

[6th July 1832.]

CRANSTOUN, ANDERSON, and TROTTER, W.S., trust-assignees of Sir WILLIAM FORBES and COMPANY, Appellants. — *Dr. Lushington — Wilson.*

No. 6.

ROBERT CUNNINGHAME BONTINE Esq. of Ardoch, and WILLIAM CUNNINGHAME CUNNINGHAME GRAHAM Esq., of Gartmore and Finlaystone, Respondents. — *Lord Advocate (Jeffrey) — Dundas.*

Bankrupt—Statute 1696, c. 5.—Held (affirming the judgment of the Court of Session), that a disposition and assignation, and infestment taken thereon within sixty days of the bankruptcy of the granter, in implement of missives of sale executed several months previously, were not reducible under the act 1696.

WILLIAM CUNNINGHAME CUNNINGHAME GRAHAM, of Gartmore, was proprietor of the entailed estate of Finlaystone, in the mansion-house of which, his son, Robert Cunninghame Bontine of Ardoch, resided, under a lease from his father. On the 11th of March 1826, Bontine addressed the following letter to his father: “ I hereby make offer to you the sum of 4,240*l.* sterling for your life-rent interest in that part of the estate of Finlaystone held by me in lease from you, together with the right to the game on that and the other parts of the estate. My entry to be at the term of Whitsunday next, and the price to bear interest from and to be payable at that date. I likewise offer to purchase from you the whole growing wood or timber on the lands let in lease to me, the

1st DIVISION.

Ld. Fullerton.

No. 6.

6th July
1832.

CRANSTOUN
and others
v.
BONTINE
and another.

“ price or value thereof to be ascertained by two arbiters
 “ mutually chosen ; and in case of their differing in
 “ opinion, by an umpire to be fixed on by them ; and
 “ for the price so to be settled, I shall grant my bond
 “ to you and your executors, payable at the first term
 “ of Whitsunday or Martinmas after your death. Upon
 “ your accepting of this offer, a regular deed of convey-
 “ ance to be granted at our mutual expence.” Graham
 accepted this offer, by a letter of the same month.

When the term of Whitsunday 1826 arrived, no payment was made by Bontine to Graham ; but Bontine alleged, that having right to the succession of the estate of Ardoch, as a substitute heir of entail, from his birth in 1799, the possession thereof was held, and the rents from that date drawn by his father, as his administrator-in-law, till he attained majority in 1820. For those rents, and also for large sums intromitted with by Graham, arising from the sales of woods and other property belonging to the son, the father had hitherto failed to render accounts ; and there depended in the Court of Session an action against him at the son’s instance, concluding for upwards of 40,000*l.* sterling. In consequence of this state of accounting, the son asserted, that it was agreed and understood between them, that when the price of the life-rent of Finlaystone fell due, it should be imputed by the son to an extinction pro tanto of the greater debt due him by Graham.

On the 5th August 1826, Graham executed in favour of his son a disposition and assignation, as follows :

“ I, William Cunninghame Cunninghame Graham,
 “ Esq., of Gartmore and Finlaystone, heir of entail in
 “ possession of the lands and estate of Finylastone,

“ considering, that Robert Cunninghame Bontine, Esq.,
 “ of Ardoch, by missive letter addressed to me, dated
 “ the 11th day of March 1826, made offer to me of the
 “ sum of 4,244*l.* sterling for my life-rent interest in
 “ those parts of the estate of Finlaystone held by him
 “ in lease from me, and hereafter more particularly
 “ described, together with the right to the game on the
 “ said estate, his entry to be at the term of Whitsunday
 “ then next, now last past, and the price to bear inte-
 “ rest from and to be payable at that date; and upon
 “ my acceptance of the said offer, that a regular deed
 “ of conveyance should be granted at our mutual
 “ expence; of which offer I, the said William Cun-
 “ ninghame Cunninghame Graham, accepted, by letter
 “ addressed to the said Robert Cunninghame Bontine,
 “ dated the 20th day of March 1826: And now, seeing
 “ that the said Robert Cunninghame Bontine has ac-
 “ counted for and made payment to me of the foresaid
 “ sum of 4,244*l.* sterling, of which I hereby acknowledge
 “ receipt, and discharge the said Robert Cunninghame
 “ Bontine, his heirs, executors, and successors, for ever:
 “ Therefore I have disponed, conveyed, and made over,
 “ as I do hereby, in implement of my part of the said
 “ agreement, and with and under the declarations con-
 “ tained in the precept of sasine after inserted, dispone,
 “ assign, convey, and make over to and in favour of the
 “ said Robert Cunninghame Bontine, and his heirs and
 “ assignees whatsoever, heritably and irredeemably, all
 “ and whole,” &c.

