

## NOTES AND BILLS CONTINUED.

Chattel notes are not negotiable and cannot be collected except in name of payee. A maker of a chattel note must tender the goods mentioned (specified) in the note at the time the note becomes due and at the place named for delivery. If he neglects to do so he will be liable to pay the amount in money; if he presents the chattels and the payee then refuses to accept them, the debt will be discharged; but the right to the property tendered will pass to the creditor.

An I. O. U. is not negotiable, it is simply an acknowledgment of a debt, but has all the effect of a note of demand and may be sued at any time. The creditor's name should always be mentioned, otherwise it will be *prima facie* evidence that the holder is the creditor.

## INTEREST.

Where interest is payable, but no rate expressed, the legal rate of 6 per cent. will prevail. There is no usury law and any rate may be contracted and collected—if in writing. Legal interest is allowed on overdue notes, demand notes and bills of exchange from the time they become due. Legal interest is also allowed on judgments. A proviso that the rate would be reduced upon the punctual payment of a note or debt is good at law; if to increase the rate in case of default, it is bad.

Interest cannot be collected on open accounts unless there is an express or implied agreement to pay interest. Printed bill heads intimating a claim to interest is in law good.

Interest settlements in ordinary business transactions are effected under the "commercial rule"; but in settlement of bonds, mortgages &c., the interest is calculated by the legal rule. (See legal and commercial interest rule.) No arrears for interest can be recovered for more than six years.



Happy Days.