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THE ATTITUDE OF THE COURTS WITH REFERENCE TO AN ANTECEDENT DEBT AS CONSTITUTING VALUE UNDER THE UNIFORM NEGOTIABLE INSTRUMENTS LAW

In *Walker v. Dunham,* 135 Mo. App., 396; 115 S. W., 1086 (1908), p. 405, the Court said:

"In point of fact it is a matter of common knowledge that this law (the Negotiable Instruments Law) is the result of the labor of the members of the American Bar Association to produce uniformity between the laws of the different states concerning negotiable instruments, and members of that Association have taken up the matter before their respective legislatures and secured the adoption of this law by those states. * * * It is recognized that the one prominent motive which led to the enactment of this law was the desire to establish a uniform law on the subject of negotiable instruments throughout the United States. Wherever these acts have received judicial interpretation, this purpose has been recognized; in fact, that purpose is set forth in the very title of the act itself. It is stated to be 'to establish and codify the law concerning negotiable instruments and to establish a law uniform with that of other states on the subject.'"

In *Lumbermens' Nat. Bank of Portland v. Campbell,* 121 Pac., 427 (1912), the Court said:

"The act from which these excerpts are taken was designed to harmonize the decisions of courts of last resort in respect to commercial paper, and to give to negotiable instruments a degree of certainty that would be universal in its application in the states enacting the law."

Citing which the Court said, in *Cherokee Nat. Bank v. Union Tr. Co.,* 125 Pac., 464 (1912):

"That the foregoing excerpt states the chief purpose of the Negotiable Instruments Law is familiar knowledge to the courts

and to the bar. Of course it is fundamental that the court of no state in which the law is enacted is bound by the construction of the statute by the courts of other states; but courts, with full knowledge of the history of this legislation, and knowing that its chief purpose is as stated above, should, we think, upon all questions of construction, where the rule adopted by other states is not plainly erroneous, be disposed to follow the construction given to the act by the courts of the state in which the act has heretofore been adopted and construed; and particularly should this be true where the statute involves a question upon which the authorities, independent of a statute, are so greatly divided, as they are upon the question in the case at bar, for by no other course may uniformity be obtained; and if the statute thus construed works a hardship in any locality it may be corrected by legislation."

In an article on the Negotiable Instruments Law in the courts of this country by the writer, published in *77 Central Law Journal,* 279 (Oct. 17, 1913, p. 285), fifteen more cases may be found cited, all showing as do the above cases that the courts of the country take judicial knowledge of the history and purposes intended to be reached by the act. But it is discouraging to find that, notwithstanding these facts, in more than one-third of the nearly eleven hundred cases that have arisen in jurisdictions where the act is in force, the act is ignored, with the result that in all such instances the decisions under the same sections of the same uniform act are also ignored.

In this article it is proposed to examine all the cases that have arisen under Sec. 51 (25)[1] of the act in every jurisdiction where the act has been adopted.

This section is as follows:

"Value is any consideration sufficient to support a simple contract. An antecedent or pre-existing debt constitutes value; and is deemed such whether the instrument is payable on demand or at a future time."

Stated for the sake of convenience, according to the order of the states, the cases under this section are as follows:

Lomax v. Colorado Nat. Bank, 46 Col., 229; 104 Pac., 85 (1909). The mere taking of the note of the debtor or that of a third person, for an antecedent debt, is not payment of the latter,

[1] The section number first cited is the number according to the act as adopted in New York, and the second number cited is the number of the act as adopted by the Conference of Commissioners on Uniform Laws in 1896.

unless such is the intention and agreement of the parties, citing nine old cases but making no reference to Sec. 51 (25) nor to any of the decisions under it, although by the time this case arose (1909) there had been forty-four decisions in which the act was applicable, in those jurisdictions in which it was in force.

It was held further in this case that a note given in payment and discharge of a pre-existing liability, is for a sufficient consideration, citing four old Colorado cases instead of citing the law on the statute book, the Negotiable Instruments Law, and the decisions under it.

(By old cases or old authorities it is meant that they antedate the act.)

Russell Electric Co. v. Bassett, 79 Conn., 709; 66 At. 531 (1907). Forbearance to sue a claim of an antecedent debt is valid consideration for the negotiable promissory note of a third party, in the hands of the plaintiff transferee. An agreement not to sue a company for salary, etc., upon consideration of a note and mortgage to such creditor by a third party, who is the principal stockholders in the company, is valid. Neither the act nor any case under it was cited.

Crystal River Lumber Co. v. Consolidated Naval Stores Co., 58 So., 129, Fla. (1912). An assignee of a note for a pre-existing debt is a holder for value, citing Sec. 51 (25) but without citation of any of the decisions thereunder. At this time (1912) there were seventy-nine such cases.

Many, Blanc & Co. v. Krueger, 153 Ill. App., 327 1910). Sec. 51 (25) in Illinois is as follows:

"Value is any consideration sufficient to support a simple contract. An antecedent or pre-existing debt, whether for money or not, constitutes value where an instrument is taken either in satisfaction therefor or as security therefor, and is deemed such whether the instrument is payable on demand or at a future time."

This was cited and it was held that the defense of want of consideration is not maintainable by one executing a demand note jointly with a debtor, for the latter's accommodation, payable to a creditor's order, upon his matured claim and delivered to him as collateral security, the creditor having knowledge of all the facts and having given no new consideration either to the debtor or to his accommodation co-maker.

No cases under the act were cited.

McHenry v. Croft, 163 Ill. App., 426 (1911). Citing old cases and old authority, but not citing Sec. 51 (25) nor any of the scores of cases decided under it, it was held that the taking of a promissory note for a pre-existing debt, is *prima facie* conditional payment only, *i. e.,* is payment only if duly paid at maturity. But the evident meaning of the section is that such a taking of a note is value, whether taken in payment or as security. No reference was made to the case of *Many, Blanc & Co. v. Krueger,* 153 Ill. App., 327, decided only the preceding year in the same court. The date of the notes is not stated and possibly it was before the act was adopted in Illinois.

Commercial Nat. Bank, Etc. v. Citizens' State Bank, Etc., 132 Iowa, 706 (1906). Citing Sec. 51 (25), it was held that although an antecedent or pre-existing debt constitutes value, yet when the instrument taken in payment is on condition that the credit given is conditional and shall not become absolute until the instrument is paid, the taker thereof is not a purchaser in due course. While citing old cases, the law itself, the Negotiable Instruments Law, was ignored.