Infestment followed on the 7th August, which was
 recorded on the 8th of that month; but on the 6th Sep-
 tember Graham was rendered bankrupt, under the act
 1696, c. 5. In the year 1824 Graham had accepted

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

a bill for 5,000*l.*, drawn on him by Dunlop, W. S., which had been indorsed to and discounted by Sir William Forbes and Co., bankers in Edinburgh. Not being paid, the bankers assigned the bill and debt to Cranstoun, Anderson; and Trotter, who raised an action of reduction of the two letters above quoted, and the disposition and assignation, on the ground that the missive letter and letter of acceptance, and the disposition and assignation, were granted by Graham, at a time when in insolvent circumstances, to Bontine, his son, a conjunct and confident person, without any true, just, or necessary cause, or without a just price really paid for the same, with a view to defraud the pursuers, their cedents and authors, and his other just and lawful creditors; and such being the case, the missive letter and acceptance, and the said disposition and assignation, and sasine thereon, were null, in terms of the act of parliament 1621, c. 18; and because the missive letter and acceptance, and the disposition and assignation, were granted by Graham to Bontine in security of a former debt, with an intention to give him a partial preference, and to defraud and disappoint the pursuers, and their cedents and authors, and his other just and lawful creditors, and at a time when he was in insolvent and bankrupt circumstances, and under diligence at the instance of his other creditors, which diligence was raised and search made within sixty days after the date of the sasine following upon the said disposition and assignation, whereby the said missives, disposition, and assignation, and sasine thereon, were null and reducible, in terms of the act of parliament 1696, chapter 5; and concluding, that it should be found and declared, that Graham was, at the time

the missive letter and letter of acceptance were written, and at the time of granting the disposition and assignation, at least within sixty days after the date of the sasine following thereon, utterly insolvent and bankrupt, in terms of the statute; and it being so found and declared, the missive letter and letter of acceptance, and the disposition and assignation, and sasine thereon, and all that has followed or may follow upon the same, ought and should be reduced, &c. and declared, by decree of the Court, to have been from the beginning, to be now, and in all time coming, null and void, and of no avail, force, strength, or effect in judgment; and the missive letter and letter of acceptance, and the disposition and assignation, and sasine thereon, being so reduced and set aside, Bontine ought and should be decerned and ordained, by decree foresaid, to make payment to the pursuers, trust-assignees foresaid, of the rents, mails, and duties of the parts and portions of the lands of Finlaystone, in so far as the same have been or may be intromitted with or due by him; with expence of process.

Bontine's pleas in law, in defence, were —

1. As the sale to which the deeds under reduction refer was a bonâ fide onerous transaction, which originated at a time when Graham was to all appearance in circumstances perfectly solvent, and as the deeds were not granted without lawful, just, and necessary causes, they are not liable to reduction under the statute 1621, c. 18.

2. The statute 1696, c. 5. does not apply to cases like the present. The statute was not intended to operate as a bar to the ordinary transactions of life, and it does not annul such transactions, though entered into

No. 6.

6th July
1832.

CRANSTOUN
and others
v.
'BONTINE
and another.

No. 6.

6th July
1832.

