

**A PRACTICAL GUIDE TO THE LAW  
OF BILLS OF EXCHANGE AND  
PROMISSORY NOTES: FOR THE  
USE OF BANKERS, MERCHANTS,  
TRADERS, AND OTHERS**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649032754

A Practical Guide to the Law of Bills of Exchange and Promissory Notes: For the Use of Bankers, Merchants, Traders, and Others by Stewart Tournay

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Cover @ 2017

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**STEWART TOURNAY**

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FOR THE USE OF  
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BY STEWART TOURNAY,  
SOLICITOR.



LONDON:  
GROOMBRIDGE AND SONS, PATERNOSTER ROW.

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## PREFACE.

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The want of a *cheap practical Guide or Hand Book* to the Law of Bills of Exchange and Promissory Notes, which has been long felt by mercantile men and the public generally, first suggested to the Author the compilation of the following work. In offering it to the public, he feels called upon to make a few observations, not so much by way of apology as of explanation, for attempting to write upon a subject, the law of which has been already so ably expounded by such learned Writers, as the late Mr. Justice Bayley, the late Mr. Chitty, and Mr. Serjeant Byles, in their several very valuable and elaborate works; all of which, it is however, submitted, are

adapted more particularly for the use of the legal profession, and not of mercantile and general readers, for whom the following pages are more especially intended.

It is scarcely necessary for the Author to observe, that as the present work is offered to a different class of readers, so, it is not intended, or expected, that it will in any way compete with either of the works of those eminent writers; on the other hand, he has carefully consulted their pages, as the standard authorities upon the subject, and also Mr. Smith's valuable 'Compendium of Mercantile Law,' and he acknowledges, with thanks, having derived very considerable assistance therefrom.

In conclusion, the object of the writer has been to meet the existing want, by the production of a work of a concise, accurate, and

PREFACE.

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- really practical nature, as free as possible from legal technicalities, easy of reference, and peculiarly adapted for the use, and at a price within the reach, of all persons engaged in mercantile and trading pursuits, as well as the public generally; and in this, he trusts, that he has not altogether failed.

58, *Cheapside, London,*

*December 16, 1850.*



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## CHAPTER I.

### HISTORY OF BILLS OF EXCHANGE AND PROMISSORY NOTES.

*Bills of Exchange* are generally supposed to have been in use in this country about four centuries; their introduction is by some writers attributed to the Jews and Lombards, being used by them as a safe means of payment without an actual remittance; by other writers, their origin is attributed to different causes;—it seems not, however, improbable that a Bill of Exchange was *originally merely a letter or order* from a merchant in one country to another merchant his debtor, or about to become his debtor in another country, requesting and authorizing him to pay the debt to a third party, or the bearer of the letter. Sometimes the creditor might have purposely given his debtor upon whom he had drawn the order, a certain time for payment, to enable him to realize some adventure or sale of merchandize, probably that for which the debt was incurred; the person in whose favour the order was given might, with reference to transactions with other merchants, wish to be satisfied if the debt would be *punctually*

*paid*, and would therefore apply to the debtor for the purpose, who would satisfy him on the subject, or *accept* the order or letter. In other cases it might frequently happen that the merchant upon whom the order was drawn was not a debtor but only an agent, or correspondent of the party drawing it, having, or expecting to have, assets or monies in his hands arising from the sale of merchandize forwarded to him by the principal, in which case the same result, that is, the acceptance of the order would probably follow. It was afterwards probably found, that such a letter might be conveniently transferred from the merchant in whose favour it was given to another, instead of *cash*; hence, therefore, might have arisen the system of transfer and indorsement; the usage was also, no doubt, found to be a ready means of finally closing open accounts and transactions between merchants in distant places and preventing disputes, and therefore, on that account also soon became prevalent.

*Promissory Notes* may owe their origin from somewhat similar causes, and especially from being a simpler process by which the object of closing mercantile accounts could be accomplished.

Bills of exchange and promissory notes, particularly the former, are now in general and extensive use, not only in this country, but in every civilized quarter of the globe, the former being almost the only medium of payment now used for mercantile and trading purposes.