sideration, and that it was accepted upon the condition that the defendants should not be liable for and would not pay the bill at maturity unless at that date it was found that the defendants were indebted to the New Hamburg company for the amount of the bill.

The plaintiffs deny that the bill was transferred to them upon the terms alleged, and claim to be holders in due course for value; they further allege that oral evidence tending to prove the allegations of the defendants is inadmissible, inasmuch as it varies the written instrument. . . .

The New Hamburg company is now in liquidation.

The plaintiffs were pressing the New Hamburg company for further security, and the company represented to the plaintiffs, as was the fact, that the company had in course of manufacture two machines for the defendants, from whom they expected to receive over $5,000 on the delivery and acceptance of this machinery. The plaintiffs urged the company to get a bill accepted by the defendants. . . . The defendants refused to accept a bill. . . . The plaintiffs' branch manager stated that he would undertake that, if the defendants would accept a bill, they should not be called upon for payment unless, at its maturity, the defendants were indebted to the New Hamburg company for that amount. . . . The defendants still refused to accept without calling up the bank manager and ascertaining that he understood the arrangement to be as alleged. This was done; and I find as a fact that the bank manager acquiesced in this arrangement—that is, that, if the defendants would accept the bill, they would not be called upon for payment unless they were indebted to the New Hamburg company at its maturity. . . .

I find, therefore, the issue upon the question of fact in favour of the defendants.

The further question remains, whether the evidence as to the conditional acceptance is admissible. . . .

[Reference to the Bills of Exchange Act, R.S.C. 1906 ch. 119, secs. 38(3), 39, 40, 41, 55(1), (2), 74; Byles on Bills, 17th ed., p. 210; Decroix Verley et Cie. v. Meyer & Co. Limited (1890), 25 Q.B.D. 343, 347, 348; Chalmers on Bills of Exchange, 7th ed., p. 61; Watson v. Russell (1862-4), 3 B. & S. 34, 5 B. & S. 968; Clutton v. Attenborough & Son, [1897] A.C. 90; Jefferies v. Austin (1726), 1 Stra. 674; Bell v. Lord Ingestre (1848), 12 Q.B. 317; Seligmann v. Huth (1877), 37 L.T.R. 488; Ex p. Twogood (1812), 19 Ves. 229; In re Boys (1870), L.R. 10 Eq. 467.]

The result of the cases as to when and to what extent oral evidence may be given is, I think, correctly stated in Chalmers.