Crawford County State Bank v. Stegeman, 137 Iowa, 13 (Jan. 15, 1908). A note given in settlement for checks of equal amount that were dishonored by the bank they were drawn on, is supported by a valid consideration, the maker receiving a part of the amount in cash, a part in credit and the balance being applied on his valid obligation.

Sec. 51 (25) was not cited.

Voss v. Chamberlain, 139 Iowa, 569; 117 N. W., 269 (Oct., 1908). The transferee of negotiable paper who takes it as collateral, by way of substitution, for other collateral surrendered, is a holder for value. By Sec. 91 (52) a holder in due course must be a holder for value, and value means valuable consideration under Sec. 2 (191), while Sec. 51 (25) declares an antecedent or pre-existing debt to be value. Although these sections were cited, no cases under the Negotiable Instruments Law were cited.

Zimbelman & Otis v. Finnegan, 141 Iowa, 358 (1908). The receipt of the note of another as security for a debt, or for forbearance to sue upon a debt due, or for the giving of further time, is valuable consideration, citing old authorities and ignoring the actual law on the statute book, as well as all the decisions under it.

Iowa Nat. Bank v. Carter, 144 Iowa, 715 (1909). Following *Voss v. Chamberlain,* 139 Iowa, 569, it was assumed that under the act, Sec. 51 (25) one who takes negotiable paper as security for an antecedent debt is a holder for value.

But the court held further that under Sec. 23 (4) the notes in suit were non-negotiable. This being the case, and the act under Sec. 191 (2) applying only to negotiable instruments, neither Sec. 51 (25) nor any of the sections discussed have any application to the case before the court. Therefore it must be dismissed from further consideration as having any bearing upon what constitutes *value* as consideration for a negotiable instrument.

Robinson v. Robinson, 147 Iowa, 615 (1910). Where a new note is given for the balance due on an old note which was either valid or it was questionable in the minds of the parties whether it was valid, the new note is supported by a sufficient consideration, citing old cases but not the Negotiable Instruments Law nor any case under Sec. 51 (25).

State Bank of Halstead v. Bilstad, 136 N. W., 204 (Iowa, 1912). Under the Negotiable Instruments Law, Secs. 51, 91 (25, 52), a bank taking notes as collateral security for a pre-existing indebtedness is a holder for value in due course, citing the case of *Voss v. Chamberlain,* 139 Iowa, 569. The Court said, p. 205:

"The primary purpose of the several states that have adopted the Negotiable Instruments Act has been to establish a uniform rule of law governing such instruments and to embody in a codified form, as fully as possible, the previous law on the subject to the end that the negotiable character of commercial paper might not be destroyed by local laws and conflicting decisions, and this object should be kept in mind in construing the various provisions of the act."

It is submitted that this can only be done by the examination, citation and following of the decisions in the courts of other states unless manifestly erroneous as well as in the court of the state trying the case, under the same sections of the same uniform law. Uniform decisions under a uniform law are as necessary as uniformity in legislation.

Burket v. Edward, 68 Kans., 295; 74 P., 1100 (1904). An indorsee of negotiable paper taken as security for a pre-existing debt is a holder for value and in due course, citing Sec. 51 (25) and cases under it, including *Brewster v. Schrader, ut supra, Sutherland v. Mead, ut supra,* and some of the old cases on both sides of this vexed question. An excellent opinion.

Wilkins v. Usher, 123 Ky., 696; 97 S. W., 37 (1906). One who takes a negotiable note without knowledge of any defect in it, as collateral security for an antecedent debt, is a holder for value, citing Sec. 51 (25) and other sections of the act, but not citing any of the decisions under them.

Citizens Bank v. Bank of Waddy, 126 Ky., 169; 103 S. W., 249 (1907). The note of P. to defendant bank was renewed at maturity, the cashier saying P. would get the old note in a few days. Instead of returning it the cashier pledged it and the new note as collateral security for debts of his bank. *Held,* both notes were in the hands of holders for value and in due course, etc.

But as it appears, p. 168, that the old note was pledged as collateral after its maturity, it was not held in due course. This seems to have escaped attention. See Sections 51, 53, 91, 98 (25, 27, 52, 57, 59), some of which were cited by counsel but were only referred to by the Court as "under the present statute". The decision cited one case under the act, *Wilkins v. Usher,* 123 Ky., 696 *ut supra.* The principle involved may be stated as follows:

Banks making loans on negotiable paper and at the time or afterwards taking other negotiable paper as collateral security, have a lien on them, if they had no reason to doubt the right of the holder so to pledge such paper as collateral security.

Herman's Ex'c'r v. Gregory, 131 Ky., 819; 115 S. W., 809 (1909). A payee of a note who, on receiving it, paid a specified sum to banks that the maker is indebted to, is a holder for value, citing Sec. 51 (25) but without citing any cases.

Campbell v. Fourth Nat. Bank, 137 Ky., 555; 126 S. W., 114 (1910). A bank taking a note as collateral security for a note it already held, is a holder for value. If it gives up the old note and takes a new note for the debt, it is equally a holder for value. The Court said:

"The negotiable instrument act is in the main merely a codification of the common law rules on the subject to which it relates. It was intended principally to simplify the matter by declaring the rule as established by the weight of authority. There are few innovations in the law merchant as before settled by the courts. Where it lays down a new rule it controls; but, where its language is consistent with the rule previously recognized, it should be construed as simply declaratory of the law as it was before the adoption of the act."

It never was the intention of the Commissioners on the Uniform Laws to enact new rules of the law merchant, but only to adopt the better of two or more rules of that law where different jurisdictions had adopted different rules. It would be more correct to say that the act is a codification of the rules of the law merchant as to negotiable instruments, so that all courts in jurisdictions that have adopted it may look to a common authority. It is declaratory of the rules of the law merchant on the subject of negotiable instruments, and it also is the real source of authority wherever adopted. Prior decisions, whether in accord or not in accord with its provisions, may be cited by way of illustration or in explanation of the development of a particular rule, but they are no longer the source of authority. And it is misleading to speak of common law rules of the law merchant, as misleading as if we were to speak of common law rules of admiralty, of equity or of the canonical law.

Lovelace v. Lovelace, 136 Ky., 452; 124 S. W., 400 (1910). An antecedent debt due to the payee is good consideration for the execution of a note for the amount of the debt and the note is valid in the hands of one who took the note in good faith, without knowledge of false statements of others made to induce certain defendants to become indorsers.

