

THE CENTRAL GUARDIAN

SUPREME COURT

Continued from Page 2

BELEFAST—The Rev. D. M. McLeod, M. A. of Ontario, will preach in Belfast next Sunday.

THE MUSICAL TREAT of the year "Queen Esther" at Victoria, Monday, July 21—21.

CHURCH OF SCOTLAND.—Mr. E. C. Robertson will conduct Divine Service at Glasgow Road on Wednesday, July 23rd at 7.30 p. m. Special collection.

CHURCH SERVICES.—Evangelists Mr. and Mrs. Wallace will conclude their series of meetings with a grand rally at Murray River 5 p. m. and Beach Point 6.30 p. m. Sunday July 20th. D. H. G. Mellick will hold conference and prayer service at Uigg 11 a. m. and preaching 2.30 p. m. and preaching at Eidon 7.30 p. m. Sunday July 20th.

AT ROTARY.—At the Rotary luncheon yesterday Rotarian H. V. Buntalan was in the chair. The guests present were Messrs. E. G. Archibald of Ottawa, Director of the Dominion Experimental Farms A. H. C. Bealroto, Toronto, H. H. Simpson, Y. M. C. A. Secretary, Summerside, James D. Thompson of the Live Stock Department, Ottawa. The music programme comprised an excellent violin solo by Miss Hornby, which was encored. The reading of a paper by Rotarian Morrison was postponed until another meeting.

Rotary picnic was discussed, and it was decided to hold it near the Cliff Hotel, North Shore, at a date to be fixed later. Rotarian Grant reported that he had communicated with the members of the New Glasgow Rotary Club who were talking of coming to the Island and invited them to the picnic. The date will be fixed when their decision is known.

DO NOT MISS "Esther the Beautiful Queen" at Victoria, Monday, July 21.—21.

POLICE COURT—One drunk appeared at the Police Court yesterday morning and was fined \$25 or sixty days.

CORNWALL CIRCUIT—Sunday, July 20th. Sunday School at Cornwall at 10.30 addressed by Miss Maud Haslam in the interest of the Bible Society. Special collection for Bible Society work.

SERVICE AT ST. PAUL'S—The morning service at St. Paul's Church will be at 10.45 Sunday to accommodate the officers and men of H. M. C. S. Patriot who will attend in a body. The men of the local Naval Reserve will accompany them.

For Sore Feet—Minard's Liniment

PERSONALS

Mr. and Mrs. Reginald Dingwell, Bay Fortune were among the visitors to the city yesterday.

Mrs. R. J. LaCoville of Quebec is visiting her sister, Miss H. Potvin.

Mr. and Mrs. Eldon Campbell, Borden are registered at the Davis Hotel.

Mrs. E. W. McKinnon returned last night by the S. S. Hochelaga from a few weeks visit to Boston and New York.

Mr. Charles Kennedy, Kensington accompanied by his mother, two sisters and Mr. and Mrs. Earl Kennedy motored to the city yesterday and are guests at the Davis Hotel.

Mr. and Mrs. Vernon H. Shaw, and two little daughters have arrived in the city from Edmonton, Alta., on a visit to Mr. Shaw's parents, Mr. and Mrs. James Shaw, Mt. Edward.

Miss Margaret Sencabaugh of Boston, who arrived on the Island last week, spent a few days visiting her friend, Miss Annie Kier in Alberton, and came to the city yesterday. She leaves shortly for Georgetown where she will remain during the summer. While in the city, Miss Sencabaugh is the guest of Mr. and Mrs. Reuben MacDonaid.

Mr. and Mrs. James Shaw, Mt. Edward.

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Mr. Smith, a taxicab proprietor, was walking outside the New Zealand building at Wembley when he kicked an object lying on the ground. Picking it up, he found it to be something which he took for a string of beads.

Three young women were talking in front, and, holding out the necklace, he asked if they had lost anything. One of them, turned round and took it, saying "Thank you very much." Mr. Smith thought no more about it until he was informed of the loss of Miss Regier's pearls. Then he communicated with the assessors, who have offered a reward of \$1,000 for the recovery of the necklace.

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R. H. Sterns on said deed excluded the said notes from R. H. Sterns to Wedlock from the provision of said deed and that the said Nine Hundred Dollars or any part thereof is not a liability against the defendant.

The 5th and last plea alleges that after the execution and delivery of the deed it was agreed between plaintiff and defendant that the amount of said note for Nine Hundred Dollars should not, nor should any part thereof be included as a liability of the defendant's under said deed.

The plaintiff joined issue upon all defendant's pleas and demurred to the 4th plea.

It was ordered that the issue of fact should be tried first.

The case was tried at last Hilary Term of this Court before Mr. Justice Hazard and a jury when a verdict was rendered for the plaintiff.

