

Div. Ct.]

McCULLY ET AL. V. ROSS ET AL.

[Div. Ct.]

Relief Act, sec. 21, sub secs. 3, 4, 5 and 6 (see Ontario Stat. of 1885, chap 15,) been embodied in the Mechanics' Lien Act, of course the case would have been different; but regarding, as I do, the garnishee clauses of the Division Court Act as for the benefit of an, creditor who avails himself of its provisions, and the Mechanics' Lien Act as one which exists for a particular class of creditors, to the exclusion of all others, I must hold that each class or set of creditors is entitled in the fullest extent to the advantage of remedies afforded by the several statutes whilst they exist. Whilst the legislature leaves the statute law of the Province giving these preferences and advantages, there is no injustice in according and applying the remedies which creditors pursue in order to get their just dues.

The words employed in the C. L. P. Act with regard to the effect of an attaching order are (see section 308) "service upon him" (the garnishee) of an order that debts due to the judgment debtor shall be attached, and shall "bind" such debts in his hands. The word "bind" here, as explained in note (n) to Harrison's C. L. P. Act, has received the same construction as the same word used in the Statute of Frauds, 29 Car. II., cap 3. As under the Statute of Frauds the goods are bound in the hands of the sheriff, so under this section the debt is bound in the hands of the garnishee: *Holmes v. Tutton*, 5 E. & B. 80; *Turner v. Jones*, 1 H. & N. 878; *Tilbury v. Brown*, 30 L. J. Q. B. 46; *Sweetman v. Lemon*, 13 U. C. C. P. 534; *Tate v. The Corporation of Toronto*, 10 U. C. L. J. 66, 3 Prac. Rep. 181.

Under these authorities the word "bind" has been interpreted to mean "that the debtor or those claiming under him shall not have power to convey or do any act as against the right of the party in whose favour the debt is bound, and as not giving any property in the debt in the nature of a mortgage or lien but a mere right to have the security enforced." I regard the case, *Ex parte Greenway*, in re *lams*, L. R. 16 Eq. Ca. 619, like others of the previous decisions, as overruled by the more recent case of *Ex parte Foselyne*, to which I have before referred. Had it not been overruled I should have looked upon it as only one of construction under the peculiar provisions of the English Bankruptcy Act, 1869, and unlike the present case the debt was not seized under the process of the Tolzey County Court, under the English County Court Attachment Act, until several months after the property of the judgment debtor had vested in a trustee under the Bankruptcy Act, and I cannot see how it could be held to apply to the circumstances or the law of the cases before me.

*Ex parte Pillers*, L. R. 17 Chan. Div., was in like manner a case of construction under the same Bankruptcy Act, 1869; and as to whether or not the title of a trustee under the act related back so as to defeat the attachment under the garnishee clauses of the English County Court Act, and whether or not by virtue of the adjudication of bankruptcy, and the relation back of the trustees' title, all the property which the bankrupt had at the time he committed the act of bankruptcy was vested in the trustee, and became divisible among the creditors generally. It was adjudged that the debt had ceased to be due to the bankrupt, who was the primary debtor, and had become due to the trustee and, therefore, that the garnishee process could not bind the debt.

There is but little analogy between the attaching of the property of an absconding debtor, and the garnishment of debts, because the respective statutory provisions under which the proceedings are taken are different, for the one is essentially a process in the nature of a distress or sequestration of property, in order to secure the appearance of an absent debtor, and to hold his estate subject to the payment of his debts, and for the benefit of his creditors, who may bring suits within a prescribed limit of time, and it does not always follow that such an attaching creditor secures anything of the proceeds. The other attachment is in the nature of a proceeding *in rem*, which attaches and binds a debt for the payment of whatever creditor adopts it, to the extent of the indebtedness of the garnishee. By this latter garnishment the creditor obtains an effectual attachment of the debt due by the garnishee, and its effect is to prevent the garnishee from paying his debt to the primary debtor. These attachments (where there are more than one) take precedence in the order of their service, and a payment into Court, either before or after judgment against the garnishee, is a complete discharge of the debt due to the primary debtors; and a payment into Court, when the law authorizes the Court to require the garnishee to pay the money in, will be, and must be regarded in legal effect, the same as a payment under execution. (See *Ohio, etc., R. W. Co. v. Alvey*, 43 Indiana 180, *Turnbull v. Robertson*, 38 L. T. N. S. 389; *Wood v. Dunn*, L. R. 2 Q. B. 73, *Culverhouse v. Wickens*, L. R. 3 C. P. 295; *Drake on Attachmen.* sec. 244.)

I do not think it necessary to further extend my remarks upon these cases, beyond saying that I do not consider that this decision will have the effect of pushing the operation of the statute, under which these garnishors are proceeding, beyond the statutory authority under which they claim their priority, and payment of their respective debts