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EQUITABLE ASSIGNMENTS.

TWO points connected with this subject have lately received further elucidation in the reports. We will notice them shortly.—

Specification of Fund. An equitable assignment is an assignment that will be enforced in equity. It must therefore contain some description of the fund or debt which is the subject of the assignment. A cheque upon a banker or a bill of exchange upon a debtor is not an assignment at all. Schroder v. Central Bank of London, 24 W. R. 710; Thompson v. Simpson, L. R. 9 Eq. 497, L. R. 5 Ch. App. 659; Shand v. Du Buisson, L. R. 18 Eq. 283; Hopkinson v. Forster, L. R. 19 Eq. 74; Caldwell v. Merchants Bank, 26 U. C. C. P. 294; Percival v. Dunn, 20 L. J. Notes of Cases 35. It is sufficient, however, if the fund be indicated, although not fully described. For example, if A be engaged in doing work for B, and the latter give to C an order upon A for the payment of £100 "out of moneys due, or to become due, from you to me," the fund is sufficiently certain. Brice v. Bannister, 3 Q. B. D. 569; Farquhar v. City of Toronto, 12 Gr. 186; Diplock v. Hammond, 5 De G. M. & G. 320; Lambe v. Orton, 1 Dr. & Sm. 125; Chowne v. Baylis, 31 Beav. 351; but see Re Farrell, 10 Ir. Ch. R. 304. This doctrine is analogous to that recently treated of (see Prophetic Conveyances, 2 Man. L. J. 24), where it was shown that a conveyance of goods not in esse will be enforced in equity, provided that the goods are sufficiently described for identification.

When we said that the assignment must contain a sufficient description of the fund, we did not mean to be understood as implying that the assignment must be in writing (Gurnell v. Gardner, 9 Jur. N. S. 1220; Tibbits v. Genge, 5 Ad. & E., and McMaster v. Canada Paper Co., 1 Man. L. R. 309, are clear authorities to the contrary); nor that a valid assignment may not be partly in writing and partly verbal. A bill of exchange, as we have said, is not an assignment of anything, and yet if it be discounted upon the faith that the drawer will accept it and pay it out of a particular fund, then there is in equity a good assignment of the fund. Re Thornton 13 L. T. N. S. 568; Lamb v. Sutherland, 37 U. C. Q. B. 143; McLean v. Shields, 1 Man. L. R. 278.

What may be Assigned. Can there be a good assignment of moneys to be earned? In Lamb v. Sutherland, 37 U. C. Q. B., Wilson, J., says: "To constitute an equitable assignment of money in the hands of a third person, it is necessary there must be a particular existing fund which is dealt with, and there must be a specific appropriation of the whole or of some part of that fund. Re Farrell 10 Ir. Ch. R. 304; Re Thornton, 13 L. T. N. S. 568; Watson v. The Duke of Wellington, 1 Russ. & M. 602." There may be, however, a good equitable assignment of non-existing goods (see Prophetic Conveyances, 2 Man. L. J. 24), that is, there may be a promise to assign them when they come into existence, which equity will enforce; and why may not a promise to assign money when earned be also enforced?

The facts in Ex parte Nichols, In Re Jones, 22 Ch. Div 782, were as follows: The debtors carried on the business of the Alexandra Palace, and they made an arrangement with a railway company that the fees paid by the public for conveyance to the Palace and admission into it should

be received in one gross sum by the company, and that this sum should be divided in certain specified proportions between the debtors and the company. During the currency of this agreement the debtors assigned to Y. & Co. "all and every the sums and sum of money now due and owing, and hereafter to become due and owing, from the ... railway company to" Subsequently the debtors became bankrupt. The assignee in bankruptcy carried on the Palace business and claimed as against Y. & Co. to receive the debtor's share of the railway receipts accruing after the bankruptcy. And his claim was held to be well founded.

There is nothing in this case to show that the assignment would not have been valid during the lifetime of the debtors, provided they had not become bankrupt; and the head note would seem to imply that a trader may make a good equitable assignment of all the receipts of his business except as against an assignee in bankruptcy.

Nice questions arise under building contracts where payments are to be made during the progress of the work.