The defendant now applied to set aside the verdict and to enter a non-suit upon the following grounds:

1. That plaintiff failed to prove that R. H. Sterns in the course of his dealings with the plaintiff incurred any liability or become indebted to the plaintiff on the said note for Nine Hundred Dollars or for any portion thereof.

2. That the evidence showed that defendant had paid all liabilities incurred under the deed declared on.

3. That the claim did not arise out of any dealings between plaintiff and R. H. Sterns.

4. That the evidence adduced by plaintiff disclosed that "the said note was an indirect liability of R. H. Sterns and was not covered by the guarantee."

5. That the evidence for plaintiff showed that before action the plaintiff called in the guarantee and compelled the defendant to pay the sum of \$7000 thereupon to the full amount of the guarantee and the said guarantee was thereby discharged, the defendant or in the alternative to set aside the verdict for the plaintiff and grant a new trial between the parties on the following grounds:

6. That the verdict was contrary to the evidence and against the weight of evidence.

7. For misdirection; in instructing the jury that the liability of the defendant under the deed of guarantee extended to and included the note of Nine Hundred Dollars set out and claimed in the declaration.

8. For misdirection; in instructing the jury that the liability of the defendant had not been discharged by the defendant in payment.

9. For misdirection; in instructing the jury that no payments had been made under the guarantee by the defendant.

10. For misdirection; in instructing the jury that notwithstanding the fact that the original of the Nine Hundred Dollar note set out in the declaration was endorsed by the plaintiff and the said note was signed by the said R. H. Sterns, the said note was nevertheless included as a liability of the defendant under the said deed of guarantee.

11. That the verdict was contrary to law.

The substantial grounds both for non-suit and new trial are reduced to two, viz:

1. That the Nine Hundred Dollar note in suit was an indirect liability of R. H. Sterns and was therefore not included in the guarantee, and

2. That before action the defendant paid his full liability of \$7000 under the deed of guarantee.

It appears from the evidence for the plaintiff that on the 23rd day of December, 1920, when the guarantee deed was executed, R. H. Sterns was indebted to the plaintiff directly in the sum of \$3012.

That he was liable on trade paper discounted by him in the sum of \$3721.

That the plaintiff also held and endorsed the paper of other persons upon which R. H. Sterns was liable as promisor which the payees had discounted with the plaintiff to the amount of \$6489.

Making a total of liabilities direct and indirect of \$13,222.

Of the above item of \$6849, part thereof, viz: \$3200, consisted of several notes made by R. H. Sterns in favor of Wedlock and endorsed by him to the plaintiff.

The Wedlock notes were renewed from time to time, partly paid and consolidated until on the 4th day of December, 1922, the final balance was included in the note for Nine Hundred Dollars in respect of which this action was brought.

This last note, like its predecessors, was discounted by the plaintiff for Wedlock. It was dishonoured at maturity and charged to the account of R. H. Sterns.

The first question is on the construction of the Deed of Guarantee.

The various classes of liability intended to be covered are thus set out—

(1) The liabilities which the customer has incurred or

(2) Is under, or

(3) May incur

(4) Whether arising from dealings between the Bank and the customer, or

(b) From other dealings by which the Bank may become in any manner whatsoever the creditor of the customer.

This claim is not included in "liabilities which the customer has incurred or is under or may incur from dealings between the Bank and the customer. There were no such dealings affecting this note, and it is equally convinced that it is included within the scope of "liabilities which the customer may incur from other dealings by which the Bank may become in any manner whatsoever the creditor of the customer."

At the moment when this note was transferred and endorsement from Wedlock to the Bank the promise to pay became a direct promise from R. H. Sterns to the Bank and the relation of debtor and creditor was thereby established.

and the debt brought within the terms of the guarantee.

On the second ground that before action the defendant paid his full liability under the guarantee

It was argued that at one period during the currency of the guarantee and before this note was made, the whole amount included within the scope of the guarantee had been paid off and that consequently the guarantee was satisfied and the guarantor in effect discharged from any further liability. Even assuming that in the fluctuations of the account between the Bank and the customer it happened that there was no liability of the customer to the Bank or at least none which was included in the guarantee that would have no effect upon the validity of the guarantee in respect of further liabilities incurred by the customer during the existence of the guarantee. The rise and fall of the guaranteed account would only measure the amount for which the guarantor would be liable from time to time and this amount might range all the way from nothing to Seven thousand dollars and interest. In order to put an end to the contract of guarantee one or other of two courses would have to be taken by the defendant, either (1) to pay the sum of \$7000 with interest (if any) or (2) to pay the amount (if any) then secured by the guarantee deed and give notice in writing to the Bank to make no further advances on the security of the guarantee.

