

COMMERCIAL LAW.

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NOTES.

BILLS of Exchange and Promissory Notes form another species of contracts. The chief difference between them is a Bill of Exchange requires three parties, the drawer, drawee and payee, a Note only two, the maker and payee. A Bill of Exchange may be made payable to bearer or order, or to some particular person; in the latter case it is said to be non-negotiable. But, if made payable to order, then it must be endorsed, which is done by the payee writing his name on the back of the bill or note.

The holder is any one of the parties in possession of the bill and entitled at law to receive its contents from another.

All contracts arising on a Bill of Exchange or Draft are simple contracts, but they differ from other simple contracts in one particular—that consideration will be presumed till the contrary appear. The *effect of drawing* a bill payable to a third person is a conditional contract by the drawer to pay the payee, his order or bearer, as the case may be, if the acceptor do not.

The *effect of endorsing* is a conditional contract on the part of the endorser to pay the immediate or any succeeding endorsee or bearer, in case of the acceptor's or maker's default.

A Promissory Note is an absolute promise in writing, signed but not sealed, to pay a specified sum at a time therein limited, or on demand, to a person therein named, or to his order, or to bearer.

No precise form of words is necessary to the validity either of a Promissory Note or Draft; nor can there be a

note by the maker to himself and another person.

A note made by two or more makers may be either joint or joint and several. A note signed by more than one person, and beginning "We promise," is a joint note only, and all the parties must be sued together as one person. A note signed by more than one person, and beginning "I promise," is several as well as joint, and may be sued severally or jointly, and is in reality the several note of each of the makers.

A cheque is an order by a person to his banker to pay a certain sum of money. A banker having in his hands effects of his customer is bound within a reasonable time to pay his customers' cheques, and is liable to an action at the suit of the customer if he do not. He should know his customers' signature, and if he pay a forged cheque he is liable, that is provided there be no laches in the drawing. A person should not accept a cheque in payment of a debt unless the cheque be marked good by a responsible banker, or you feel confident it will be paid when presented.

An I. O. U. is not a note, but merely an acknowledgment of debt.

A note or draft may be endorsed so as to avoid personal responsibility by adding the words "sans recours," or "without recourse to me."

Partners in trade.—The presumption exists that each partner in trade is entrusted by his co-partners with a general authority in all partnership affairs. Each partner by making,