein the Court of Appeal in this Province overruled the previous decision (favourable to such extension) of the *Bank of British North America v. Matthews*, 8 Gr. 492.

One of the cases which went as far as the law permitted before the new departure to which we shall presently advert, was that of *The Warwick and Worcester Railway Company, Prichard's claim*, 2 De G. F. & J. 354, wherein the Court permitted the proceeds of a call made under the Winding-up Acts to provide

for the payment of a debt of the company, to be attached in the hands of the official manager, to answer a judgment recovered against one of the creditors of such company. But Turner, L.J., is careful to explain that this does not amount to the attachment of an equitable debt: "the attachment," he observes, "is against the company, upon a debt due from the company to their creditor, and the official manager had the money in his hands wherewith to pay the debt independently of any question as to how the fund arose."

The effect of the English Judicature Act seems to have altered the law of garnishment, so as to embrace cases of equitable debts. In *Wilson v. Dundas*, 20 Sol. J. 99, an application was made by Wilson, the judgment creditor, to attach half a year's salary due to Mackenzie, the judgment debtor, from his trustees, Dundas and Stevenson. It was contended for the garnishees that this was a trust debt, and therefore not attachable. Mr. Justice Quain (sitting in Chambers, Nov. 29), in giving judgment, is reported to have said: "Ord. 3, r. 6, expressly says that there may be a special endorsement of a trust debt. If Mackenzie brings an action against his trustee, he can recover his half-year's salary. It is submitted for the garnishees that there cannot be an attachment of an equitable debt; but there is no distinction now between a legal and an equitable debt. I should be contravening the very object of the Judicature Acts, if I were to hold otherwise. If, sitting here, we could not now attach an equitable debt, we might as well be under the *ancien régime*." As, however, the garnishees disputed their liability, he ordered a special case for determining the question.

If the view of the learned judge is well founded, his line of argument is quite applicable to the provisions of the Ontario Administration of Justice Act of 1873.