CRANSTOUN
and others
v.
BONTINE
and another.

by the bankrupt within sixty days of bankruptcy. It was not intended by the deeds under reduction to confer any preference on Bontine over Graham's other creditors, nor have they that effect. And the deeds having been granted in consequence of a transaction agreed on many months before the bankruptcy, they are in no view struck at by the statute 1696.

3. It was perfectly lawful for the parties to impute the price towards payment of a much larger sum due by Graham to the defender.

4. The defender is entitled to retain and apply whatever sum may be deemed still in his hands towards payment and extinction of the same debt.

June 23, 1829.

The record being closed, and Graham making no appearance, the Lord Ordinary reduced, decerned, and declared, in terms of the reductive conclusions of the libel, and observed in a Note — “ This action is brought
“ on the act 1621 and on the act 1696. The parties
“ differ materially in regard to facts, which it would be
“ indispensably necessary to ascertain before disposing
“ separately of either of these grounds of reduction.
“ If, according to the defender's statement, the granter
“ of the deeds was truly indebted to the defender in
“ a larger sum than the consideration for which they
“ bear to be granted, it would be difficult to deny
“ their onerosity; on the other hand, if the defender's
“ statement in that particular be unfounded, the deeds
“ could not well fall under the operation of the act
“ 1696.

“ But as the defender admits, in the seventh article
“ of his statement of facts, that no money was actually
“ paid, that the disposition and infestment were
“ granted on the ‘ understanding ’ that the price or

“ consideration stipulated in the missives should be
 “ imputed towards the extinction of the much larger
 “ debt due by Mr. Graham, the granter, to the de-
 “ fender; and it is also admitted, that the disposition
 “ and infestment, (which last, or rather its registration,
 “ must be held to fix the date of the transaction,) were
 “ granted within sixty days of bankruptcy, it appears to
 “ the Lord Ordinary that the deeds under reduction,
 “ if not falling under the operation of the act 1621,
 “ must necessarily, and according to the admission of the
 “ defender, be struck at by the act 1696.

“ The only point remaining to be disposed of is the
 “ conclusion for the rents.”

Bontine reclaimed to the First Division of the Court
 of Session, and their Lordships recalled the interlocutor
 of the Lord Ordinary complained of, “so far as the same
 “ reduces and decerns upon the grounds of the act of
 “ parliament 1696, and remit to Lord Moncreiff, the
 “ junior Lord Ordinary, in place of Lord Fullerton, to
 “ proceed and do further in the cause as to his Lord-
 “ ship shall seem proper; reserving all questions of
 “ expences hinc inde until the issue of the question
 “ presently in dependence.” *

Cranstoun, Anderson, and Trotter appealed.

Appellants.— The letters and disposition and assigna-
 tion under reduction, which were granted by Graham
 when insolvent, are clearly struck at by the acts 1696,
 c. 5, and 54 Geo. 3, cap. 137, sec. 12. The spirit as
 well as the letter of these statutes apply to this convey-
 ance, which constituted an illegal preference in the

No. 6.

6th July
 1832.

CRANSTOUN
 and others
 v.
 BONTINE
 and another.

Feb. 2, 1890.

* 8 Shaw and Dunlop, 425.

No. 6.

6th July
1832.

CRANSTOUN
and others
v.
BONTINE
and another.

respondent's favour, who, according to his own statement, gave no present value for the conveyance; but though merely a prior creditor of his father at the date of the transaction under challenge, was from that period enabled to plead, upon his claim of debt, a set-off or compensation to the amount of the purchase-money of the subjects conveyed to him.

These deeds were not followed by seisin till the day Graham absconded, and within a month of his legal bankruptcy; but all deeds challenged under these statutes must be held to be of the date of the registration of the sasine. The application of the statutes is the more undoubted, as, from the admitted circumstances of the case, the agreement between the parties must have been entered into with no other intention at the time than to create an undue and partial preference over other creditors.