Neither the act nor any decision under it is cited. How does it happen that in some cases arising under the act, its provisions are cited and are acted upon as the source of authority, while in cases arising in the same court soon afterwards the act is ignored?

It will be noticed that the writer uses the word *indorsers* where the decision uses *sureties.* This is intentional. The law merchant knows not *sureties,* it knows *indorsers.* Look through the act and nowhere will the word *surety* be found. Suretyship is part of the common law, not of the law merchant.

The use of common law terms when dealing with cases involving knowledge of the law merchant, shows that the minds of lawyers and judges are so permeated with the principles of the common law that in discussing questions arising under the law merchant, with the principles of which their minds are not permeated, terms applicable only to the common law are carried over into discussions arising in another field where such terms are strangers and are inapplicable.

Am. Nat. Bank v. Minor & Son, 142 Ky., 792; 135 S. W., 278 (1911). An agreement not to sue but to extend the time for pay-

ment of a debt due, is ample consideration for the pledge of notes as collateral security therefor, unless it is shown that the pledgee did not become a holder in due course, citing Secs. 51, 53 (25, 27), but citing no cases under them.

Jett v. Standafer, 143 Ky., 787; 137 S. W., 513 (1911). One who takes a negotiable note as collateral security is a holder for value to the extent of his lien, citing Secs. 51, 53 (35, 27), and one case, *Campbell v. Fourth Nat. Bank,* 137 Ky., 555, *ut supra,* but citing none of the scores of cases under the same sections in other states.

To summarize these seven Kentucky cases, all hold that an antecedent debt constitutes value, seven cite the act and one does not. In two cases another decision in Kentucky under this section is cited and in one case four decisions thereunder in other states are cited. Otherwise no decisions are cited in the many cases under the same section of the same uniform law in other states. The writer submits that this is not adequate juristic treatment of a vexed question the decisions of which it is proposed to make uniform through uniform decisions of a uniform law. It may be claimed that the language of this law is so clear that the mere citation of its language is enough. But the question was considered by counsel supposed to be "learned in the law" of sufficient doubt to warrant them in pressing it upon the court. Either this, or they ignored the statute law of their own state.

Scheurmann v. Monarch Fruit Co., 123 La., 55; 48 S. W., 647 (1909). A bill of lading is a negotiable instrument and may be transferred as collateral security for or in payment of an antecedent debt, citing Sec. 50 (24) and manifestly intending to include Sec. 51 (25).

Boston Steel & Iron Co. v. Steuer, 183 Mass., 140; 66 N. E., 646 (1903). Payment of a pre-existing debt with a note given for a different purpose but fraudulently diverted therefrom without the taker's knowledge, makes the taker a holder for value and also a holder in due course. The act was cited but no cases under it.

Jennings v. Law, 199 Mass. (1908). The holder of a note given to settle a prior note that might or might not have been a forgery, is entitled *prima facie* to recover of the maker, citing Sec. 50 (24) but not citing Sec. 51 (25) nor any case decided under the act.

Lowell v. Bickford, 201 Mass., 543; 88 N. E., 1 (1909). One is a holder for value who takes a note as collateral security for a

pre-existing debt of another and the accommodation maker thereof cannot set up want of consideration against such a holder for value in due course.

While citing Secs. 51, 55 (25, 29), but no cases under them, the Court held that possession is enough to enable one to bring action on a note payable to bearer or indorsed in blank, citing many old Massachusetts cases, but strangely enough, not citing Sec. 90 (51). To the same effect see *Whiddon v. Sprague,* 203 Mass., 526 (1909), with like omission to cite Sec. 90 (51).

Why omit the real source of authority? Especially when, in the same opinion, another section of the act is cited?

Graham v. Smith, 155 Mich., 65; 118 N. W., 726 (1908). The holder of a note taken as collateral security for a pre-existing debt is a holder for value to the extent of the amount due him, citing Secs. 51, 53 (25, 27), and three cases under the act, in Connecticut, North Carolina and New York, a course so unusual as to call for notice. At this time (1908) 33 cases had arisen under this section.

Reeves v. Letts 143 Mo. App., 196; 128 S. W., 246 (1910). The holder in good faith of a note of a third person, taken in payment of a prior indebtedness, is a holder for value in due course, irrespective of any question of consideration received by the maker. While the appropriate sections 51, 98 (25, 59) are the same law were cited, while a section also applicable to the case tions particularly applicable not being cited, of course none of the decisions thereunder were cited. The fact that other sections of the same law were cited, while a section also applicable to the case was not cited, would indicate want of proper preparation of the case, or of the opinion.

Wright v. Miss. Valley Tr. Co., 144 Mo. App., 640; 129 S. W., 407 (1910). One taking a negotiable instrument as collateral security for a pre-existing debt, giving no new consideration for it, is not a *bona fide* holder for value. He is therefore subject to equities between the original parties, citing *Loewen v. Forsee,* 137 Mo., 28; 38 S. W., 712 (1897, before the act), ignoring the act and all the cases under it. The case is clearly erroneous.

Dorris v. Cronan, 149 Mo. App., 177; 129 S. W., 1014 (1910).

The surrender of a note by the payee to the maker is valid consideration for the execution of a new note by such maker and others. It was held that certain defendants were not accommodation parties but were joint makers; oblivious of the fact that

this makes no difference under Sec. 90 (55)). The act was not cited nor any case under it.

Nat. Bank of Commerce, Etc. v. Morris, 156 Mo. App., 43; 135 S. W., 1008 (1911). Citing Secs. 50, 51, 52, 53, 54, and 91 (24, 25, 26, 27, and 52) and Crawford Annotated Negotiable Instruments Law, it was held that the plaintiff, taking a note before maturity in good faith, from the payee, as collateral security for a pre-existing debt, took it for value, and is a holder for value and also in due course. Therefore any defense of absence of consideration by the maker is not available in a suit against him, citing seven cases to the same effect in North Carolina, New York, Michigan, Kentucky, Iowa, Virginia, and in the United States Court in New York under the same uniform law.[2] If more

[2] It must be admitted, however, even though with reluctance, that diligent search by counsel on the other side of the case ,would have brought to light divergent decisions, in other cases, sometimes in the same jurisdiction as those in which the above cases were cited, as for instance in the courts of New York.

courts and more lawyers cited the precedents in other states under the same uniform law, we should have had before this a series of uniform decisions tending to the formation of a new kind of common law through uniform interstate comity.