From Tooth v. Hallett, L. R., 4 Ch. App. 242, we may gather, (I) that there may be a good equitable assignment of moneys to become due under such a contract; (2) that if the owner properly discharges the contractor before the completion of the work, and before any money is payable to him, and in finishing the building expends all that would have become due to the contractor, the assignee has no claim against the owner; and (3) that if a trustee for the contractor's creditors completed the building and expended thereon a sum equal to that payable under the contract, his claim to the money would be preferred to that of the equitable assignee.

From Ex parte Moss, In Re Toward, 14 Q. B. Div. 310, we may learn, (1) that the application of Ex parte Nicholls (ante) must be very carefully watched; for if a contractor under a building contract becomes bankrupt after he has received payment of all the instalments due to him, and

assignee in bankruptcy completes the building. expending less than the amount remaining due under the contract, the equitable assignee may be entitled to enforce his assignment as against the excess. (2) It is said that if a margin be created by withholding from the contractor a percentage of the value of the work "it could not be questioned that a valid charge might be made upon that margin as a subject of property." This we should fancy might possibly be questioned—we speak with all deference. example, if very shortly after the commencement of the work an assignment of the drawback were made, and before it could fairly be said that any appreciable part of it had been earned the contractor became bankrupt, would the assignee be entitled as against the trustee in bankruptcy in case the latter spent more in completing the building than the whole contract price? We should think not. And if we are right the question must always be. What portion of the money payable after bankruptcy was earned before that time? To that extent the equitable assignee is entitled.

Dum Fervet Opus.

There is room upon the Court House walls for the portrait of another Chief Justice. The series now commenced should be maintained. And the Ontario practice of securing a representation while the judge is in full work obviates any embarrassment arising from delay.

Idem Sonans.

Evidence as to a person's identity, based upon the sound of his voice, is competent. Commonwealth v. Hoyes, S. J. C. Mass., Nov, 1884; 19 Rep. 306.

THE 17TH SEC. OF THE STATUTE OF FRAUDS.

(Continued from page 70.)

ARTICLE 6.

Acceptance defined.

Acceptance of part of the goods sold means an assent by the buyer to a proposal by the seller that certain goods shall be part of the goods sold, whether such assent is or is not subject to a right on the part of the buyer to object to the bulk of the goods as not corresponding to the terms of the agreement.

Acceptance may either precede, or accompany, or follow the actual receipt of the goods, and may be inferred as a fact from any of the circumstances mentioned in the Clauses i, ii, or iii, next following:—

- (i) Where goods are marked or set apart for the buyer with his consent before his actual receipt of them, or where he inspects and approves them before his actual receipt of them².
- (ii) Where the buyer acts with reference to the goods, or to documents of title representing them, before or after their actual receipt in a manner in which the owner only would be entitled to act in relation to them³.
- (iii) Where the buyer omits to reject goods actually received by him for an unreasonable time after he has had an opportunity of exercising the option (if he has an option) of rejecting them.

If the buyer directs the seller to send the goods to the buyer by any common carrier or other person, such common carrier or other person is not deemed to be the agent of the buyer for the purpose of accepting the goods.

¹ Blackburn, 23.

² Illustrations I, 2.

³ Illustrations 3-9.

A tender of the goods for acceptance, and a wrongful refusal to accept on the part of the buyer, is not, for the purposes of this article, deemed to be equivalent to acceptance of them.

ILLUSTRATIONS.

- I. B offers to sell to A 156 firkins of butter lying in B's cellar at Liverpool. A opens and inspects some of them, and verbally agrees with B to buy the whole at the price of 424/., and gives directions for the delivery of them in London at C's warehouse, where they are delivered accordingly. The approval of the butter is an acceptance, and the delivery at C's warehouse a receipt by A¹.
- 2. A verbally agrees with B to buy of him twelve bushels of tares at 11, a bushel, to remain on B's land till seed-time. B measures out twelve bushels and sets them aside for A. Here there is no acceptance, as A does not assent to the appropriation by B².
- 3. A agrees with B to take a stack of hay standing in B's yard at 2s. 6d. per cwt. Two months afterwards C agrees with A to buy some of it. The re-sale is relevant to show a receipt and acceptance by A³.
- 4. A agrees with B, a coachmaker, to buy of him a certain carriage, and directs certain alterations to be made in it. A sees and approves the alterations when made, and requests that the carriage may be left in B's shop till he is ready to take it away, and that, in the meantime, B will provide a horse and a man to use the carriage a few times, so that on exportation it may be a second-hand carriage. These facts are acts of ownership amounting to an acceptance of the carriage⁴.

