

241 says: "The bills or notes may be renewed, but not the security. The Act does not authorize the substitution of one assignment for another."

It is contended on the part of the plaintiffs that there was in reality the same course of dealing between the bank and its customer in this case as was held to be invalid in the *Halstead Case*. It seems to me, however, from the evidence in this case, that the bank was from time to time making advances and taking a security under s. 88 of the Bank Act on the new goods which were coming in. The goods were from time to time changing as old stock was sold and new stock brought in to replace. A separate note and security was taken for each advance. A general security was also taken referring to all outstanding notes as to each of which a previous individual security had been taken.

This, as it seems to me, could not be called a substitution, but rather a consolidation. With some difficulty and doubt in the matter I have come to the conclusion that, subject to the qualification about to be referred to, the securities taken by the bank under s. 88 of the Act must be held to be valid as against the plaintiffs. In the case of a manufacturer the bank had a right on the strength of written requests to advance on the goods, wares and merchandise, raw, manufactured and in process of manufacture, of its customer, and take security thereon in the form "C." provided in the Act. I see no authority, however, therein for the bank taking the like security on goods purchased by them from other manufacturers with which to carry on as a side line of their business a jobbing business. I am of opinion that to the extent that the securities previously taken and held by the bank at the time that the winding-up petition was filed covered goods so purchased they were invalid, and that the goods so held, or the proceeds of any since sold, by the defendants, belong to the liquidator to be utilized by him for the purpose of the liquidation of the company.

These securities were also attacked on the ground that the descriptions therein, at all events prior to the 29th of January, 1914, were not definite or specific enough. It seems to me, however, where particular warehouses are mentioned in which the goods were said to be, and the description covered all the goods, that this was sufficient under the authorities.

As to the real estate securities the position seems to be as follows: The bank had from time to time received statements from its customer in and prior to the year 1912 which seemed to shew that