Golden City Banking Co. v. Greisel, 161 Mo. App., 477 (1912). The note sued on was given for an account due the plaintiff by a corporation in which the defendant makers of the note were interested, for which the check of the corporation on the plaintiff bank had been given and paid by the bank, although the corporation's account became thus overdrawn. The Court said: "If one takes a note for an account, the original debt is not extinguished unless that be the agreement", citing three old Missouri cases, but ignoring the act and all the cases under it. It is submitted that a benefit accrued to the defendants through forbearance to sue a debt in which the defendants were interested, which forbearance was a detriment to the plaintiff. The antecedent debt being value under Secs. 51 to 54 (25 to 28) was held by the bank until settled by payment of the note sued on, the consideration for the note being forbearance to press the debt in which the defendants were interested. The note was taken for an antecedent debt of another in which the defendants or some of them were interested, it having been created by their act. It is submitted that a note by parties interested in an antecedent debt (or even by parties strangers thereto) is valid, even between the parties, the

maker and the payee, because of the implied forbearance to sue on the antecedent debt.

There have arisen these five cases in Missouri under the provisions of the act,—or four, if we except this last case. In four of these cases the act was not cited, nor were any cases cited under it. In only one instance was the act well considered and followed, with the citation of cases decided under it. It is submitted that two of these five cases were incorrectly decided. Three of these cases were decided in 1910 without citing the act, nor the cases under it, of which there were then fifty-six.

Benton v. Sikyta, 84 Neb., 808; 122 S. W., 60 (1909). When a note held as collateral security is invalid as between the original parties, the holder in due course for value can recover only the amount of his claim, citing Sec. 51 (25) but no cases under it, relying for this distinction upon old Nebraska cases.

Farmers' Nat. Bank of Lyons v. Dixon, 91 Neb., 136; 136 N. W., 845 (1912). In this case a negotiable note was taken by the plaintiff as collateral security for an indebtedness of the payee and was afterwards purchased by the plaintiff. The Court held that it was an innocent purchaser for value, both when it took the note as collateral and when it subsequently purchased it, but without citin geither Sec. 51 N. Y. (25) or Sec. 91 N. Y. (52), citing only one authority, *Lashmett v. Prall,* 2 Neb. (Unof.), 284; 96 N. W., 152 decided in 1902 before the Negotiable Instruments Law was adopted in Nebraska.

Brewster v. Schrader, 26 Misc., 480; 57 N. Y. Supp, 606 (1899). An antecedent debt is value, even when the instrument is taken only as collateral security, citing Sec. 51 (25) and stating that this changed the law in New York. Quoting Sec. 51 (25), the Court said:

"The language of this section when given its usual and ordinary signification, ought to leave no room for doubt upon the subject. There is, however, such a universal disposition among lawyers to look for some hidden or subtle meaning in the most simple language, that it has become quite the fashion to require the courts to construe statutes which, to the average lay mind, seem to require no construction. If the language of the section under consideration were not obviously clear and unequivocal, and there were need of ascertaining the legislative intent in order to give proper effect to such language, the history of the subject, of the judicial decisions in England and the states of this country, and of the proceedings of the Commission on Uniformity of Laws, leaves no possible doubt as to the purpose of this section."

Citizens' Nat. Bank v. Lilienthal, 40 A. D., 609; 57 N. Y. Supp., 569 (1899). An accommodation indorser is liable on a note although it was given in renewal of a note without surrender of the old note, which the bank detained as a voucher, citing Secs. 51, 55, 91 (25, 26, 52), but no cases under the act.

Rosenwald v. Goldstein, 27 Misc., 827 (1899). It is value when received in payment, citing Sec. 51 (25), but no cases under it.

Petrie v. Miller, 57 A. D., 17; 67 N. Y. Supp., 1042 (1901). An original obligation and surrender by a creditor to the debtor of the latter's non-negotiable note given therefor constitute value under Sec. 51 (25) and furnish consideration for a negotiable note executed by the debtor to the creditor and the note is enforceable in the hands of a holder in due course.

Affirmed without an opinion, 173 N. Y., 596 (1901), neither court citing any case under the act.

J. H. Mohlman Co. v. McKane, 60 A. D., 546 (1901). The acceptance of a note, payable at a future day, is forbearance of the right to sue the maker until maturity of the note. This constitutes a consideration for an accommodation indorsement of the note, made to secure its acceptance, and is value under Sec. 51 (25), but citing no cases.

Levy v. Huwer, 80 A. D., 499 (1903). The acceptance of a bid at public auction created an antecedent debt that was held to be sufficient consideration for a check of a third person for ten per cent of the accepted bid, delivered to the seller at the request of the buyer. Neither Sec. 51 (25) nor any case was cited.

Robinson v. Mahoney, 86 A. D., 337; 83 N. Y. Supp., 749 (1903). It is not value when the note given as such security is in the hands of the creditor suing an accommodation indorser thereof. It must be shown that the note was taken in payment of the note or upon an agrement to forbear to sue on it "for some determinate period". Sec. 51 (25) was cited, but Sec. 55 (29) was ignored. No case under the act was cited. We have here a vivid illustration of a blind devotion to the principle of the common law that led to oblivion of the principle of the law merchant that was part of the law of the jurisdiction in which the court ignored it. According to this case, where the maker of a negotiable note becomes shaky in credit and the payee insists upon additional security, and receives from such debtor his negotiable note secured by mortgage, the payee cannot recover on the mortgage note. He is

relegated to his right to forclose the mortgage which is a sealed instrument.

Sutherland v. Mead, 80 A. D., 103; 80 N. Y. Supp., 504, (1903). It is not value unless the antecedent debt was cancelled on acceptance of the note, following the old case of *Coddington v. Bay,* 20 Johns, 637, overruling *Brewster v. Schrader,* 26 Misc., 480, citing no other case under the act, while professing to follow Sec. 51 (25). This was an error-breeding opinion. No body of precedents of value as precedents, constituting decisions of a uniform law, can be created with the ignoring of the decisions in other jurisdictions under the same law.

Milius v. Kauffman, 104 A. D., 442; 93 N. Y. Supp., 669 (1905). The plaintiff's agreement to forbear action on an existing indebtedness, is value, and constitutes him a holder for value of the note given therefor, citing Sec. 51 (25) and many old cases, but none under the act.