¹ Cusack v. Robinson, 1 B. & S. 299; 30 L. J., Q. B. 261.

² Howe v. Palmer, 3 B. & Ald. 321.

³ Chaplin v. Rogers, I East, 192.

⁴ Beaumont v. Brengeri, 5 C. B. 301. The action in this case was for a refusal to accept, and the judge directed a verdict for the plaintiff. A new trial was moved for on the ground that there was no evidence of acceptance, and the court refused it, saying that the evidence was ample. If requested at the trial, the judge would no doubt have left the case to the jury.

- 5. A verbally agrees to sell B turnip-seed, then growing, to be harvested and threshed by A, and delivered to B as B shall direct. A having harvested and threshed the seed sends twenty sacks of it to B. B spreads it out to a greater extent than is actually necessary to examine its condition, and then rejects it on the ground that it is in bad condition. A proves facts tending to show that it was in fact in good condition when despatched. Here it is a question of fact whether B's dealing with the seed was an act of ownership amounting to acceptance¹.
- 6. A verbally orders of B three hogsheads of glue of a specified quality. B sends two hogsheads to A, which A unpacks in his own warehouse and puts into bags. A, on examination, says it is inferior to the specified quality, and rejects it. Unpacking glue alters its condition, and prevents it from being repacked. A's act is relevant to the question whether he accepted the glue or not.
- 7. A agrees verbally with B to buy fifty quarters of wheat, each of a specified weight, and according to a sample then produced by B. The wheat is by A's order delivered to a general carrier, and is by him in due course delivered to A, who has, in the meanwhile, resold the wheat to C by the same sample by which B sold it to A. A, without examining the bulk himself, tenders it to C, who finds the wheat under the specified weight and rejects it. A thereupon gives notice to B that C rejects it as under weight. The delivery to the carrier is a receipt by A, and the re-sale an acceptance by A, although A is still entitled to object that the wheat does not correspond to the contract².
- 8. B agrees verbally with A to sell to A a quantity of barley for 80% to correspond with a sample. B sends the bulk to a railway station consigned to A's order. A does nothing, and, two days after the wheat reaches the station, becomes bankrupt. B gives notice to the station-master not

¹ Parker v. Wallis, 5 E. & R. 21.

² Morton v. Tibbett, 15 Q. B. 428; 19 L. J., Q. B. 382.

to deliver the barley to A or to any one except B or his order. Here there is a receipt (it seems), but no acceptance¹.

9. A orders of B a quantity of stores for a ship of A's, to be delivered at Constantinople. By A's request the bill of lading of the stores is made out in B's name deliverable to C at Constantinople. B pays the freight, receives the bill of lading, and hands it over to A, who then repays B the freight. A keeps the bill of lading for thirteen months, and sends it back to B on hearing that the goods have not been delivered at Constantinople. The jury were justified in finding on these facts that A both received and accepted the stores².

ARTICLE 7.

Acceptance of Samples, or of part of Goods, not completely in Existence.

For the purposes of the acceptance and receipt, samples are taken to be part of the goods sold if they constitute, and are delivered as, part of the bulk, but not otherwise³.

If there is an agreement for the sale of goods, part of which are, and part of which are not, in existence at the time of the agreement, every part of them is deemed to be part of the goods to which the agreement applies, for the purposes of receipt and acceptance.

¹ Smith v. Hudson, 6 B. & S. 431; 34 L. J., Q. B. 145.

² Currie v. Anderson, 2 E. & E. 592; 29 L. J., Q. B. 87. Compare Meredith v. Meigh, 2 E. & B. 364; 22 L. J., Q. B. 401, where there was delivery of a bill of lading to carriers who were agents to receive, but not to accept. The case contains dicta to the effect that dealings with documents of title may be equivalent to acceptance.

³ Benj. 128; Hinde v. Whitehouse, 7 East, 558; Gardner v. Grout, 2 C. B., N. S. 340.

