banker where he is merely collecting, the bill being merely endorsed for collection, but there it is, and the wording is beyond dispute.

GUARANTEES

I now come to my last subject, that of guarantees.

Guarantees have always been rather a favourite subject of mine.

My very first connection with the Institute of Bankers was when, many years ago, I wrote an article on guarantees for the *Journal*, and I believe I dealt with the same topic, though briefly, in my first course of lectures here. And they are rather fascinating things. They are so tricky, so technical; a very slight and apparently immaterial divergence in wording will so entirely defeat their intended object.

CONTINUING GUARANTEES—STATUTE OF LIMITATIONS

Now, of course, one of the main divisions of guarantees is into continuing and non-continuing guarantees, and some subtleties have crept in with regard to the language which determines this classification, though it is not difficult to choose words putting a guarantee intended to be continuing well on the right side.

There has recently, however, been a decision which has disturbed preconceived views on the subject of continuing guarantees, and which, if correct, introduces another element of danger. It runs counter to the view I took in the article I referred to, and which I repeated to you here, and therefore I feel bound to go into it and consider whether I shall retract what I have previously said, or whether I shall adhere to it.

Now, the point arises on the question of the action of the Statute of Limitations on a continuing guarantee, a continuing guarantee in the fullest sense of the term. The case was that of *Parr's Banking Co. v. Yates*, and was decided by the Court of Appeal on July 4th, 1898.

A continuing guarantee was given to the bank by the defendant Yates, to secure the overdraft of a customer of the bank, named McLaren. It was in the regular and proper form of a continuing guarantee, guaranteeing due payment and satis-