The Bank of America v. Waydell, 103 A. D., 25; 92 N. Y. Supp., 666 (1905). Citing Sec. 51 (25), *Sutherland v. Mead,* 80 A. D., 103, and *Roseman v. Mahony,* 86 A. D., 377, following *Codington v. Bay,* 20 Johns, 637, citing no decisions under the act, in other jurisdictions it was held that unless there was discharge or dealing with a pre-existing debt, it is not consideration for the retention or enforcement of a note, as against the true owner. This was *obiter,* being unnecessary to the occasion, the Court having found that the note was forwarded for collection only. The plaintiff was not a holder in due course. Affirmed 187 N. Y., 115 (1907), citing only *Codington v. Bay,* and not citing the act nor any case under it in other jurisdictions having the same law. A most unsatisfactory treatment of a very important subject.

Hover v. Magley, 48 Misc., 430; 96 N. Y. Supp., 925 (1905). In an action on a note of a married woman and her husband, an answer that the note was without consideration as to the wife being given for a pre-existing debt of the husband, was held to be a good defense, citing *Sutherland v. Mead, ut supra,* and *Roseman v. Mahony, ut supra,* but not citing any other cases under the act in other states. Reversed, 116 A. D., 84 (1906), without citing either the act or any cases under it, the Court saying:

"Defendant's signature (the wife's) was an intelligent act of an intelligent person. To relieve her from the natural consequences thereof on the evidence here presented, would make her act unintelligible and reduce it to an idle ceremony."

The Nat. Bank of Barre v. Foley, 54 Misc., 126; 103 N. Y. Supp., 553 (1907). "The company gave Eagan $300 in cash and a credit of $100 on an old account for the note. To the extent of the credit of $100 it is not a holder for value, for it does not appear that the credit discharged the debt or any part thereof, or extended the time of payment", citing only *Roseman v. Mahony,* 86 A. D., 377, not citing Sec. 51 (25) nor any cases under this section either in New York or elsewhere. This is all the more remarkable as the decision cited Sec. 98 (59).

Ward v. City Trust Co. of New York, 102 N. Y. Supp., 50 (1907). "One who takes commercial paper in extinguishment of a debt, surrendering the note of his debtor and the collateral, whether before or after the note becomes due, is a holder for value", citing four old New York cases, but ignoring the act and all the cases under it.

The Van Norden Tr. Co. v. L. Rosenberg, Inc., 62 Misc., 285; 114 N. Y. Supp., 1025 (1909). Where a note is surrendered after part payment and a new note of another party is given for the balance due, the taker is a holder for value, citing Sec. 52 (26) but not citing Sec. 51 (25) nor any case.

English v. Schlesinger, 55 Misc., 584; 105 N. Y. Supp., 989 (1907). Under Sec. 55 (29) whether the endorsee knew that the defendant was an accommodation maker or did not know it, the defendant is liable, the plaintiff being a holder for value, he having taken the note in payment of the antecedent debt of another, not citing Sec. 51 (25) nor any case under the act, although citing several old New York cases, all superseded by the adoption of the Negotiable Instruments Law. The Court said:

"Where a promissory note for the accommodation of the payee is taken in payment of an antecedent debt, the holder may recover upon the note, unless its use was restricted by the accommodation maker."

Only stopping now to point out that the last nine words require qualification by adding "of which the indorsee had knowledge", we may inquire how uniform decisions under a uniform law are to be reached if such ignoring of the law and of all decisions under it, is to continue?

The Gansevoort Bank of N. Y. v. Gilday, 104 N. Y. Supp., 271; 53 Misc., 107 (1907). A suit against the accommodation maker is not enforceable, unless the note sued on was taken in

payment of the antecedent debt, citing the act, *Sutherland v. Mead,* 80 A. D., 103, and two old New York cases.

Bigelow v. Automatic Gas Producer Co., 107 N. Y. Supp., 894 (1907). A note given in payment of a pre-existing debt is given for value and is enforceable, citing Sec. 51 (25) but not a case under it.

Harris v. Fowler, 110 N. Y. Supp., 987; 59 Misc., 523 (1908). An antecedent debt is value, if cancelled or discharged upon the giving of the check sued on, citing Sec. 51 (25), *Roseman v. Mahoney,* 86 A. D., 377, and *Sutherland v. Mead,* 80 A. D., 103, but citing no case under the act in any other state. See the dissenting opinion.

The Wallabout Bank v. Peyton, 123 A. D., 727; 108 N. Y. Supp., 42 (1908). When a bank applies the proceeds arising from the discount of a note to the payment of another note of the same person due the same day, it becomes a holder for value of the new note, citing Sec. 51 (25), an old text book and old cases, but citing no authorities under the act.

The case is authority for the statement that a note is valid when the antecedent debt is paid with the proceeds of discount of the note.

Joveshoff v. Rockey, 109 N. Y. Supp., 818 (1908). Under Secs. 50, 51 (25, 26), consideration is presumed and under Sec. 54 (29) lack or failure of consideration is an affirmative defense. The jury having found the plaintiff to be a holder in due course for a valuable consideration (a pre-existing debt), the judgment was affirmed. No cases under the act were cited.

Albert v. Hoffman, 64 Misc., 87 (1909). It was held that under Sec. 31 (12) a check is not invalid because it is antedated or post dated, and that the holder of such a check became a holder for value, having received it in payment of a prior loan, citing a string of old cases but ignoring the act and all cases under it, thus ignoring the real source of authority and substituting in its place a New York case, *Mayer v. Heidelbach,* 123 N. Y., 332, 339, decided in 1890 before there was any Negotiable Instruments Law. How is it possible thus to recognize the act and also to ignore it, in the same opinion?

Mindlin v. Applebaum, 62 Misc., 300; 114 N. Y. Supp., 908 (1909). One who takes a note before maturity in part payment of an antecedent debt is a holder for value, citing *Sutherland v.*

Mead, 80 A. D., 103, and *Roseman v. Mahony,* 86 A. D., 377, but without citation of cases under the act in other states.

Macaulay v. Holsten, 114 N. Y. Supp., 611 (1909). The taking of accommodation notes, either as conditional payment or as collateral security for an antecedent indebtedness, is taking them for value where there is no fraudulent diversion of the notes from a restricted use imposed by the maker, citing two old New York cases and not citing the act nor any case under it.

