

year's interest in advance, and holds the note overdue. This is repeated until it has been held for four years in all. By this time B is insolvent, and the debt cannot be recovered from him.

1. Should the note have been protested to hold C?
2. Is C discharged by reason of the note being held four years?

ANSWER.—1. C is liable on the note without protest.

2. From the circumstances mentioned we should think that C is not discharged as surety. C would be released if A, at the time of any interest payment, made a binding agreement with B to extend the time of payment for a year; and the acceptance of the year's interest in advance would certainly strengthen a claim made by B, that the holder had so bound himself that he could not sue till the year was out.

Note made by a firm and guaranteed, or endorsed, by the individual partners, or vice versa

QUESTION 183.—A bank has discounted for a firm a note made by the individual partners and endorsed by the firm. The firm and the individual partners subsequently make assignments under the Ontario Statute in that behalf.

1. Will the bank's claims rank on the separate estate of the partners in preference to the other creditors of the firm holding the firm's name only?

2. Would the position be the same if the bank held the firm's note guaranteed by the individual partners?

ANSWER.—1. Yes. 2. The same results would follow in this case.

Acceptance payable "with exchange"—Refusal of acceptor to pay exchange

QUESTION 184.—A draft for "\$100 and exchange," with a "no protest" slip attached to it, is sent to a bank in Halifax for collection, and is accepted. At maturity the acceptor refuses to pay more than \$100, which the bank takes as a payment on account, endorses the same on the draft, and returns it to the owner. Has the collecting bank the right to accept a payment on account, or should it return the bill unpaid?

ANSWER.—The course adopted was the proper one. The collecting bank may refuse to accept anything other than the full amount of the item, in this case \$100, plus the current rate of exchange, but it may accept partial payment, and in such a case as this, consideration for the interests of the owner of the draft would seem to require the acceptance of the partial payment.