#### THE

# MANITOBA LAW JOURNAL.

Vol. II.

OCTOBER, 1885.

No to

# IGNORANTIA LEGIS NEMINEM EXCUSAT.

# A Rule in Criminal Cases; not in Equity.

HIS is an undoubted rule of law for application in criminal cases. But in equity we maintain that it is of no more validity than if it read, Ignorantia facti neminem

We are aware of much authority against this statement, and that the text-writers almost unanimously deal with mistake of fact, and mistake of law, as matters requiring separate treatment. For example, Lord Chelmsford in Midland G. W. Ry. Co., v. Johnson, 6 H. L. Ca. p. 810, said, "Mistake is undoubtedly one of the grounds for equitable interference and relief; but then it must be a mistake not in matters of law, but a mistake of facts." So also Mr. Pollock, in his work on Contracts says, that as a general rule "Relief is given against mistake of fact, but not against mistake of law," (3rd Ed. p. 420); and again at page 424, "While no amount of mere negligence avoids the right to recover back money paid under a mistake of fact, money paid under a mistake of law cannot in any case be recovered."

This proposition is considerably modified in Broom's Legal Maxims, 256: "Money paid with full knowledge of the facts, but through ignorance of the law, is not recoverable if there be nothing unconscientious in the retaining of it; and 2nd, money paid in ignorance of the facts is recoverable,

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provided there have been no laches in the party paying it, and there was no ground to claim it in conscience." writer seems to think that these propositions are antithetical; but apart from the laches, and the obscurity of the duplication of negatives, they are almost identical. The extract supports our contention when read in this way: "money paid in ignorance of law is recoverable, if there be anything unconscientious in the retaining of it; 2nd, money paid in ignorance of facts is recoverable, if there was no ground to claim it in conscience." The true criticism of the passage, however, would be that in the first of these propositions the words "facts" and "law" may be safely transposed for a converse rule; and the second is inaccurate. Inaccurate. because while there may not, as a matter of fact, be any ground for claiming the money, the parties may have agreed to take their chance of the truth, and having so contracted, are bound.

In Snell's Equity mistake of law is disposed of by saying that, as a general rule, ignorance of law is no ground for the rescission of a contract; and the only two qualifications mentioned are, (1) That the term law in the maxim refers to the general law of the country and not to private rights; and (2) That if a party acting in ignorance of a clear and settled principle of law is induced to give up a portion of his indisputable property to another, under the name of a compromise, a court of equity will relieve him from the effect of his mistake. Mistake of fact is then treated of under the headings of mutual and unilateral mistake.

## True Method of Treating Mistake of Law and Fact.

It is the object of this article to show that the true method of treating relief in equity, upon the ground of mistake of law and mistake of fact, is to place them, not in opposition, but together; for, as will be shown, the same principles apply to both. Wherever relief would be given upon the ground of mistake of fact, under analogous circumstances, the mistake being one of law, relief will also be given.

#### Mr. Bigelow's Proposed Test.

Before proceeding with the argument, however, we wish to notice an article which appeared in a late number of The Quarterly Review, in which Mr. Bigelow proposes a test, to which the question of the right to rescind under a  $m_{istake}$  of law, may be brought. "The case of Hunt v. Rousmaniere, 8 Wheat. 174; S. C., 1 Peters, 1," he says, "decides, then, this very intelligible and sound principle, that where a particular course is taken upon deliberation, in preference to another present to the minds of the parties, that action, so far, is final." For example, we suppose, if a married woman agrees to sell to A. her real estate, and a stupid conveyancer advises that a conveyance by the husband, with a bar of dower by the wife, is a form preferable to one in which the wife is a grantor, and the parties thereupon adopt the wrong form, the purchaser is without remedy. We propose to show that this is not the law.