The Court then said that if there had been a fraudulent diversion of the notes and they were negotiated either as collateral security for or as conditional payment of an antecedent indebtedness, they would not be deemed to have been taken for value, citing an old New York case and the two New York cases under the act, *Sutherland v. Mead,* 80 A. D., 103, and *Roseman v. Mahony,* 86 A. D., 377, ignoring and apparently oblivious of the fact that both these cases were decided under the act of which it makes no mention. Comment is made because in the latter case counsel do not appear to have cited "these earlier authorities", oblivious of the fact that they have ben superseded by the Negotiable Instruments Law cited. It is not easy to see how the Court, in writing this decision, could have escaped seeing the act.

Lehrenkrauss v. Bonnell, 199 N. Y., 240; 92 N. E., 637 (1910). A mortgage and mortgage note given in consideration of an antecedent debt, without any agreement as to extension of time on the old debt or as to forbearance from pressing it, the debtor being insolvent at the time he gave the mortgage but the mortgagee not knowing it, there being no fraud, are valid. Sec. 51 (25) was not cited, although the act was referred to. A learned opinion, but strangely omitting all citation of the act while admitting its existence, and ignoring all the cases under Sec. 51 (25) in New York and elsewhere. This decision reversed s. c. 138. A. D., 493 (1910), in which the act was referred to.

Rogowski v. Brill, 131 N. Y. Supp., 589 (1911). In order that a pre-existing debt shall constitute value for the accommodation indorsement of a note, the payee must show that he has parted with something, that he has given up the original debt or the right to sue on it. The only authority given for this erroneous view was *Roseman v. Mahony,* 80 A. D., 377. The act was not otherwise referred to, nor any of the decisions under Sec. 51 (25).

In order to constitute one the holder of a negotiable instrument for value it is not necessary that he part with present consideration.

Therefore when a New York bank received a check duly indorsed, without notice as to its ownership and the sender, a California trust company was and for a long time had been indebted to it on a checking account, it became a holder for value.

At p. 402 the Court cited Secs. 51, 52 (25, 26), and said:

"While no case in this state on the point has been called to our attention, it seems plain that those sections were intended to bring the law of this state into harmony with that of the other states and of the Federal courts."

Yet at this time there were thirty-eight decisions in New York alone, besides eighteen in other states, in some of which the act was cited and in others, although equally applicable, it was not cited.

Here we have abundant proof of that which may have already attracted the reader's attention, *i. e.,* the fact that counsel fail to prepare their briefs thoroughly and therefore the courts have neither the law nor the decisions under that law that should be presented to them. In seven out of these twenty-six cases in New York Sec. 51 (25) was not cited. In some of the remaining cases *Roseman v. Mahony* and *Sutherland v. Mead* were referred to, but not a single case was cited in any other jurisdiction. This uniform law was construed, where cited, as if it were only a law of the State of New York.

Brooks v. Sullivan, 129 N. C., 190 (1901). Under Secs. 51, 53 (25, 27), when a note is transferred before maturity as collateral security for a pre-existing debt, the assignee is a holder for value, changing the law in North Carolina. But this case was held to be under the law as it stood before the adoption of the act.

Manufacturing Co. v. Summers, 143 N. C., 102; 55 S. E., 522 (1906). One is a holder for value who takes a check partly in consideration of the surrender of an antecedent debt and partly in cash, under Sec. 51 (25).

The opinion is in point on several other sections, but without citing any cases decided under the act.

Murchinson Nat. Bank v. Dunn Oil Mills Co., 150 N. C., 718; 64 S. E., 885 (1909). A bank acquiring a bill of exchange by purchase from another bank for an existing indebtedness, is a holder for value, citing Sec. 51 (25), but no case under the act.

Second Nat. Bank v. Warner, 19 N. Dak., 485; 126 N. W., 100 (1910). The indorsee before maturity of negotiable paper,

taken as collateral security for an indebtedness created concurrently with the indorsement and delivery of such paper and in consideration thereof, actnig in good faith and without notice of any infirmity, is a holder for value under Sec. 51 (25), but citing no case under the act.

State Bank of Pittsburg v. Kirk, 216 Pa. St., 452 (1905). Where the directors of a bank make and deliver their notes to the bank, to take the place of certain bad loans for the same amount, with an understanding that these notes of the directors are to be paid out of the profits, and the bank fails; on suit on these notes by the receiver of the bank against the directors, they cannot set up want of consideration as a defense. The Court rested its decision on estoppel instead of citing the law of the state, Sec. 51 (25), and cases decided under it, and resting thereon.

Rathfon v. Locker, 215 Pa. St., 571 (1906). A note by a married woman for her husband's accommodation, although legally invalid, imports a moral consideration and this is enough to support a renewal note given by her after her husband's death, not citing Sec. 51 (25) nor any decision thereunder .

The fact that the renewal note was dated before the husband's death matters not, under Sec. 31 (12) it not having been done for an illegal or fraudulent purpose, but citing no case under that section.

This case is remarkable, because the Court cited the act on one point, yet, although the act was before them, they failed to cite it on another point on which it was also controlling authority. For the wife, after her husband's death, gave her new note in consideration of the release of her husband's antecedent debt.

Allentown Nat. Bank v. Clay Products Supply Co., 217 Pa. St., 128; 66 At., 252 (1907). Where a bank accepts from a debtor a promissory note indorsed by the debtor and evtends time to him, crediting his account with the proceeds of the discount of the note, receipting and surrendering shipping bills pledged as collateral, there being nothing to connect the bank with what took place between the original parties to the note, the bank is not only a holder for value (under Sec. 51 (25), not cited, however), it is also a holder in due course, being without notice of any infirmity in the instrument or of any right of setoff in connection therewith (under Sec. 91 (52), also not cited). It is not the correctness of the ruling that is sought to be pointed out, but the failure to cite the true source of authority, these sections of the

law of the state with the decisions under them in Pennsylvania as well as in other states where it is in force.

Morrison v. Whitfield, 46 Pa. Super., 103 (1911). An indorsee before maturity of a note taken for an antecedent debt, is a holder for value, citing Sec. 51 (25) but no case under it. Counsel made the above point correctly, but failed to cite even one of the many cases that have arisen under the section.

Of these four cases in Pennsylvania, one cited Sec. 51 (25). We cannot say that neither the counsel nor court knew of the existence of the act until this last case was heard (in 1911), for in the second case in 1906 another section of the act was cited, although the counsel and the members of the court failed to realize that another section (51) should also be cited and cases under it should be examined and cited.