Although there had been no express and positive agreement in contemplation of bankruptcy, by which the respondent was to have right so to apply the price of his purchase as to secure a preference over his father's other creditors, the missive letter and subsequent deeds would be still objectionable on the act 1696, c. 5; and this totally independent of any actual fraud or corrupt intention. Under this statute it is sufficient to annul a conveyance or other deed granted within sixty days of the registered sasine, that, in effect, as in the case of the transaction under challenge, it operates as a preference, and enables the creditor, from the period of its execution, to provide for the payment of his debt.

Even if the minute of agreement had constituted a proper sale for a price paid by the respondent to Graham, the statutes 1696, c. 5, and 54 Geo. 3, c. 137,

would have still prevented the execution of that agreement, by the act or interposition of the bankrupt in August following, when, after an interval of nearly five months, he voluntarily granted the disposition on which sasine was taken in favour of his son; for the respondent, by paying the price of his purchase from Graham, would have become a mere personal creditor for fulfilment of the obligation to grant a conveyance; and after bankruptcy, actual or constructive, a debtor is not entitled to interpose at all in granting any voluntary deed, such as a disposition or other conveyance, which may operate to the advantage of a particular creditor over the creditors at large. — 2 Bell, p. 130, 210, 214; Spier, 22 May 1826, (2 W. & S. p. 253); Blaikie, 9 March 1781, (Mor. 887); 2 Bell, p. 219; M'Math, 1 March 1791, (2 Bell, p. 213); Dunbar's Creditors, 13 June 1793, (Mor. 1,027); Eccles, 4 Feb. 1729, (Mor. 1,128); Trustees of Brough, and other cases, in 2 Bell, p. 225.

Respondent. — The act 1696, cap. 5, (and which was assumed as the sole ground by the Lord Ordinary,) has no application to such a case as the present. The object of that act is to cut down voluntary deeds granted by parties bankrupt and insolvent, after bankruptcy, or within sixty days before, for satisfaction or further security of debts then subsisting, such as may operate a preference to the grantee, in prejudice of the granter's other creditors.

As to the original lease, it has not been challenged by the appellants, the transaction not falling within the period of the statutory prohibition. But neither does the transaction for the purchase of the life-rent

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

interest come within the statutory period. Before the statutory period of sixty days commenced, there was a free interval of more than three months, during which Graham was at perfect liberty to sell, and the respondent or any one else at liberty to purchase from him, exactly in the same manner as if there had been no subsequent bankruptcy, but that he had continued a solvent man to the present hour. Even although the date of the purchase were brought down to the date when the price was payable, and the amount thereof imputed, the transaction would still be equally unchallengeable.

Then how can the disposition and conveyance of the life-rent interest be struck at by the statute? It is impossible to bring that deed under the statutory description of a "voluntary" disposition, granted either for satisfaction or further security of a debt, in preference to other creditors. It was a deed necessarily granted by Graham, to the granting of which he was in law compellable at the respondent's instance, as being merely in implement of the purchase which had been previously concluded. Subsequently to the period of payment, Graham's debt to the respondent was wiped off to the extent of the agreed price of the life-rent. The respondent could not, at any subsequent period, shake himself free of the purchase, had he been ever so desirous; nor could he maintain a claim of debt against Graham to the full amount of his intromissions, but only to that amount minus the agreed purchase money.

But if such was the respondent's situation, it is not less obvious that Graham was brought under a direct obligation to grant a conveyance of the subject for which the price was payable. This was an obliga-

tion of a different nature, and calculated to produce a different effect from that which he lay under in regard to his intromissions. It was not an obligation to pay a sum of money, but an obligation to execute a deed for the effectual transfer of an heritable subject, in consideration of a price actually paid, in respect the money was previously in his own hands, ready to be imputed when the term of payment arrived. And thus, if the obligation to convey is to be called a debt, which no doubt it may, as giving rise to a corresponding claim at the respondent's instance, it is a novum debitum, which, in the interpretation of the act 1696, has been repeatedly adjudged not to fall under that statute.