#### Hunt v. Rousmaniere: What it does not Decide.

We are afraid that Mr. Bigelow has misread Hunt v. Rousmaniere. It is certainly no authority for his proposition, and its dicta are destructive of his test. The facts of the case were as follows:—Hunt agreed to lend money to Rousmaniere upon the seurity of two vessels. Advice of counsel was taken as to the form of the security, and a Power of attorney giving authority to sell the property, was agreed upon, under the mistaken idea that by this means the vessels would be charged with the payment of the debt. The debtor having died, and the power of attorney being therefore at an end, the lender asked to be declared to be entitled to a mortgage upon the vessels. He was unsuccessful, not upon the ground mentioned by Mr. Bigelow, viz., that a particular course was taken upon deliberation in Preference to another present to the minds of the parties, but upon the ground that the agreement was for a power of attorney, and that there was no agreement at all to give a mortgage. The Court in its judgment said, "This is not a bill asking for a specific performance of an agreement to

execute a valid deed for securing a debt, in which case the party seeking relief would be entitled to a specific lien, and the Court would consider the debtor as a trustee for the creditor of the property on which the security was agreed to be given. The agreement has been fully executed, and the only complaint is, that the agreement itself was founded upon a misapprehension of the law, and the prayer is to be relieved against the consequences of such mistake." I Peters 17.

#### Hunt v. Rousmaniere: What it does Decide.

The case, therefore, decides nothing but this, that where an agreement is made under a mistake of law, the Court will not enforce specific performance of that which the parties never agreed to. The case does not touch the question, whether an agreement made under mistake of law may not be rescinded; but decides merely this, that the Court will not make an agreement for the parties, and then order them to execute it.

#### The Proposed Test Tested.

Suppose that the parties had agreed that as security for the loan some form of instrument which would give the lender a charge upon the vessels should be executed, and that in carrying out this agreement "a particular course is taken," viz., a power of attorney is given, "upon deliberation, in preference to another present to the minds of the parties," viz., a mortgage; is it, under such circumstances, correct to say that "that action so far is final"? Not at all. The very contrary is the fact. And Hunt v. Rousmaniere is our authority for so saying:—"That the general intention of the parties was to provide a security, as effectual as a mortgage of the vessels would be, can admit of no doubt; and if such had been their agreement, the insufficiency of the instruments to effect that object which were afterwards prepared would have furnished a ground for the interposition of a court of equity.

# Enquiry after the True Rule.

We now proceed to show that the rules governing relief in equity upon the ground of mistake of fact are also applicable to mistake of law. And we will consider the subject under the following headings:—

- I. MUTUAL MISTAKE OF FACT.
- II. MUTUAL MISTAKE OF LAW.
  - I. In both of these cases land conveyed, or money paid, may be recovered.
  - 2. But if the parties are aware of a doubt as to fact or law, and, nevertheless, make an agreement, they are bound.
- III. UNILATERAL MISTAKE OF FACT.
- IV. UNILATERAL MISTAKE OF LAW.

In both of these-

- 1. Land and money are recoverable—
  - (a) If the mistake have been caused by fraud or misrepresentation.
  - (b) If the other party was under any obligation to disclose the truth.
- Land and money are alike irrecoverable if there have been no obligation to disclose the truth, and no fraud or imposition.
- V. MISTAKE AS TO THE LEGAL EFFECT OF THE TERMS OF AN AGREEMENT.
- VI. REVIEW OF SOME OF THE AUTHORITIES.

#### I. Mutual Mistake of Fact.

If an agreement be made for the sale and purchase of a messuage which, unknown to both parties, had at the time of the agreement been swept away by a flood, equity would relieve the purchaser upon the ground that both parties intended the sale and purchase of a subsisting thing, and implied its existence as the basis of their contract. Hore v. Becher, 12 Sim. 465; Cochrane v. Willis, L. R. 1 Ch. App. 58.

## II. Mutual Mistake of Law.

There seems to be no good ground for a different decision where the mutual mistake is one of law. For example:—

If A. purchase his own land from B., both believing as a matter of law that B. is the true owner, equity will relieve. Bingham v. Bingham, I Ves. Sen. 126; Cooper v. Phibbs, L. R. 2 H. L. 149; Earl Beauchamp v. Winn, L. R. 6 H. L., 223 & 234.

Under the same heading may be placed Re Saxon Life Assurance Co.; Anchor Case, 2 J. & H. 408; 1 J. & S. 29; 1 H. & M. 672. In this case Company A. agreed to transfer all its assets to Company B. X. was a creditor of Company A., and all parties believing that the transfer was valid, X. gave up his security as against Company A., taking a new one from Company B. The whole transaction proved to be ultra vires, and X. was held to be entitled to be reinstated in his former position upon the ground of mutual mistake.