Elgin City Banking Co. v. Hall, 119 Tenn., 548; 108 S. W., 1068 (1907). A bank taking a note before maturity and obtaining credit in favor of the seller-indorser in another bank for the amount, is a holder for value under Sec. 51 (25), but not citing 91 (53) nor any cases under the act.

Felt v. Bush, Utah, 126 Pac., 688 (1912). This case is noteworthy because the decision citeld many of the cases in which Sec. 51 (25) is applicable, *i. e., Brooks v. Sullivan,* N. Car., 190 (1901); *Graham v. Smith,* 155 Mich., 65; 118 N. W., 726; *Payne v. Zell,* 98 Va., 297; 36 S. E., 379 (1900); *Voss v. Chamberlain,* 130 Iowa, 573; 117 N. W., 269 (1908); *Commercial Bank v. State Bank,* 132 Iowa, 706; 109 N. W., 198; *Iowa Nat. Bank v. Custer,* 144 Iowa, 715; 123 N. W., 237; *Burket v. Edward,* 68 Kans., 295; 74 Pac., 1100 (1904); *In re Hopper-Morgan Co.,* 154 Fed., 249 (1907); *Wilkins v. Usher,* 123 Ky., 697 (1907); *Campbell v. Bank,* 137 Ky., 555; *Ex. Nat. Bank v. Coe,* 31 L. R. A. (N. S.), 287, and note 94 Ark., 287 (but this case was not under the Negotiable Instruments Law. Reviewing the cases on both sides, the Court said:

" * * * an indorsee of negotiable paper before due and without notice of existing equities or infirmities, although he receives it as collateral security for a pre-existing debt, without any further consideration is, nevertheless, a holder in due course for value. The question therefore, it seems to us, has passed beyond the domain of judicial discussion. As we understand it, the Negotiable Instruments Law was intended to give legislative sanction to the majority rule to which reference has been made, and was conceived by its authors and adopted by the different state legis-

latures for the express purpose of harmonizing the conflicting decisions which had been rendered on the subject of negotiable instruments and the rights of those interested therein whose rights were acquired before maturity. As we view it, therefore, it is our plain duty to follow the numerous decisions that have directly passed upon the Negotiable Instruments Law, and have construed it in accordance with the majority rule. The question is one of business expediency, and not of logic or equity as applied to an individual case."

Here was a case adequately prepared by counsel with apt citations of the cases in point in other jurisdictions under the same uniform law, which cases were adequately considered and followed in a clear, well-written opinion. Were the same course followed by counsel and by court, in more cases arising under this act, we should have had what as yet we have not, a body of well established precedents uniformly decided that would give the Negotiable Instruments Law and the decisions under it national, indeed, even international repute.

Trustees of Am. Nat. Bank of Orange v. McComb, 105 Va.. 473; 54 S. W., 14 (1906). While many sections of the act were cited and held to be controlling as to various other points in this case, the Court held that a pre-existing debt is of itself a valuable consideration for a deed of trust executed for its security, without citing Sec. 51 (25) and without citing any cases under the act, either on this or any other point involved in the case, nevertheless making important statements as to the effect of the act. Space is lacking for quotation of more than the following:

"Where the language of such an act is clear, it must control, whatever may have been the prior statutes and decisions on the subject. Where there is a substantial doubt as to the meaning of the language used, the old law is a valuable source of information. *United States v. Bowen,* 10 U. S., 508; 25 L. Ed., 631; *Bank v. Voglino,* A. C. 107, 144."

Payne v. Zell, 98 Va., 294; 36 S. E., 379 (1900). One who takes a note for value in good faith without notice of any defect, before maturity, for a pre-existing debt, either in payment or as security, is a holder for value, citing Sec. 51, 53 (25, 27), but citing no cases.

Sanders v. Bank of Mechlinberg, 112 Va., 443; 71 S. E., 714 (1911). The court held, p. 454:

"The facts that the defendants did execute the note sued on, and that the plaintiff did forbear to sue because of its execution,

do not show a consideration for the undertaking to pay the debt of another, unless there was an agreement, express implied, that the plaintiff would forbear to sue."

The act was not cited nor any case arising under it. It is submitted that had this been done the result would have been different. This omission to cite the act and cases under it is all the more remarkable when we remember that this is the same court that rendered the decision in *Payne v. Zell,* 98 Va., 294 (1900), that one is a holder for value who takes a note for a pre-existing debt, either in payment or as security.

Pitt v. Little, 58 Wash., 355; 108 Pac., 941 (1910). The Court held, p. 358: "A negotiable promissory note is not void for want of consideration, if given for the matured debt of a third party, the time of payment being thereby extended," citing an old text book and two old authorities, but ignoring Sec. 51 (25) and all the cases under it. This omission is all the more remarkable as other sections of the act are cited, relating to other points involved. Again, how can a court recognize the act and yet ignore it, in the same breath, the same opinion?

An. Savings Bank v. Helgesen, 64 Wash., 54 (1911). Notes taken as collateral security for a pre-existing debt, are acquired for value where the purchaser surrendered other security given for that debt when it was incurred.

The act was not cited, although the Court cited two cases in which other sections of the act were cited.

As usual, the act being ignored, all the cases under Sec. 51 (25) were also ignored.

Marling v. Fitzgerald, 138 Wisc., 93 (1909). A note secured by mortgage in consideration of advances to be made by the payee, but which never were made, was delivered without the payee's indorsement, fraudulently, to the plaintiff as collateral security for a loan made to him, the payee, of the note sued on. It was held that notwithstanding Secs. 79, 97 (49, 58), cited by the Court, the plaintiff, although not a holder in due course, is a holder for value, and the maker of the note is estopped.

This is a misapplication of the doctrine of estoppel. Although Sec. 51 (25) was cited, under Sec. 54 (28) not cited, failure of consideration is matter of defense as against any person not a holder in due course and one cannot be a "holder" without indorsement, because he is neither payee, indorsee or bearer. See Sec. 2 (191). " 'Holder' means the payee or indorsee of a

bill or note, who is in possession of it, or the bearer thereof." No case under the act was cited.

Decisions in cases under the Negotiable Instruments Law call for more attention to that law, the cases under it, and the principles of the law merchant, if they are to become a body of precedents for future decisions, rather than calling for a search for reasons for applying the doctrine of estoppel. See Br. N. I. L., p. 51.