As the total payments made by the defendant amounted to \$2013.35 there can be no claim to exoneration from the guarantee on the first ground. On the second ground it would appear that for a time both plaintiff and defendant acted upon the assumption that the guarantee was intended to include direct loans only.

On the 9th of July, 1921, six months after the credit was given, the Manager of the Bank at Charlottetown wrote as follows: J. G. Sterns, Esq.

Dear Sir: P. E. I.

Please note that the following is a list of notes; amount and date of maturity, all of which bear the name of R. H. Sterns and the total amount guaranteed by you:

July 16 \$1527.50

July 13 1018.40

July 21 458.25

July 23 296.70

July 25 518.65

July 6 400.00

\$5959.50

As we advised Mr. Sterns and in accordance with the terms of the authorized credit when granted early this year, these notes are to be liquidated in full as they mature. We shall therefore ask you to be good enough to see that this arrangement is carried out, as we expect payment in full. In this connection we will ask you to forward us your cheque for \$400 representing the amount of note, which matured on the 6th and which is still lying here ready due.

Yours truly,

F. T. Palfrey, Manager.

This amount was paid off by the customer and the defendant on or about the 31st day of July, 1921, the defendant contributing thereto the sum of \$1606. Subsequently other small liabilities were incurred by the customer to the Bank for which the defendant was liable without reference to the guarantee and which he paid 9th May, 1923.

Before suit all other liabilities of the customer to the plaintiff direct and indirect had been discharged and this note appears to be the sole indirect liability which the plaintiff sought to bring within the guarantee.

"If the terms of the guarantee were ambiguous so that the conduct of the parties might determine its construction I would consider that that weight of evidence would be in favor of the limitation of the guarantee to the direct liability of the defendant which in the view I feel compelled to take that the meaning of the deed of guarantee is clear and unequivocal the conduct of the parties cannot be weighed against the written instrument."

In this view the charge of the learned trial judge is not open to objection and the grounds for non-suit should fail.

The application is therefore dismissed with costs.

Since writing the above judgment counsel for both parties by consent filed additional briefs. The defendant chiefly relied upon the case of The Northern Crown Bank v. The Andrew H. McDowell & Co. & Co. decided in the Superior Court of Quebec by Hon. Mr. Justice Guerin, April 1912, carried to the Quebec Court of King's Bench Appeal Side by the plaintiff and reported 13 D. L. R. 304 under the title Northern Crown Bank v. Herbert (one of the defendants) That case was almost on all fours with the present one, except in this essential particular that the acceptance sued on had

been returned to the drawer before action brought.

The judgment of the Court below in favor of the defendant did not rest upon the return of the acceptance but in the Court of Appeal the substantial ground for upholding the decision of the Court below. The dicta in both Courts it is true went much wider and would support the defendant's position in this case but after the most careful consideration and with respect I am unable to agree with the views therein expressed as applicable to the present case and therefore abide by the position taken in the judgment now rendered.

DOMINION OF CANADA

PROVINCE OF PRINCE EDWARD ISLAND

IN THE SUPREME COURT

The Royal Bank of Canada, Plaintiff and John G. Sterns, Defendant

Mr. Justice Arsenault

I concur in the judgment of the Chief Justice but not without some degree of hesitation. The words of the bond to the Royal Bank of Canada are as follows:

"IN CONSIDERATION of the Royal Bank of Canada agreeing or continuing to deal with R. H. Sterns, herein referred to as the 'Customer' in the way of its business as a Bank, the undersigned hereby jointly and severally guarantee payment to the Bank of the liabilities which the Customer has incurred or is under or may incur or be under to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings by which the Bank may become in any manner whatsoever a creditor of the customer."

It seems to me that there is considerable force in the argument that the following words, "or from other dealings" are to be construed ejusdem generis and should be interpreted to mean "dealings between the Bank and the Customer."

I was much impressed with the argument in the judgment of George J. in the Northern Crown Bank vs. Herbert, which was a case of appeal from the judgment of Guerin J. in the Court below, and would feel like following this judgment if the case were not distinguishable. This case, which in all respects except one was similar to the present, was decided in much as the drafts which formed the subject of the action had been charged up to the Dominion Thread Mills.

In the Northern Bank vs. Herbert, 3 D. L. R. 304, there is a similar guarantee to the present and given by one Herbert to the Bank McDowell & Co. also accepted certain drafts of the Dominion Thread Mills which were discounted by the Northern Crown Bank. McDowell & Co. went into liquidation in February 1908 and the Dominion Thread Mills in March 1908. On non-payment of the drafts they were returned by the Northern Crown Bank to the Dominion Thread Mills, but some time after this company went into liquidation the drafts were retransferred to the Bank and charged up to the Thread Mills. Arsenault, J. in the present case, was sued.