⁴ Scott v. E. C. Railway, 12 M & W. 33; 13 L. J., Exch. 14.

ARTICLE 8.

Farnest.

An agreement for the sale of goods of the value of 10/. or upwards is a contract enforceable by law, if anything is given by the buyer to the seller by way of earnest¹.

Earnest is money, or a valuable thing, not forming part of the price of the goods sold, and given by the buyer to the seller, and accepted by the seller, in order to mark the assent of both parties to the agreement.

ARTICLE 9.

Part Payment.

An agreement for the sale of goods of the value of 10/. or upwards is a contract enforceable by law, if the buyer gives something to the seller by way of part payment².

If it is one of the terms of an agreement for the sale of goods that the seller shall deduct from the price of the goods anything due from him to the buyer, such deduction is not a part payment of the price; but if, subsequently to the agreement for the sale of the goods, or by an independent agreement made at the same time therewith, the parties agree that any claim of the buyer upon the seller shall be set off against part of the price of the goods, such an agreement is part payment³.

¹ Substantially the words of the statute. See Benj. 162 for the definition of earnest,"

² Stat. Frauds.

³ Walker v. Nussey, 16 M. & W. 302: 16 L. J., Exch. 120.

ARTICLE 10.

Signed Contracts.

An agreement 1 for the sale of goods of the value of 10l. or upwards is a contract enforceable by law if it is in writing, signed by the parties to be charged by such contract, or by their agents thereunto lawfully authorized.

When such a contract has been made, no other evidence of its terms can be given than the writing itself, or secondary evidence of the contents of the writing in the cases in which secondary evidence is admissable.

Subsequent notes or memoranda relating to any such contract are irrelevant and ineffectual, except as evidence that the parties to the original contract rescinded it and made a new one in the terms of such notes or memoranda³.

¹ This and the next Article differ widely from the words of the statute, which are: "No contract, &c., shall be allowed to be good, except . . . that some note or memorandum in writing of the bargain be made and signed by the parties to be charged," &c. We believe, however, that the articles as drawn by us represent the meaning of the statute as ascertained both by numerous authorities and conclusive arguments. It would be absurd to suppose that the statute meant to say that a contract completely put into writing should be void, but that a verbal contract, of which a note or memorandum was afterwards made, should be good. This, however, is its literal meaning; for it says that no such contract shall be allowed to be good except in certain cases, and it does not specify the case of contracts completely reduced to writing, but only the case of a verbal contract of which some written "note of memorandum" is made. This elliptical form of expression is one of the causes which have thrown so much confusion over the cases relating to brokers' books and bought and sold notes. The way in which the matter is stated in the two Articles in the text is meant to remove the obscurity. It is pointed out by Erle J. and Patteson J. in Sievewright v. Archibald, 17 O. B. 103; 20 L. J., Q. B. 529. See too Saunderson v. Jackson, 2 B. & P. 238. See too the American case of Coddington v. Goddard. I Langdell's Cases on Sales, 614.

² This is the general rule of the common law. See Stephen's Digest of the Law of Evidence, art. 90.

³ Hawes v. Forster, I Moo. & R. 368, as explained in Thornton v. Charles, 9 M. & W. 802, and by Sievrwright v. Archibald, 17 Q. B. 103; 20 L. J., Q. B. 529.

Such a contract may be made by a broker on behalf of the buyer and seller of such goods, if he is duly authorized thereto by each; and it the broker, having made such a contract, enters it in his book and signs it as the agent and by the authority of each party, such entry is such a contract as aforesaid.

Provided that if the broker afterwards sends out, and the parties accept, signed bought and sold notes corresponding with each other, but differing from the contract as entered in the broker's book, such bought and sold notes are facts relevant to show that the parties entered into a new contract in the terms of those notes².

Provided also that a custom that the seller shall have a reasonable time, after the receipt of the sold note, to object to the sufficiency of the buyer, is reasonable³.

ARTICLE 11.

Note or Memorandum.

An agreement for the sale of goods of the value of 10% or upwards is a contract enforceable by law (although it was made verbally) if a note or memorandum in writing containing the particulars specified in Article 12 is signed in the manner described in Article 10⁴.

Such note or memorandum may be contained in more documents than one, provided that, if any such document is not signed as hereinafter mentioned, it must be referred to by a document which is so signed in such a manner that the contents of the one are embodied by reference in the other.

