The appeals were heard by MEREDITH, C.J.O., MACLAREN, MAGEE, HODGINS, and FERGUSON, JJ.A.

R. McKay, K.C., for the appellant Mills.

M. A. Secord, K.C., for the appellant Howell.

E. S. Wigle, K.C., for the plaintiffs, respondents.

HODGINS, J.A., in a written judgment, said that by the instrument executed by the defendants, they jointly and severally guaranteed the payment of any and all sums of money which might at any time be owing and payable by a certain company, when organised, to the plaintiff bank, not exceeding $6,000 at any one time, upon notes, acceptances, endorsements, overdrafts to be made by the company when organised, or upon any account whatsoever. "Acceptances of this guaranty, notice of default, renewal, or extension of time for payment of any part of said indebtedness, any release thereof, addition thereto, or change or other form of security, are hereby waived and agreed to. This . . . is a continuing guaranty, covering all indebtedness of said" company "when organised to said bank, not exceeding $6,000 at any one time, upon any account whatsoever, until revoked by notice given to said bank." The recitals preceding the operative part of the instrument were: (1) that the company "wishes and expects to borrow . . . divers sums of money from time to time, not to exceed $6,000 at any one time, upon notes, endorsements, acceptances, and any account whatever." (2) That the bank agreed to lend to the company "sums of money, from time to time as above stated, not exceeding $6,000 at any one time, upon notes, acceptances, endorsements, overdrafts, etc., made or endorsed or upon any account whatsoever, provided that the payment of the said loans be guaranteed by the undersigned."

The defendants contended that the guaranty, properly construed, prevented the bank from exceeding the limit of $6,000 at any one time.

It appeared that at odd times, from a Saturday to the following Monday, there was an unauthorised overdraft of something like $20, which was promptly covered on Monday. These trivial overdrafts not being authorised, the creditor (the bank) was not chargeable with having increased the amount of the company's liability by these amounts. They were involuntary, so far as the plaintiffs were concerned, and were promptly disavowed, being immediately covered by the debtor. See Davey v. Phelps (1841), 2 M. & G. 300.

The evidence further shewed that when the company sold motors, they brought in their customers' notes, endorsed by themselves, and either discounted or sold them to the bank, the company remaining liable as endorsers. These transactions, if