Samson v. Ward, 147 Wisc., 48 (1911): The holder of a note, taken without knowledge that, in violation of a statute, it was given in payment for a stallion, and taken in part payment and in part execution of an executory contract, is an innocent purchaser for value and is a holder in due course, even though the executory contract be not fully executed until after notice to the holder of the consideration for which the note was originally given.

Neither Sec. 51 (25) nor any case under it were cited, but nevertheless other sections of the act were cited. How then escape cosideration of Sec. 51 (25)?

The following are cases in the Federal Courts:

Barnsdall v. Watemayer, 142 Fed., 415; 73 C. C. A. (Colorado, 1905). "A promise to accept or to honor a bill or order not in existence, but subsequently drawn in favor of the promissee, who takes it for value or for a pre-existing debt, is as effective as an acceptance after the order is drawn." Citing only old cases, ignoring the act and all the cases under it. Had the attention of the court been called to Section 51 (25) the decision would not have spoken of a pre-existing debt as being different from value, for that section says that "an antecedent or pre-existing debt constitutes value". By the failure to cite this section and the cases decided under it, the benefit to be derived from decisions in other courts under the same law, was lost, and cases were cited as authority that were superseded as authority by the authority conferred upon the court by the adoption of the uniform Negotiable Instruments Law.

In re Hopper-Morgan Co., 154 Fed., 249 (Dist. Ct. N. Y.) (1907). An indorsee of an accommodation note taking it from another indorsee before maturity, in good faith, without notice of any informality, as collateral security for an antecedent debt of the immediate indorsee, is a holder for value or occupies the position of a holder for value, and may enforce the note against the maker, although such indorsee surrendered no right in respect

to the original debt and although the note was invalid and illegal in its inception.

The act and some New York cases under it were cited but not followed and many old cases were cited. But no cases under the same sections in other states that have adopted the same uniform law were cited. Unless this is done, how can there be uniform decisions under the uniform act?

Scherer & Co. v. Everett, 168 Fed., 822; 94 C. C. A., 346 (1909) (Dist. Ct. Iowa). The taking of commercial paper in payment of a debt due or past due or as collateral security therefor, is a purchase for value in the ordinary course of business, citing a host of old authorities but ignoring the real authority, Sec. 51 (25).

The Court held, under a statute of Iowa passed in 1888, that no holder of commercial paper procured by fraud upon the maker shall recover thereon a greater sum than he paid therefor with interest and costs. This act is superseded, however, by the Negotiable Instruments Law.

The Court relied upon the familiar doctrine that the Federal Courts will exercise their independent judgment in the determination of questions of commercial law, etc., although the decisions of the State Courts may conflict, citing many authorities which, however, are not applicable where there is a statute of the subject in question, especially when that statute, as in this case, is a uniform act to bring into harmony the law and the decisions in the different states. The duty of the Federal Court, in such a case, is to follow the uniform state law.

Trust Co. of St. Louis v. Markee, 179 Fed., 764 (Pa., 1910). Under Secs. 51, 53, 55 (25, 27, 29), cited, but without citing any cases under them, accommodation indorsers were held liable on a note transferred before maturity to a creditor as additional security for a pre-existing debt. The only authority cited was the old case of *Railroad Co. v. Bank,* 102 U. S., 14 (1880). Since its adoption eighty-six cases have arisen under Sec. 51 (25), seventeen cases under Sec. 53 (27), and twenty-four cases under Sec. 55 (29). Fortunately the principle followed in the case relied on is the same as that of the law. Had it been different the court should have followed the act, not the antecedent case in the United States Supreme Court. Then why not follow the act and cite the cases under it?

Melton v. Pensacola Bank & Tr. Co., 190 Fed., 126; 111 C. C. A., 166 (1911, Ky.). Here we have a case in which there is something like adequate consideration of the act. The Court specificaly states that the old law in Kentucky was changed by Secs. 51, 52 (25, 26), citing them, stating: "It is clear that under these sections of the act one who takes a note before maturity as collateral security for a pre-existing debt is a holder for value", citing four decisions under the act, but not citing the decisions under these same sections in Kentucky. The conclusion to be draw from this omission is that they were not on counsel's brief.

Nichols v. Waukesha Canning Co., 195 Fed., 807 (1912). The Negotiable Instruments Law adopted in Wisconsin in 1899 does not amend nor repeal the Wisconsin statute of 1898, Sec. 1753, limiting the isuance of corporate bonds.

The issuance of such bonds for antecedent debts is not the issuance thereof "for money, labor or property estimated at its true money value, actually received", as rendered by that statute. No cases under the act were cited nor was Sec. 51 (25) specifically cited.

Here are eighty-six cases in which Sec. 51 (25) was applicable, yet in thirty-five cases it was not cited. Even in the fifty-one cases in which it was cited only four opinions cite any cases decided under it and in only one case is this done adequately.

Some of the opinions that do not cite the law are in accord with it, some are not.

Some of the opinions that do cite the law are likewise in accord with it, while some are not.

The error is sometimes made of following the act after holding that the note in suit is non-negotiable, forgetful of the fact that in such a case the provisions of the act are no further applicable, since it treats only of negotiable instruments. Non-negotiable instruments are strangers to the law merchant.

We have spoken of the error of carrying over into the field of the law merchant the use of terms that belong only to the field of the common law. We are now in a position to point out that more than the use of terms is thus carried over into the wrong field, for the ideas for which these terms stand are thus carried over into the wrong field by common law lawyers (on the bench and before it) who are steeped in the common law principles of consideration and assumpsit but are not steeped in knowledge of the principles of the law merchant and who fail therefore to per-

ceive that the object of Section 51 is to force upon them the very different conceptions on this subject of the law merchant. To make this even yet clearer, the Conference, in Sec. 76 of the Uniform Sales Act, in Sec. 21 of the Uniform Transfer of Stocks Act, in Sec. 58 of the Uniform Warehouse Receipts Act, and in Sec. 53 of the Uniform Bills of Lading Act, have sought even more fully to indicate their intention to follow the law merchant by providing that an antecedent or pre-existing debt, claim or obligation, whether for money or not, constitutes value where goods or documents of title, or a certificate, or a receipt, or a bill, is or are taken, either in satisfaction thereof or as security therefor. It is said that it took the French courts a generation to follow the Code Napoleon and the cases declared under it. Let us hope it will not take a generation for American courts to follow the Uniform Negotiable Instruments Law and the cases decided under it.

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