It is quite unnecessary to go into any inquiry as to the debt due by Graham to the respondent. In the meantime the respondent is entitled to retain the price he agreed to pay for the life-rent; and whenever the amount of the debt due to him is precisely fixed, compensation takes place, the legal effect of which draws back to the date of the concurrence debiti et crediti, and consequently operates virtual payment, as if the respondent had paid down the price. — Johnstone, 29 Jan. 1751, (*Elchies v. Bankrupt*, No. 27); Mansfield & Co., 15 Feb. 1771, (F. C.); Mitchell, 12 Nov. 1799, (F. C.); Bank of Scotland, 7 Feb. 1811, (F. C.); Cormack, 8 July 1829, (7 S. & D. p. 868); Kames's Dictionary, vol. I. p. 165; Bankton, B. I. t. 24, § 27; and Erskine, B. III. t. 4, § 12, 20.

LORD WYNFORD. — My Lords, this is an action of reduction and improbation, that is, an application to the Court in Scotland to vacate and set aside certain written instruments, namely, “An offer or missive letter, dated

No. 6.

6th July
1832.CRANSTOUN
and others
v.
BONTINE
and another.

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

the 11th day of March 1826, written by Robert Cunninghame Bontine, to William Cunninghame Cunninghame Graham, his father, whereby the said Robert Cunninghame Bontine made offer to the said William Cunninghame Cunninghame Graham of the sum of 4,244*l.* sterling, for his life-rent interest in that part of the estate of Finlaystone held by him in lease from his father, together with the right to the game on that and the other parts of the estate;” the answer to that letter, accepting the offer, dated the 20th of March 1826; the disposition and assignation made in consequence of these letters, of date the 5th of August 1826; and the instrument of sasine, for the purpose of carrying the same into execution, dated the 7th of August 1826. The assignment was made, and sasine executed within sixty days of Graham’s bankruptcy, but the two letters (which if Graham was the debtor of Bontine to the amount of the sum stated in them to be the consideration of making the assignment bind him to make trust-assignment) were written long before his bankruptcy and when he had the complete *jus disponendi* of his property. Bontine, the respondent, is the son of Graham. Graham had been the guardian of Bontine during his infancy, and had received, in the character of guardian, the income of his estates,—Bontine attained his majority in 1820. It is said that Graham received of Bontine’s property, during his minority, the sum of 40,000*l.* Whatever the sum was, that remains still a debt. The amount of this sum is disputed, but that is a matter with which, it appears to me, your Lordships have nothing to do now, but which may be extremely material, according as your Lordships decide one way or the other, in another stage of the cause. In the year 1826 Bontine

applied to his father to sell the life-rent of his estate. The letter of Bontine offered the sum of 4,244*l.* to be paid at the Whitsunday then following for the life-rent; and that offer is accepted by the letter of Graham. The estate, therefore, appears to be conveyed in consideration of a sum of 4,244*l.*, to be paid at Whitsunday. No such sum was ever paid; because the true character of the transaction was, that instead of the payment of 4,244*l.*, that sum was to be taken off from the supposed previous existing debt from Graham to Bontine. My Lords, on this case coming before the Lord Ordinary, he decided that it was not sufficiently made out that there was no consideration for this assignment, and that therefore the instrument was not affected by the Scotch statute of 1621, which is the statute relative to bankrupts, that voids all conveyances which are made without consideration; but his Lordship was of opinion, that the two last of these instruments, the assignment and the sasine, being within sixty days of the bankruptcy, and not being, as his Lordship considered, for a present debt, they were struck at (to use the words which appear to be familiar to the learned Judges of the Court of Session) by the statute of 1696. A majority of the Court of Session held that the assignment and sasine were not struck at by the statute of 1696, and reversed the interlocutor of the Lord Ordinary. The question for your Lordships decision will be, whether the assignment and sasine are within the statute of 1696? It will be material to call your Lordships' attention to the words of this statute. It is enacted, "That for hereafter, " if any debtor under diligence by horning and caption, " at the instance of his creditor, be either imprisoned or " retire to the Abbey, or any other privileged place, or

