

action was brought in respect of a balance due on four bills of exchange, two of them fell due on the same date. The bills were given by the defendants in respect of necessities furnished two ships, one of these was the "Mecca" and the other the "Medina." On the 15th August, 1894, a sum of £900 due to the defendants for salvage services rendered by the "Mecca" to the "Medina" was paid to the plaintiffs. And in a letter acknowledging the payment an account was rendered by the plaintiffs, in which the amounts due on the bills were set out, but the bill in respect of the necessities furnished to the "Mecca" though due on the same day as that for necessities furnished the "Medina" was entered before it in the account. At the foot of the account, which included some other items, credit was given for the £900 and the balance due on the whole account appeared to be £401, 2s. 9d, for which the action was brought against the "Mecca." The defendants contended that there had been an appropriation of the payment of the £900 to the payment of the "Mecca" bill under the rule in *Clayton's Case*, and that therefore the claim for which the action was brought was satisfied, and Bruce, J., so held, and his judgment was affirmed by the Court of Appeal (Lord Esher, M.R., and Kay and Smith, L.JJ.) Their Lordships have, however, reversed this decision, holding that the rule in *Clayton's Case* is only applicable to accounts current and not to separate and distinct transactions, though they may be included in the same account. And in any case the rule cannot be invoked, even in cases where it is properly applicable, as regards two items due the same day, one of which must necessarily be set down before the other in the account. Their Lordships were of the opinion that there had been no appropriation of the £900 and that the plaintiffs were entitled to appropriate it, and that they had done so by bringing the action.

COMPANY—WINDING UP—HOLDER OF SHARES ISSUED AT A DISCOUNT, LIABILITY OF.

*Welton v. Saffery* (1897) A.C. 299 is a case which was known in the courts below as *In re Railway Time Table Publishing Co.*, and involved an important question as to the extent of the