In the present case, if on non-payment the note in question had been charged up to J. S. Wedlock, the cases would be on all fours. This was not done, and I cannot therefore accept The Northern Crown Bank vs. Herbert as an authority applying to the present case.

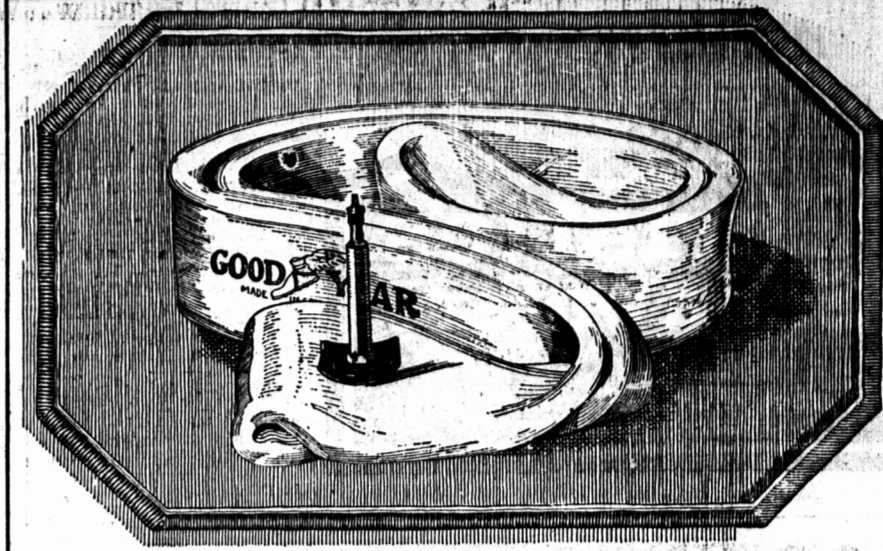
EVEN MORE

Caller—"Is your mother engaged?"

Beity—"I think she's married."

Minard's Liniment for Rheumatism

Stenhouse, Ltd., 36 St. Francois Xavier St., Montreal, Que.



The Tube Holds The Air

Goodyear Heavy Tourist Tubes Hold Air More Surely

THE tires on your car only give you up and the car the protection they should when they are properly filled with air. More—they'll only give you the mileage they should when they are properly filled with air. So it's the tube which holds the air. Yet the value of your tires, the cost of your tires, depends largely on good tubes. Goodyear Heavy Tourist Tubes were developed to protect the long mileage built into Goodyear Tires. They are laminated. Instead of being made from one sheet of thick rubber, where imper-

fections would be hard to find, they are built up of many sheets of the thinnest, purest rubber. The tiniest sliver or air-hole can be detected and that sheet rejected. This is the reason Goodyear Heavy Tourist Tubes hold air more surely. They really cost no more than ordinary tubes, because they last much longer. In addition, they protect tires costing many times the price of any tube. Why risk a valuable casing to save a little on tubes? See the Goodyear Selected Dealer and let him show you how Goodyear Heavy Tourist Tubes are built.

Goodyear means Good Wear

GOOD YEAR MADE IN CANADA

WILSON-ROBINSON WEDDING

THE PRINCES BIG POSTBAG

A FAMILY PARTY

(By Dominion News Service)

LONDON, July 17.—Mailbags full of letters and sheaves of telegrams began to flow, in an almost unending stream, to St. James's Palace bearing greetings to the Prince and Princess of Wales on the morning of his 30th birthday the 23rd of June.

"This birthday mail has broken all records," said a member of the Prince's entourage "and the unprecedented number of greetings form a visible and tangible proof of his ever-increasing popularity."

FROM ALL CLASSES

Letters and telegrams taken casually from the early morning deliveries indicated that the congratulations came from all classes of the community and from every corner of the British Dominions. The number received from citizens who can never have had personal contact with him, indicated how fully the Prince had made his future subjects feel that he is one of themselves.

One of the most cherished of the greetings which reached St. James's Palace was a long letter from Queen Alexandra.

PLAIN "DAVID"

The Prince of Wales is plain "David" in the family circle. The Queen picked the name, unusual for an English Prince, out of seven he was endowed with at his christening for a curious reason. The night he was born, at White Lodge, Richmond Park, an Irish Court lady, the Countess of Waterford, very old and infirm, and reputed to be gifted with second sight, was lying in bed.

Late in the night her attendants heard her shouting. They rushed in and found her sitting up in bed. "Listen," she said, "the royal salute from the Palace."

A Prince certainly had been born about that time, but there was no artillery salute.

When the Queen heard the story she was so struck with it that she insisted that the Prince's family name should be David.

QUEEN'S DECISION

When they sought to soothe her she pointed to the open windows. "Listen," she said, "the royal salute from the Palace."

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