

the order of the Electric Advertising Co., with interest at five per cent. per annum "before and after due and until paid," which was indorsed to the plaintiffs on the day of its date.

The defence was that the note was made without consideration; that it was negotiated by the payees in fraud of the defendants; and that, being payable on demand, it was overdue when the plaintiffs became the holders of it; and that they, therefore, took it subject to any defect of title affecting it at maturity.

F. Arnoldi, K.C., for the plaintiffs.

I. F. Hellmuth, K.C., for the defendants.

MEREDITH, C.J.:— . . . Counsel for the defendants . . . relied on *In re George*, 44 Ch. D. 627, and *Edwards v. Walters*, [1896] 2 Ch. 157, which establish that a promissory note payable on demand is at maturity immediately upon its being made, and treat that as settled by authority. The question in each of these cases was as to whether there had been an effective renunciation by the holder of a promissory note, within the meaning of sec. 62 of the English Bills of Exchange Act, which provides (as does sec. 142, sub-secs. 1 and 3, of the Canadian Act) that "when the holder of a bill, at or after its maturity, absolutely and unconditionally renounces his rights against the acceptor, the bill is discharged. The renunciation must be in writing, unless the bill is delivered up to the acceptor."

It was argued by the learned counsel that if, as appears to be the law, a promissory note payable on demand is at maturity immediately upon its being made, the promissory note sued on was overdue when it passed into the hands of the plaintiffs, and they, therefore, took it subject to any defect of title affecting it at maturity.

It was further argued that the language of sec. 182 of the Canadian Act shews that it was framed on the hypothesis that this was the law, and that the purpose of the section was to create an exception to the general rule, limited in its operation to the particular matter with which the section deals.

Section 182 reads as follows: "Where a note payable on demand is negotiated, it is not deemed to be overdue, for the purpose of affecting the holder with defects of title of which he had no notice, by reason that it appears that a reasonable time for presenting it for payment has elapsed since its issue."

In my opinion, the contention . . . is not well founded.

Before the passing of the Bills of Exchange Act it was the law that a promissory note payable on demand is not to be considered as overdue without some evidence of payment having