

A note negotiated after it is due is subject to any offset the maker of the note may have against the person to whom it is made payable.

Promissory notes are entitled, like bills of exchange, to three days of grace, and payment should be demanded on the last day of grace. A note falling due on a Sunday is payable the day following.

A note should be presented for payment on the day when it falls due, and if not paid, notice should be immediately given to all the endorers to whom the holder intends to look for payment. If this is not done they will be discharged from their liability.

If the words "with interest" are omitted from a note, it will not draw interest before the time at which it is due. If it is not paid when due, it will draw legal interest from that time. If the note is payable on demand, it will draw interest from the time payment is demanded. The holder of a note need not accept a sum less than the whole amount due, but if he does, he should credit the amount received on the back of the note. The rate of interest allowed on money past due, is 6 per cent., unless some other rate is stipulated for.

When a note has been lost, it is advisable to give the fact all the publicity possible, so that the public may be prevented from purchasing it; yet if it gets into the hands of one who paid value for it in good faith, and before it is due, it must be paid, unless its negotiation has been accomplished by forgery.

## INSOLVENCY.

The Insolvency Act of 1875, and Amending Acts, applicable to the Dominion, having been repealed, insolvency of traders is now governed in each province by the principles and provisions of the common law. A trader is commonly held to be bankrupt when he has discontinued his payments, and may make a voluntary surrender of his property and effects to one or more of his creditors, or in some provinces to the sheriff or other assignees.

In Ontario a deed of assignment can be made by a debtor for the purpose of paying and satisfying rateably and proportionately and without preference or priority, all the creditors of such debtor their just debts. Preferential assignments are void. The assignment may be made to the sheriff of the county in which the debtor resides or carries on his business, or to another assignee with the consent of a majority of his creditors having claims of \$100 and upwards—residents of the province. Assignment does not discharge the debtor. Execution creditors rank on the estate equally with other creditors, the costs only being a preferred claim. Any time that a person being in insolvent circumstances or being unable to pay his debts in full, or knowing that he is in the eve of insolvency, voluntarily or by collusion makes any gift, conveyance, assignment or transfer of goods, chattels or effects, bills, bonds, or securities, or if any other real or personal property with intent to defeat, delay or prejudice his creditors, or give one or more of them a preference, or which has such effects, shall as against them be utterly void.

In the Province of Quebec the code of civil procedure permits the judicial abandonment of property for the benefit of creditors. (1st). On the part of a debtor arrested on a *capias*, or when he has ceased his payments. (2nd) On demand of any creditor for any sum of \$200 or upwards unsecured. The abandonment or assignment is made by filing in the office of the prothonotary of the Superior Court of the District a statement sworn to by the debtor (1st) all the movable and unmovable property of which he is possessed; (2nd), the names and addresses of each and all of his creditors and the amount and value of their claims, whether privileged, hypothecated or otherwise, accompanied by a declaration of the debtor that he consents to abandon all his property to his creditors. Notice of such abandonment must then be given by him by registered letter to each creditor and through the official gazette of the province. The prothonotary immediately appoints a provisional guardian from the creditors who takes possession of the estate and holds it until the appointment of a curator in due form upon the advice of the creditors called together for that purpose. Inspectors or advisers may also be appointed. After the abandonment, all proceedings by way of attachments against the movable property of the debtor are superseded. Creditors are held to file their claims with the curator within thirty days from notice of his appointment. The curator takes possession of all the property specified in the declaration of the debtor, and administers it until sold in the manner indicated by the judge upon the advice of the inspectors or creditors. The moneys realized are distributable amongst the creditors by means of one or more dividend sheets, the sums mentioned being payable fifteen days after