

because they are on sea, A endorses to the name of C. the bill of exchange together with the bill of lading and the policy of maritime insurance if any which are representative of the goods or of their value in case of loss. By these endorsements C is, as a fact, put in possession of his pledge, and he can re-indorse the bill and its annexes to further indorsers. When the goods will arrive at Shanghai the holder of the documentary bill, if not paid, can have the goods seized and sold to be paid on their price.

If A has constituted the pledge only to secure the acceptance by B, the bill of lading and other documents shall remain in possession of C only up to the time when the acceptance of B is given. In return of such acceptance the other documents must be delivered to B.

III. - In the case of the foregoing illustration, supposing the day of maturity of the bill of exchange is 31st. December 2464, and the goods arrive in Shanghai on the 2nd. October 2464, no doubt that B has interest to take delivery of such goods as soon as possible to avoid charges, damages to the goods, etc. But he cannot do so as long as such goods are pledged to C who detains the bill of lading and other documents if any. Then in this case B is allowed to compel C to receive payment before the 31st. December 2464, so that C shall deliver to him the bill of exchange together with its annexes (bill of lading, policy, etc.)