When there is mutual mistake of law, therefore, as well as where there is mutual mistake of fact, land or money can be recovered, in equity.

# 2. Doubtful questions settled by the parties.

There is a class of cases which seem to form an exception to the generality of these rules. Cases in which there is a mutual mistake of fact or law with reference to the subject matter of the contract, and yet there can be no relief. It is this, that where a party is aware of a doubt as to a fact or as to his rights, and instead of insisting upon the view most beneficial to him agrees to adopt the other view, then he will not be permitted to assert the mistake with a view to relief.

Fact. While the non-existence of a messuage will nullify a contract based by both parties upon its existence (ante), if there be a doubt as to its existence and the purchaser take his chance, and for that pay his money, he can, most certainly, have no relief.

Law. Rogers v. Ingham, 3 Ch. Div. 351, affords us a good example of a doubtful question of law settled for ever without a law-suit. It was decided in that case that where a contest had arisen between two legatees as to the true

construction of the will, and, after advice taken, they had agreed to an equal division of the money, that it was not competent for one of them to allege a misconstruction of the will, with a view to the recovery of the portion of the money paid to the other legatee. The decision goes upon the ground of the sattlement of doubtful rights. The point was well known, counsel had advised the parties and the settlement was made and acquiesced in by both. The distinction between the cases is this. In Rogers v. Ingham both parties were aware of the existence of the doubt and deliberately, after consultation (which put all question as fraud out of consideration), agreed to a settlement. In the other cases the party aggrieved did not agree to any settlement. The point was never thought of. Mr. Bigelow's test, or something nearly like it, would be applicable here.

Turner, L. J., in Stone v. Godfrey, 5 D. M. & G. 90, is reported to have said, "This Court has power (as I feel no doubt that it has) to relieve against mistakes in law as well as against mistakes in fact. When, however, parties come to this Court to be relieved against the consequences of mistakes in law, it is, I think, the duty of the Court to be satisfied that the conduct of the parties has been determined by those mistakes; otherwise great injustice may be done. Parties may be erroneously advised as to the law, but they may be told on what circumstances the question of law depends, and in what mode it may be tried, and they may determine that (whether the advice which they have received be well or ill founded) they will give up the question in favour of the party with whom it arises." If they do so agree there can be no relief; but if there be no such abandonment, then there may, under certain circumstances, be relief.

See also Stapilton v. Stapilton, 1 Atk. 2; Gibbons v. Gaunt, 4 Ves. 840; Stewart v. Stewart, 6 Cl. & F. 911. Lansdowne v. Lansdowne, Mose. 364, must be justified upon the ground of misrepresentation. See the report in 2 J. & W. 205 See the reference in Stewart v. Stewart, 6 Cl. & F. 965 So also must Coward v. Hughes, 1 K & J. 443.

#### III. Unilateral Mistake-Of Fact.

- (a) Misrepresentation of a material fact, if relied upon, is a ground for rescission.
- (b) Non-communication of a material fact is likewise a ground for rescission where there is any obligation to disclose the truth.
- (c) It has recently been held (Paget v. Marshall, 28 Ch. Div. 255) that where a lessor agreed to lease, and did execute a lease, of certain portions of a building, and afterwards alleged that a part of the building was included by mistake, he never having intended to include it, he was entitled to relief, notwithstanding the fact that the lessee was under no misapprehension, and was in no way responsible for the mistake. The peculiar circumstances of the case and the ambiguity of the judgment render it of less importance as a precedent—a precedent for a doctrine unsupported, as far as we know, by any other case. See Bentley v. Mackay, 4 D. F. & J. 285; Mackenzie v. Coulson, L. R. & Eq. 368; Campbell v. Edwards, 24 Gr. 152.

#### 1V. Unilateral Nistake—Of Law.

And the rule seems to be the same in the case of a unilateral mistake of law.

# (a) Misrepresentation.

(a) Upon this point we cannot do better than adopt the language of Mr. Crosby Johnson, in 18 Cen. L. J. 9. "One universally recognized exception to the general rule is, where the party seeking relief from a mistake of law, was misled as to the law of the transaction, by the false statements of the other party. As a court of equity will not permit a party to profit by his own wrong-doing, nor to obtain a reward as the result of his fraudulent practices, it will allow relief against a mistake which is so brought about; nor is the granting of relief in such cases a violation of the rule, as the fraud furnishes adequate ground for interposing independently of the alleged mistake of law. Berry v. Whitney, 40 Mich. 65; Bales v. Hunt, 77 Ind. 355; Mason v. Pelletier, 82 N. C. 40;

Jenkins v. German, 58 Ga. 125; Hardigrave v. Mitchmer, 51 Ala. 151; Montgomery v. Stockley, 37 Iowa, 107; Bayoze v. Ins. Co., 4 Daly, 246.