¹ Sievewright v. Archibald, 17 Q. B. 115, where all the authorities are examined, and several adverse dicta explained or overruled. Erle J. dissented

² Same authorities as in last note. ³ Hodgson v. Davies, 2 Camp. 533.

Statute of Frauds. (As to the parenthesis, see note to last article.)

Saunderson v. Jackson, 2 B. & P. 238; Allen v. Bennet, 3 Taunt. 169; Jackson v. Lowe, 1 Bingham, 9; Hinde v. Whitehouse, 7 East, 558; and see Boydell v. Drummond, 11 East 142, decided on s. 4.

The words 'document' includes documents consisting, at the time of signing, of several pieces of paper or other material, tied or otherwise fastened together¹.

The note or memorandum need not pass between the parties, though it may do so; but it may also be—

- (i) A communication made by the party to be charged to a stranger to the contract ²; or
- (ii) A written offer made by the party to be charged to the party seeking to charge him, and verbally accepted by the party last mentioned ³; or
- (iii) A communication made by the party to be charged to the party who charges him, in which the party to be charged denies his liability on the contract⁴.

ILLUSTRATIONS.

- 1. A buyer at an auction signs his name in the catalogue opposite the lots bought by him. The sale is subject to conditions which are not contained or mentioned in the catalogue, nor annexed thereto. Here there is no note or memorandum sufficient for the purposes of this article⁵.
- 2. On January II B agrees to sell wool of greater value than IO. to A. A hands to B a written memorandum of the terms of the sale, containing, among other things, the following: 'The whole to be cleared in about twenty-one days.' On February 8 B writes to A: 'It is now twenty-eight days since you and I had a deal for my wool, which was for you to have taken all away in twenty-one days from the time you bought it. I do not consider it business to put off like this; therefore I consider the deal off, as you

Benj. 160.

² Benj. 167; Gibson v. Holland, L. R. 1 C. P. 1; 35 L. J., C. P. 5. In this case the communication was to the agent of the parties to be charged.

³ Kemp v. Picksley (Ex. Ch.), 1 Ex. 342 (on s. 4).

⁴ Benj. 186.

⁵ Hinde v. Whitehouse, 7 East, 558. The auctioneer signed in this case, as to which see Article 13. Pierce v. Corf, L. R. 9 Q. B. 210.

have not completed your part of the contract.' Next day B orally repeats to A his refusal to deliver the wool. A asks for a copy of the contract, and B writes to A, enclosing a copy of the memorandum written by A: 'I beg to enclose a copy of your letter of January II.' A's two letters, and the memorandum referred to in the second, form together a sufficient note or memorandum for the purposes of this Article¹

- 3. B orally agrees to sell certain chimney-glasses to A, and sends them to him. On their arrival A finds them to be damaged, refuses to receive them, and some time afterwards writes to B: 'The only parcel of goods selected for ready money was the chimney-glasses, amounting to 381. Ios. 6d., which goods I have never received, and have long since declined to have, for reasons made known to you at the time.' This is a sufficient note or memorandum of the bargain².
- 4. A orders of B, by word of mouth, cheeses and candles of more than 10% value. B sends to A the quantity ordered, and an invoice in the usual form. A refuses to take the goods, and sends back the invoice to B, with a signed note written on the back of it: 'The cheeses came to-day, but I did not take them in, for they were very badly crushed; so the candles and cheese are returned.' The invoice, with this note endorsed upon it, is a sufficient note or memorandum³
- 5. B orally agrees with A to sell him some timber. In answer to a letter from B's solicitor, claiming payment as on an unconditional sale, A writes: 'I have this moment received a letter from you respecting B's timber, which I bought of him at 4s. 6d. per foot, to be sound and good,

 c_{ase} the parties differ as to the construction of the contract, though they agree as to the terms.

² Bailey v. Sweeting, 9 C. B., N. S. 843; 30 L. J., C. P, 150.

³ Wilkinson v. Evans, L. R. 1 C. P. 407; 35 L. J., C. P. 224.

which I have some doubts whether it is or not, but he promised to make it so and now denies it.' This is not a sufficient note or memorandum, as it does not admit the agreement under which B claims payment, but sets up a different agreement not admitted by B^1 .