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

“ flee or abscond for his personal security, or defend
 “ his person by force, and be afterwards found by
 “ sentence of the Lords of the Session to be insol-
 “ vent, shall be holden and repute on these three
 “ joint grounds, viz. diligence by horning, and caption,
 “ and insolvency, joined with one or other of the
 “ said alternatives of imprisonment, or retiring, or
 “ flying, or absconding, or forcible defending, to be a
 “ notour bankrupt, and from the time of his foresaid
 “ imprisonment, retiring, flying, absconding, or forcible
 “ defending, which being found by the sentence of the
 “ Lords of Session, at the instance of any of his just
 “ creditors, who are hereby empowered to raise and
 “ prosecute a declarator of bankrupt thereanent, His
 “ Majesty, with consent of the Estates of Parliament,
 “ declares all and whatsoever voluntary dispositions,
 “ assignations, or other deeds, which shall be found to
 “ be made and granted, directly or indirectly, by the
 “ foresaid dyvour or bankrupt, either at or after his be-
 “ coming bankrupt, or in the space of sixty days of before,
 “ in favours of his creditors, either for his satisfaction or
 “ further security, in preference to other creditors, to be
 “ void and null.” I have stated to your Lordships, that
 the instrument of assignation and the deed of sasine,
 were made within sixty days of Graham’s bankruptcy.
 My Lords, I have no hesitation in saying, that but for
 the previous instruments, of the 11th and 20th of
 March — there being no novum debitum, as it is called
 in the Scotch law, to support these deeds — these would
 be struck at by this statute ; but the question is, Whe-
 ther the two letters executed in the month of March do
 not prevent the statute of 1696 attaching upon the as-
 signation and sasine? Assisted by the excellent argu-

ment your Lordships heard at our Bar, I have looked into all the cases, and I can find no one which appears to me to give your Lordships much assistance in the decision of the question before us. I beg your Lordships to observe, that the statute does not declare all deeds to be void and null that are made within the time specified, but only "voluntary" deeds. But you cannot say that a deed is voluntary which a party is bound to execute, and which the law will compel him to execute. A voluntary deed is one which the party is at liberty to execute or not as he pleases. In the month of March, when the letters were written, Graham was free to assign his life-rent for a past or present consideration. He then for a past consideration, which we must assume to be a just one, bound himself by his letter to assign it to Bontine. A Court of equity would have obliged him to make that assignment, and no change in the state of his property by bankruptcy, or otherwise, could excuse him or those who derive under him, as the assignees of his estate, from completing that assignment. If he had conveyed it away to a person, without any consideration, undoubtedly that transaction would have been vacated by the statute of 1621. But the Lord Ordinary held the transaction not to be within that statute. We must assume, therefore, that there was a debt due from Graham to Bontine at the time when the letters were written. Graham had the power of paying any legal just creditor; and your Lordships, deciding this question upon the true construction of the statute of 1696, must consider that Bontine was in the month of March a just and true creditor. It is not true that the money was to be paid at Whitsunday as the letter states; and that may be material when a question

No. 6.

 6th July
 1832

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

shall arise as to the genuineness of the transaction. But that is not the question we are now deciding; that question will be referred to the Court of Session, who will inquire into the bonâ fides of the transaction. But considering this case, with reference to the question on the interlocutor of the Court setting aside that part of the judgment of the Lord Ordinary which says the deed is struck at by the statute of 1696, we must assume that it was an assignment of this property for the purpose of discharging a bonâ fide debt. Then, viewing it as a fair transaction, and that the debt gave to the party with whom that contract was made a private right, which private right he might enforce, then I submit to your Lordships, that it is impossible to consider that the deeds which passed within the sixty days could be voluntary deeds. By the statute of 1696, all deeds executed within sixty days of a bankruptcy are to be set aside; but the Scotch Courts have for a long time very properly decided, that if within the sixty days a man pays full valuable consideration, and takes an assignment of property, the assignment not being made for the purpose of securing or paying a creditor, such assignment is not struck at by the statute. The statute does not apply to nova debita. By such transactions the creditors are not injured. If they have not the estate conveyed, they have an equivalent in having the prices paid for it. Therefore the Court say, taking all these circumstances into consideration, though the instrument may be within sixty days, it is not within the spirit of the statute, for that is to protect the property for the benefit of the creditors, and it is fairly and justly protected. The object of the act was to prevent the bankrupt's estate being disposed of to