# (b) Non-Communication.

It will be observed that we have not said (as is usual with the text writers) that non-communication will vitiate where there is any relation of trust or confidence between the parties. This is too narrow. It should be as wide as we have given it, "where the other party is under any obligation to disclose the truth." This includes not only cases of the stee and cestui qui trust, solicitor and client, and so on; but also cases where one person knowing that another owes him nothing, nevertheless takes his money. This may be placed under the head of failure of consideration, but we think it is more properly classified as we here present it.

Broughton v. Hutt, 3 DeG. & J. 500, was a case in which the principle is well brought out. In that case the plaintiff believing himself, as heir-at-law of a shareholder in a company, to be liable for the unpaid calls, executed a deed of indemnity to the trustees. The trustees were aware that it was the executor, and not the heir-at-law, that was liable, and it was held that inasmuch as "they ought not to have allowed him to sign the deed without apprising him of the fact," the deed ought to be cancelled.

- 2. Land and money irrecoverable if no obligation to disclose, and no fraud.
- (a) Mistake of fact. The purchaser of land, aware of the existence of a valuable mine upon the property, is under no obligation (apart from any other relationship between the parties) to disclose the fact; and the vendor's ignorance will form no ground for rescission.
- (b) Mistake of law. To the same rule should be referred a large number of cases usually cited for the proposition that relief will not be given upon the ground of mistake of law. Many of these are cited below under the heading of Review of some of the Authorities."

# V. Mistake as to the legal effect of the terms of an Agreement.

- 1. Mutual mistake. It would be strange indeed, if both parties admitting the mistake, one could nevertheless insist upon the true legal effect of an instrument; and of course the law would be the same, whether one of the parties admitted it or not, if the fact were proved. See Forbes v. Watt, L. R. 2 Sc. & D. 214; Pollock on Contracts, 418. The case of Midland G. W. R. Co. v. Johnson, 6 H. L. Co. 798. at p. 811, is not opposed to this. All that is there said is, "It seems, however, to me quite impossible to found an equity upon the ground of mutual mistake, to the extent of making a different contract from the one agreed to by the parties."
- 2. Unilateral mistake. "The construction of a contract is clearly matter of law; and if a party acts upon a mistaken view of his rights under a contract, he is no more entitled to relief in equity than he would be in law." Per Lord Chelmsford in Midland G. W.Ry. v. Johnson, 6 H.L. Ca. p. 810. And it has been held to be no answer to a bill for specific performance, that the defendant misunderstood the legal effect of an agreement. Powell v. Smith, L. R. 14 Eq. 85. On the other hand, it has been held that "the Court will receive parol evidence to rectify a written instrument, notwithstanding the language used was that intended by the parties, where the legal effect of such language is different from what was the intention and agreement of the parties." Merritt v. Ives, 2 U. C. O. S. 25. And in Wycombe Ry. Co. v. Donnington Hospital, L. R. I Ch. App. 273, the decree refusing specific performance was expressly put upon the ground that it is "contrary to the principles and practice of this Court " to decree specific performance of an agreement "where one of the parties to a contract understood the agreement in a different sense to the other." performance being always discretionary with the Court, there would seem to be good ground for refusing a decree where the defendant proves that he was under a misappre-

hension. But the question remains,—Will the Court rescind an agreement where one of the parties is in error? With deference we would place this under a previous heading, and say that relief will be granted only where there is, (a) some fraud or misrepresentation, or (b) some non-disclosure or non-enlightenment under circumstances in which the Court holds that silence amounted to fraud.

#### VI. Review of some of the Authorities.

We now proceed to an examination of some of the cases most frequently cited in connection with the subject, and which are supposed to uphold the distinction between mistake of law and of fact.

