sence of all evidence to the contrary, be determined according to the ordinary principles of the law-merchant. He who is proved or admitted to have made a prior indorsement must, according to these principles, indemnify subsequent indorsers. But it is a well established rule of law that the whole facts and circumstances attendant upon the making, issue, and transference of a bill or note, may be legitmately referred to for the purpose of ascertaining the true relation to each other of the parties who put their signatures upon it, either as makers or as indorsers; and that reasonable inferences, derived from these facts and circumstances, are admitted to the effect of qualifying, altering, or even investing the relative liabilities which the law-merchant would otherwise assign to them. It is in accordance with that rule that the drawer of a bill is made liable in relief to the acceptor, when the facts and circumstances connected with the making and issue of the bill sustain the inference that it was accepted solely for the accommodation of the drawer. Even where the liability of the party, according to the law-merchant, is not altered or affected by reference to such acts or circumstances, he may still obtain relief by shewing that the party from whom he claims indemnity agreed to give it him; but in that case he sets up an independent and collateral guarantee, which he can only prove by means of a writing which will satisfy the Statute of Frauds. * * But the respondent insists, and the Court below seem to have held, that, in determining the rights and liabilities inter se of these indorsers for the accommodation of the company, regard must be had, not to the contract in pursuance of which they became indorsers, but to the order of their indorsements, as evidencing the terms of their contract. That doctrine appears to their Lordships to be at variance with the principles of the English law. In a case like the present, the signing of their names on the note, by way of indorsement, in order to induce the bank to discount it to the promissor, is not, as between the indorsers, pars contractus, but is merely the performance by them of an antecedent agreement. The terms of that previous contract must settle their liabilities inter se, irrespective altogether of the rules of the law-merchant, which will nevertheless be binding upon them in any question with parties to the note who were not likewise parties to the agreement. The law upon this point was correctly laid down by the Court of Common Pleas in *Reynolds* v. *Wheeler*, 10 C. B. (N. S.), 561."

The importance of the principles thus enunciated will excuse the length of the above extract; and it must be added that, referring to the cases in our own Courts of *Clipperton* v. *Spettigue*, 15 Gr. 269; *Cockburn* v. *Johnston*, 15 Gr. 577; *Janson* v. *Paxton*, 23 C. P. 439; *Fisken* v. *Meehan*, 40 U. C. R., 146, their Lordships observe that so far as they contain any dicta which seem to recognize the doctrine contended for by the respondent in this case, they cannot be accepted as conclusive of the law of England.

The next case requiring notice is *Ward* v. *National Bank of New Zealand*, p. 755.

PRINCIPAL AND SURETY—CO-SURETIES IN SEVERALTY.

This case illustrates the relation of co-sureties in severalty between themselves and to their principal. The judgment shows the difference in this respect between the position of joint sureties and several sureties, thus: "A long series of cases has decided that a surety is discharged by a creditor dealing with the principal or with a co-surety in a manner at variance with the contract, the performance of which the surety had guaranteed. In pursuance of this principle, it has been held that a surety is discharged by giving time to the principal, even though the surety may not be injured, and may even be benefited thereby. * * On the same principle it has been held that when the creditor releases one of two or more sureties