collected but for the order for commitment. This order of commitment is in truth a necessary consequence of indifference or dishonesty, and actual imprisonment seldom takes place. In other counties there is so much laxity and sympathy for the poor debtor, and so little for the poor creditor, that creditors are often unwilling to sue in the Division Court at all, and a careless administration of the law in some counties prevents its being as useful as it ought to be, and might be. I think the law needs no revision, unless it be in matters of mere detail. Its principles must be retained whilst the credit system exists, and this system is so largely (and, I admit, so injuriously) engrafted into the transactions of the country, that no change should, in my opinion, be made in the direction indicated.

Feb. 22, 1890. Yours, etc.,

SENEX.

[Our correspondent has had a very large experience in this matter, and we attach much weight to that fact. His views are, we may say, substantially our own. We should, however, be glad to hear from others on the subject.—ED. C.L.J.]

## Notes on Exchanges and Legal Scrap Book.

CAN DIRECTORS OF A COMPANY OVERDRAW?—This was the question raised in a case before the Chancery Court of Lancashire. The liquidator in the winding up of this company desired to obtain the direction of the Court as to the mode of proceeding in the matter of a deposit entered into by the directors of the Ebenezer Loan Company. It appeared that the directors of this company had overdrawn its account at the bank, and having a further need of money, the directors decided to ask for a further overdraft. Application was accordingly made, and the title-deeds of certain property deposited as security. The liquidator considered the company held no power to give such security. Liquidator's counsel argued that no power was given to the directors by the memorandum or articles of association of the company, to give such security, and contended that a power to make a deposit by deed should be obtained at a special meeting of creditors. The question was one in which they must distinguish between the company and the directors if any objection at all could be made to the security. It was upon that distinction that the articles of association prescribed exactly what powers the directors had. The Vice Chancellor ultimately decided that, having regard to the affidavit of the official liquidator, and to the statement as to the memorandum of association and the articles of the company, he was of opinion that the liquidator ought to resist the demand made upon him by the bank to execute a legal mortgage of the property, and to be authorized to demand from the bank the delivery up to him, as official liquidator, of the deeds comprised in the memorandum of the deposit within the period of three weeks, the costs of the liquidator, and of parties appearing, to be costs of the liquidation, with authority to take such other steps as might be advised.—*Law Journal.*