

proposed to read a letter from a debtor, written "without prejudice," in order to take the case out of the Statute of Limitations, and it was objected that the creditors had not assented to the stipulation. Chief Justice Tindal declined to admit the letter in evidence, and, with regard to the point as to the creditors' assent, he remarked that if they did not like the letter with the stipulation they might have sent it back. Another instance where the court adopted the same view is to be found in *Re River Steamer Company; Ex parte Mitchell*, 25 L.T. Rep. 319, L. Rep. 6 Ch. 822.

Privileged letters cannot be read subsequently in order to prejudice a party on the question of the costs of the action: *Walker v. Wilsher*, supra. The same rule applies whether the privileged negotiations are oral or contained in letters passing between the parties. When the basis of the negotiations is once privileged, the protection covers all subsequent communications. Thus, when an offer has been made "without prejudice," the letter in answer to such offer is privileged, and the protection thus afforded extends to all letters which follow: Cp. *Ex parte Harris; Re Harris*, 32 L.T. Rep. 417. It is not open to either party by his own act to limit the extent of the privilege. Thus, to head a letter in subsequent correspondence with the words "this is not written without prejudice" is, of course, wholly ineffectual to prevent the continuation of the existing privilege. If this were not so, it would be possible to incorporate in such later letters references to previous offers and thus destroy the efficacy of the protection. It must be remembered, however, that if the terms of an offer made "without prejudice" are accepted, there will be a concluded contract which can be enforced by action: *Walker v. Wilsher*, supra. Thus, in *Holds-worth v. Dimsdale*, 24 L.T. Rep. 360, where a defendant sued on a bill of exchange, in a letter headed "without prejudice" offered to waive the absence of notice of dishonour if the debt was accepted without costs, the plaintiff accepted the offer and discontinued his action. In the new action which he then commenced he was held entitled to rely on the waiver of the notice