

plaintiffs is barred by the statute. I also think that the interest is like any other item in the account, and that the guarantor continues liable, and cannot get rid of his liability, notwithstanding that his liability as guarantor in respect of items of principal advances may have ceased. I also agree that the rule that payments on account are first to be applied to the payment of interest as distinguished from principal does not apply in the case of a banker's account like the present, because there the interest is from time to time added to the principal and becomes part of it. The judgment, therefore, of the learned Judge in the Court below must be set aside, and judgment entered for the plaintiffs for such amount of interest, not exceeding £1,000, as upon enquiry shall be found to have accrued due within six years before action brought.

Judgment varied accordingly.

COURT OF APPEAL, ENGLAND

New London Credit Syndicate v. Neale*

Evidence of a contemporaneous oral agreement to renew a bill of exchange is inadmissible in an action upon the bill.

Appeal from the judgment of Darling, J., at the trial of the action without a jury.

The action was brought by the plaintiffs, the holders of a bill of exchange for £110, dated August 12, 1897, payable three months after date, drawn by Allen & Sons upon and accepted by the defendant. The bill was endorsed to the plaintiffs by Allen & Sons, the drawers, for value.

It appeared that the bill of exchange had been given by the defendant to Allen & Sons in respect of a claim by them against a company of which the defendant was chairman, and at the trial evidence was given that at the time the bill was handed to Allen & Sons by the defendant, Allen & Sons agreed to renew it if the defendant had any trouble about meeting it at maturity.

It was admitted on behalf of the plaintiffs that they had notice of the circumstances under which the bill was given, and they did not claim to stand in any better position than

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