Betts if they had not looked upon his election as sure.

That Betts thought he was discharged from his liability under the bond, and that the whole public of the village thought so to.

That the auditors of the county, on the 7th of May instant, reported on the accounts of the treasurer to the 31st of December last, and found them and certified them to be correct; and since the issuing of the writ in this matter, the auditors have also reported on the accounts of the treasurer up to and inclusive of the 24th of March last, and have found the same and certified them to be correct.

That there was no default from the making of the bond up to the 24th of March last, for which Betts was liable to the county; and that the whole security, which was all along furnished by the trearurer to the county, was to the extent of $36,000, of which sum Mr. Betts was liable only to the amount of $2000.

It was also shewn that the bond was destroyed by erasure of the signature and destruction of the seal—though when this was done was not stated.

Dalton shewed cause, and contended that Betts had been absolutely discharged from all liability to the county, in equity, by what had taken place; and if, by application there, Betts could compel the county to give him a release under seal, so as to be available at law, he was at liberty to set up his absolute right to a discharge in answer to this objection, which was made for a collateral purpose, and by a person who was almost, if not altogether, a stranger to the transaction.

That Betts had been, in fact, discharged from "all liability under his bond," according to the terms of the resolution; and not merely from all liability from the time of his acquittal, leaving him yet liable for any supposed default which might be discovered against his principal up to that time; and that the bond, by the removal of the signature and seal, had actually been destroyed, which is equal to a release.

Robt. A. Harrison, contra.

The disqualification created by statute is the "having by himself or his partner an interest in any contract with or on behalf of the corporation."

Now, firstly, this person has a contract in fact, because it is still undischarged; and we have only to deal with legal rights.

Secondly, if the contract can in one sense be said to be determined by reason of the alleged equitable claims put forward for that purpose, it is quite clear he has yet an interest in that contract—an interest to have a legal acquittance procured from the corporation against it.

And, thirdly, at the most Betts is only entitled to be discharged from liability from the 23rd of March last, and he remains liable for anything which has happened upon it up to that time.

ADAM WILSON, J.—Assuming that a person having a contract with the county is disqualified from being elected a member of council of a village within the county, I am of opinion that if he be plainly acquitted in equity from his contract, and only wants the ceremonial of a sealed instrument to perfect his discharge at law,—he cannot be said to be a person having a contract, or an interest in a contract with the corporation. I make no distinction between a contract and an *interest*, for although there is a difference between them, that difference does not apply here.

I have no doubt that Betts could, in an action on the bond, plead an equitable plea in discharge upon the facts stated—which are not denied; and if he could, and should succeed upon it, which he would, that would certainly determine his liability on that bond.

I think I should look upon his rights as they are in substance and effect, and as he can make and perfect them to meet every requirement of rigid law; rather than by the mere imperfect form in which they happened to be at the time of his election.

I think, if Betts had contracted for the purchase of land, or for the grant of a lease for years, and had completed those acts of part performance which a Court of Chancery receives as sufficient for its jurisdiction, in lieu of the formal written contract required at law, I should hold that he was disqualified from being elected by reason of such a contract, though he could maintain no action upon it at law, and his remedy lie only in equity.

If, therefore, this disqualification includes such a case, it should exclude the case of a person nominally and formally a contractor at law, but not so in truth, and able to be declared not to be so, even at law.

I am also of opinion that the facts show that Betts was entirely discharged from all liability upon his bond, and not only from further liability upon it from and after the 23rd of March.

I must discharge this proceeding, with costs, to be paid by the relator.

Summons discharged.

COUNTY COURTS.

(*Reported by* WARREN TOTTEN, Esq., *Barrister-at-Law*)

GORE BANK v. EATON, ET AL.

Insolvent Act of 1864—*Compulsory liquidation by secured creditor—Merger of liability in higher security—Requirements of sub s.c.* 7, *of sec.* 3, *of Insolvent Act—Setting aside attachment.*

The above named Andrew Eaton and James McWhirter, miller and commission merchant, having respectively drawn and accepted bills of exchange, and discounted them with the Gore Bank to the amount of $18,000, the Bank, on the 30th day of November, 1866, took a mortgage from Eaton to secure the whole indebtedness. On the 11th of March, 1867, the Gore Bank put their debtors above named into insolvency. The *fiat* for the writ of attachment was made upon two affidavits of Robert Park, Esq., manager at Woodstock, and two corroborative affidavits. The manager stated in substance the indebtedness, reciting the several bills of exchange, and that to the best of his knowledge and belief, the defendants were insolvent within the true intent and meaning of the Insolvent Act of 1864, and have rendered themselves liable to have their estates placed in compulsory liquidation, and gives as his reason for so believing, that the bills of exchange are all due and unpaid and have been due and have remained unpaid from the times they respectively matured, and that he has frequently applied for payment thereof and that he believes