

## ONTARIO.

## SUPREME COURT OF JUDICATURE.

## HIGH COURT OF JUSTICE.

## Queen's Bench Division.

Div'l Court.]

RE MCFARLANE v. MILLER.

[May 27.]

*Statutes—Interpretation of—Prohibition—57 Vict., c. 55, s. 22, s-s. 6 (O.)—  
R.S.O., c. 220, s. 2, s-s. 5.*

On an application for prohibition to restrain proceedings on an appeal under the Ditches and Watercourses Act, 1894, on the ground that the appeal had not been heard and determined within two months, under 57 Vict., c. 55, s. 22, s-s. 6 (O.);

*Held*, that the provisions of that subsection are merely directory, and not imperative.

*Held*, also, that there is no sufficient declaration in that statute of an intention to change the law from what it was, apart from the declaration in R.S.O., c. 220, s. 2, s-s. 5, and prohibition was refused.

Decision of ROBERTSON, J., affirmed.

*F. R. Ball*, Q.C., for the appeal.

*A. Bicknell*, *contra*.

Div'l Court.]

MOLSONS BANK v. COOPER ET AL.

[June 12.]

*Banks and banking—Collateral securities—Credits for.*

The plaintiffs gave the defendants a line of credit "to be secured by collections (meaning customers' notes) deposited." Customers' notes were taken by defendants from time to time, and deposited with the bank as collateral security for the line of credit under the terms of the agreement. The practice was for the defendants to withdraw these for collection at maturity, the proceeds, when collected, going to their credit in their bank account, or being otherwise independently dealt with by defendants, other notes being deposited from time to time, so that while the total amount of notes was supposed to be kept at or near the amount of the credit, yet the notes actually under deposit were constantly changing.

When the defendants failed and stopped payment, the bank claimed to be entitled (1) to collect the deposited customers' notes then in their hands, so held as collateral security, and carry the proceeds into a suspense account; and (2) to recover judgment against the defendants, notwithstanding such realization of the collateral paper for the full amount of the direct paper representing their indebtedness, without giving any credit for the proceeds of the collateral