In Brisbane v. Dacres, 5 Taunt. 143, the captain of a King's ship brought home in her, public treasure upon the public service, and treasure of individuals for his own emolument. He received freight for both, and paid over one-third of it, according to an established usage in the navy, to the admiral under whose command he sailed. Discovering, however, that the law did not compel captains to pay to admirals one-third of the freight, the captain brought an action for money had and received, to recover it back from the admiral's executrix; and it was held that he could not recover back the private freight, because the whole of that transaction was illegal; nor the public freight, because he had paid it with full knowledge of the facts, although in ignorance of the law, and because it was not against conscience for the executrix to retain it. "If we were to hold otherwise," said Gibb, J., "I think many inconveniences may arise; there are many doubtful questions of law; when they arise, the defendant has an option, either to litigate the question, or to submit to the demand, and pay the money." This case, therefore, is one of a doubtful question of law settled by the acts of the parties; a case similar to Rogers v. Ingham (ante), and contravenes in no way our proposition.

Higgs v. Scott, 7 C. B. 63, was decided upon the same principle. There A., tenant to B., received notice from C., a mortgagee of B.'s term, that the interest was in arrear,

and requiring payment to her (C.) of the rent then due. A., notwithstanding this notice, paid the rent to B., and was afterwards compelled, by distress, to pay the amount over again to C. *Held*, that the money having been paid to B. with full knowledge of the facts, could not be recovered back. "It was not against conscience" for B. to retain the money.

In Bilby v. Lumley, 2 East, 470, an underwriter having paid the loss, sought to recover the amount paid, on the ground that a material circumstance had been concealed at the time of the contract. It appearing, however, that he knew of this fact at the time of the adjustment, it was held that he could not recover. This case forms as good an example as we could wish for the application of our principle-It is said, if the underwriter had been ignorant of the fact at the time of the adjustment, he might have recovered. But having known the facts, and being ignorant only of the law, he was defeated. There seems to be some ground here for saying, Ignorantia facti excusat; ignorantia juris non excusat. But, on reflection, all the case decides is, that where an underwriter has been misled in issuing the policy, and, after full knowledge of the fraud, pays the money, he cannot recover it again. And if it be answered, that the underwriter did not know that by law he was relieved from payment, the reply is, not that every one is assumed to know the law, but that the other party was in no way responsible for the ignorance. In other words, it is a case of unilateral mistake, not caused by the other party; and if it had been a mistake of fact under the same circumstances there would have similarly been no relief.

In Freeman v. Jeffries, L. R. 4 Ex. p. 197, Kelly, C. B., puts the following hyyothetical cases, which are useful by way of further illustration: "If A. pay money to B., supposing him to be the agent of C., to whom he owes the money, and B. be not the agent, it may be recovered back again." In this case the mistake may be one of law, as in the interpretation of a power of attorney; or of fact, as to whether there ever was, a power of attorney. In both cases

the money can be recovered. For the mistake in both may be mutual, and if unilateral it would be clearly within Broughton v. Hutt, 3 De G. & J. 500, for B. was clearly bound to apprise A. both of law and fact—clearly bound not to take money to which he knew he had no title. The other case put by Kelly, C. B., is this: "If A. and B. are settling an account, and make a mistake in running up the items, A. pays B. 100/. too much, he may recover it again." Certainly, for it is a case of mutual mistake of fact. If they both were aware of all the facts, but as to one item they disputed upon the law, and A. paid the amount when he need not have done so, would he be similarly entitled to relief? Not similarly, because the cases are dissimilar. the mistake was a mutual one, but if A., notwithstanding the doubt, chose to pay, he has settled the matter. If it were unilateral then A. can recover only if there have been some ground of fraud or improper concealment.

In Harman v. Coen, 4 Vin. Abr. 387, pl. 3, two were jointly bound by a bond, and the obligee releases one, supposing, erroneously, that the other will remain bound, the obligee will not be relieved upon the mere ground of his mistake of the law, for ignorantia juris non excusat. And if the release had been given upon the erroneous presumption that the other obligee was dead—a mistake of fact—could relief have been granted? Not at all, unless the releasee was in some way responsible for the mistake. And in such case relief would likewise have been given in respect of the mistake of law.

We think that we may now safely desist. Our proposition and arguments are sufficiently indicated. Whether they are entirely wrong is a matter of law, from which we will be entitled to no relief, for we believe it to be unilateral and not brought about by fraud, misrepresentation or concealment; unless, perhaps, editors are exceptions to every rule.