favourite creditors to the prejudice of others ; and the courts have held if a transaction did not tend to divert property from the general creditor to some favoured creditor, although it might be within the letter, it was not within the spirit of the statute, and therefore not to be affected by it. In remedial laws it is the spirit and intention of the legislature, and not the letter of the acts by which courts are to be guided. *Spier v. Dunlop*, decided in this House, has been referred to ; and I should have recommended your Lordships to have given judgment yesterday, but that I was anxious to look farther into that case before I advised your Lordships to come to a decision, which it was supposed might interfere with what had already been decided by your Lordships. I have carefully read that case, and it does not appear to me that it bears in the slightest degree upon the present. That was a case between an uncle and a nephew. The nephew indorsed a bill, which the uncle, who was afterwards a bankrupt, accepted. The nephew, suspecting the uncle to be in doubtful circumstances, and likely to fall into bankruptcy, prevailed upon him, within sixty days, to give an assignment of certain property. For what reason ? To secure him, the nephew, against the consequences of his indorsement ; for your Lordships know that the consequence of indorsement is, that although the acceptor is first liable, yet, if he does not pay, the holder has a right to recover the amount from the indorser. If I had had the honour of a seat in your Lordships' House at the time that case was decided, I should have acquiesced in the decision pronounced, that that was a case directly within the statute. They considered that a fraud upon the law, and therefore held it to fall within the meaning of the provisions of the

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

No. 6.

 6th July
 1832.

 CRANSTOUN
 and others
 v.
 BONTINE
 and another.

statute. But your Lordships see, that in that case the nephew, the indorser of the bill, had not, before sixty days, whilst his uncle had the power of disposing of his property, any obligation from the acceptor binding him to make any such assignment to secure him against the consequences of the indorsement. That circumstance distinguishes that case from the present. In Spier's case the assignation was purely voluntary, for there was no previous engagement binding upon the uncle; but in the present the assignation was not purely voluntary, but on fulfilment of a previous legal contract. I have only to repeat, that all that the judgment appealed from declares is, that this transaction is not within the statute 1696; and being of opinion that that judgment is right, I therefore shall humbly move your Lordships, that the judgment of the Court below be affirmed. But, my Lords, there is another question, namely, the question of costs. There is a general rule, that when an appeal is dismissed, the party appealing should pay the costs. But, my Lords, the appellant, as it appears to me, was drawn here, by the Lord Ordinary having decided in his favour, and two of the learned judges in the Inner House having supported that judgment. He was, in coming here, asking your Lordships whether the three judges or the two judges were right. I am extremely sorry that it so frequently happens that the learned judges of the Court of Session do not confer a little more together before they pronounce final judgment. This might lead some of them to surrender first impressions. I know the English judges are in the habit of conferring together, and without giving up the independence of their judgment, they see reason, on such conference, to abandon first impressions; and this, in many cases, prevents

further litigation between the parties. Under these circumstances, I shall not recommend to your Lordships to give costs. I move your Lordships, therefore, merely that the appeal be dismissed.

The House of Lords ordered and adjudged, “ That the
“ appeal be dismissed, and the interlocutor therein com-
“ plained of be, and the same is hereby affirmed.”

CALDWELL and SON — RICHARDSON and CONNELL, —
Solicitors.

No. 6.

6th July
1832.

CRANSTOUN
and others

v.

BONTINE
and another.