ARTICLE 12.

What the Note or Memorandum uset contain.

The note or memorandum referred to in Article 11 must show—

- (i) Who are the parties to the agreement, either by naming them, or by giving a description of them by which they can be identified as such; and
- (ii) What was the promise made by the party to be charged; but it is not certain how far the promise made by the party seeking to charge the other need appear.

The price at which the goods were sold must appear if it was agreed upon by the parties, but it need not be stated if it was not specifically agreed upon.

ILLUSTRATIONS.

- I. A writes, signs, and delivers to B a document in the following words: 'I will furnish B with funds for the purchase of a steam engine and machinery for a flour-mill on his suiting himself with the same and notifying the purchase to me.' B gives this document to C, who, on the faith of it, supplies a steam engine to B. The document is not sufficient as a note or memorandum for the purposes of Article II, inasmuch as it fails to show who were the parties to the agreement².
- 2. B having bought goods exceeding 10% in value resells them to A, who signs a document in the following words: 'A agrees to buy the whole of the lots of marble purchased

¹ Smith v. Surman, 9 B. & C. 561.

² Williams v. Byrnes, I Moo. P. C. C. N. S. 154.

by A, now lying at Lyme Cobb, at 1s. per foot.' This is not a sufficient note or memorandum, as it does not show that B is the seller¹.

It would be sufficient if it appeared, either by the document itself or by external proof, that B was a dealer in marble².

- 3. A signed memorandum in these words—'We agree to give A 19d, per pound for thirty bales of Smyrna cotton'—is, as against the party signing, a sufficient note or memorandum in writing for the purposes of this Article, though it shows no promise on A's part to sell the cotton³.
- 4. A orders goods at B's shop. A list of the goods bought is entered in a book entitled 'Order Book' and having B's name on the fly-leaf. A writes name and address at the foot of the list. The list signed by A in B's order book is a sufficient note or memorandum as against A, as it shows all that it is to be done on A's part, although a slight alteration to be made by B in one of the articles is not mentioned in the list⁴.
- 5. A delivers to B an order in writing to build a carriage of a specified description by a certain time, saying nothing about price. B makes the carriage, and in the course of the making alters it in various points at A's request. The order is a sufficient note and memorandum, and A must take the carriage at a reasonable price⁵.

(To be continued.)

¹ Vandenbergh v. Spooner, L. R. 1 Ex. 316; 35 L. J., Exch. 201 (doubted by Willes J.); L. R. 3 C. P. p. 54.

² Newell v. Radford, L. R. 3 C. P. 52; 37 L. J., C. P. 1.

^a Egerton v. Matthews, 6 East, 307.

⁴ Sart v. Bourdillon, 1 C. B., N. S. 188; 26 L. J., C. P. 78.

⁶ Hoadley v. Maclaine, 10 Bing. 482,

EDITORIAL NOTES.

Queen's Counsel.

The Law Journal (Eng.) joins us in advocating the abolition of Queen's Counsel. It says: "It is fully within the competence of the bar, by arrangement among themselves, to provide under what circumstances any member shall be allowed to advance himself to a position in which he shall be entitled to lead his seniors in point of standing. example of the want of independence of the bar that the question of precedence should have been left to the crown to decide instead of being retained under the control of the bar itself. The Lord Chancellor would probably be glad to be relieved of a troublesome and disagreeable duty, and if the bar were to lay down for itself the circumstances in which any of its members may anticipate his seniority, there is no doubt the courts would fully recognize the arrangement. No regret would be felt at the abolition of the anomalous dignity of Queen's Counsel, which is a comparatively modern institution, originating not in any consideration of merit or convenience, but purely in court favor; and the opportunity might be taken of reviving, in a new form, the ancient order of serjeants, if the crown should be graciously pleased to place that title at the disposal of the bar."

The Statutes.

Everyone is presumed to know the law, therefore there is no use in printing the statutes. This may be unanswerable as a deduction of pure reason from an indisputable premise; and it is not the part of an editor to plead ignorance. Nobody requires the statutes, we therefore admit, but the symmetrical appearance of the library depends upon its possession of another volume of statutes, and its appearance (that of the library, not the statutes) is important.