A quantity of wheat was delivered by the plaintiff to the defendant, a miller, under a receipt stating that the same was received in store at owner's risk, and that the plaintiff was entitled to receive the current market price when he called for his money. The wheat, to the plaintiff's knowledge, was mixed with wheat of the same grade and ground into flour. The mill, with all its contents, was subsequently destroyed by fire, but there had always been in store a sufficient quantity of wheat to answer the plaintiff's receipt.

Held, that the receipt and evidence in connection therewith, showed there was a bailment of the wheat and not a sale.

Negligence on the part of the defendant was attempted to be set up, but the evidence failed to establish it. *Clarke* v. *McClellan*, Common Pleas Division Ontario, March 4, 1893.

BANKS AND BANKING — SEE ALSO BILLS AND NOTES 11.

1. NEW SOUTH WALES—SURETYSHIP PAYMENT.

Where a bankrupt and others had become guarantors to the appellants of a principal debtor's liability for the sum of £6,250, and three of the guarantors thereafter entered into agreement with the appellants that their liability should be limited in this way, that there should be substituted for it a deposit of £3,000 in the bank, to be carried to a suspense account, with power to the appellants to appropriate that sum whenever they thought fit in discharge *pro tanto* of the principal debt.

Held, that such deposit did not until appropriation operate as payment, and that the appellants were entitled to prove for the full amount of their debt against the estate of a bankrupt co-surety who was not a party to the above agreement. *Commercial Bank of Australia & Official Assignee of Estate John Wilson & Co.*, 1893 App. Cas. 181.

2. BANKER—LOAN TO BROKER—DEPOSIT OF CUSTOMER'S SECURITY — RIGHT OF REDEMPTION—"CONTANGO."

The plaintiff bought stocks and shares through a broker, the broker lending the plaintiff money to "carry over" when necessary. The broker borrowed money of a bank to pay for the stocks and shares, depositing them with the bank as security. Such stocks as required registration were transferred to and registered in the name of trustees for the bank, sometimes by the vendors and sometimes by the plaintiff himself for a nominal consideration:

Held, that the plaintiff could not redeem because (1) the plaintiff, in view of the "contango" system, which was common on the Stock Exchange, had not discharged the *onus* of shewing that the broker had exceeded his authority; (2) that as to "bonds payable to bearer," which were negotiable securities, there was nothing to put the bank on its inquiry; (3) that as to the stocks transferred by the vendors the bank had the legal estate and could not be deprived of it; and (4) as to the stock transferred by the plaintiff he was estopped from denying the bank's title. *Bentinck* v. *London Joint Stock Bank*, 1893, 2 Ch. 120.

3. LIEN—CASH-CREDIT BOND—NEGOTIABLE SECURITIES DEPOSITED IN SECURITY.

In 1881 a bank agreed to allow a firm of merchants in Glasgow credit upon a cash account to the extent of £10,000, and a cash-credit bond for that amount was executed by the firm and the individual partners in favour of the bank. By the bond it was stipulated that the sums to be placed to the debit of the cash account, should include, not only all sums advanced by the bank to the firm but also any sum or debt for which the firm might be liable, and to which the bank should be in right as creditors.

In 1884 one of the partners, acting for the firm, informed the bank that it would suit the firm to have the credit reduced to £5,000. This was agreed to by the bank, on the stipulation that securities of a value 20 per cent. in excess of the amount of the credit were placed in their hands. In compliance with this request the part-