### THE RIEL CASE.

THE points determined in this and the Connor's case, 2 Man. L. R., may be summarized as follows:—

- I. A stipendiary magistrate and a justice of the peace, with the intervention of a jury of six, may try any charge of murder or treason in the North West Territories.
- 2. The information may be laid before a stipendiary magistrate alone. An associate justice of the peace is necessary for the trial only.
- 3. Except for the purpose of arrest, it is not necessary that there should be an information at all; nor need the trial be based upon an indictment by a grand jury, or a coroner's inquisition. All that is necessary is a charge, and this need not be under oath.
- 4. The evidence may be taken in short-hand.
- 5. Writs of *certiorari* and *habeas corpus* cannot be issued by the Court of Queen's Bench in Manitoba to bring up the papers and prisoner upon an appeal to that Court.
- 6. The Court of Queen's Bench will hear an appeal in the absence of the prisoner.

# EDITORIAL NOTES.

#### Circuits.

The Autumn Circuits have been arranged as follows:—
Eastern.—The Chief Justice, commencing 10th November.
Central.—Mr. Justice Dubuc, commencing 3rd November.
Western.—Mr. Justice Killam, commencing 10th November.

# An incident in Queen v. Riel.

Counsel: "No record is ever made up in criminal cases unless wanted for ulterior purposes."

The Chief Justice: "The only note of the sentence, even in murder cases, is that entered upon the indictment by the clerk—Sus. pen. col."

Mr. Justice Taylor: And sometimes only S. P. C."

Counsel: "P.P.C. I suppose would answer all the purpose."

#### The Master of the Rolls.

The Right Hon. Sir William Baliol Brett has been raised to the Peerage, and will be known in future as Baron Esher. He was born August 13, 1817, and is therefore 68 years of age. He was called to the bar at Lincoln's Inn, in Hilary Term, 1846; was M. P. for Helston from 1866 to 1868; appointed Solictior General in 1868; was a Justice of the Court of Common Pleas from 1868 to 1875, and of the Common Pleas Division of the High Court of Justice from 1875 to 1876: was Lord Chief Justice of Appeal from 1876 to 1883; and has been Master of the Rolls since 1883. We agree with *The Law Journal* (Eng.) in saying that "the creation not only bestows a well-earned distinction, but secures to the public in the future the services, in the highest court in the country of one of its ablest lawyers."

#### The Statutes.

The Law Journal (Eng.) is very angry because of the long delay in the appearance of the Statutes of the last British Parliament. If in Manitoba the Queen's printer should, by any chance, happen to accomplish that which the same functionary in England is traduced for failing to achieve, he would, no doubt, receive instant dismissal for excessive promptitude and consequent breach of all tradition.

Notice the dates: "The usual complaint at the end of the session of the lateness of the appearance of Queen's printer's copies of Acts of Parliament must be made again

with additional force this year. Most of the Acts which obtained the royal assent on the 6th inst. were not obtainable until the 14th following, and the Acts assented to on the 14th were not to be had till the 17th. There is no excuse, &c."

English practitioners have our most hearty sympathy. It is really dreadful to be kept out of the statutes for three days. When it lasts for four months one becomes hardened and can practice with as much confidence as if one had not only seen but read and studied the last volume of legislation. But in the three-day stage the suffering must be intense. They should come out west where things are done properly.

# REVIEWS.

HAWKINS ON WILLS.—We have received from T. & J. W. Johnson & Co., Philadelphia, a copy of the 2nd American edition of this important work. The original design of the book, a design admirably executed by the author, appears from his preface: -- "The present work is intended to embrace all the questions of testamentary law on which rules of construction exist. It seems to have been thought by some that a rule ought to exist upon every possible point of construction; but the tendency of the courts now is to avoid creating (except in minor matters) any fresh rules, and not to extend the older rules beyond their present limits. If this principle be acted on, the law necessary to be known for purposes of construction may be reduced within moderate dimensions, and the present treatise is designed to show (however imperfectly) the form in which it might be permanently retained."

The present edition contains references, not only to the American editions, but also, we are glad to notice, to the more important of the Canadian cases. The Law Society has already procured a copy of the edition, and we can safely recommend it to the profession.