

Mercantile Law.

PROMISSORY NOTES AND BILLS OF EXCHANGE.

—Must be payable absolutely, and not depend upon a contingency. Three days' grace allowed except when payable upon demand. Can be written either in ink or lead pencil. Notice of dishonour must be sent to all endorsers. Those not notified are released from all liability. Notice must be sent to the correct address of endorser; but if that is not known, notice sent to the place where note or bill purports to be made will be sufficient. Cheques are treated as bills of exchange, and must be presented on the day they are received or on the following day. Notes and bills endorsed in blank are transferable by delivery, the same as if payable to bearer. Notes bear interest during currency only if so stated. The loss of a bill or note does not prevent the collection of it; but if required the holder must give indemnity before the lost note is paid. Notes and bills are payable any time during the day they mature. If no time is mentioned for payment, notes and bills are payable on demand. Notes made on Sunday are void. Notes and bills falling due on Sunday are payable the next day provided it is not a holiday.

LANDLORD AND TENANT.—An agreement for a lease must be in writing; a lease, however, for less than three years can be made verbally. Rent must be due before it can be distrained for. If tenancy continues for a term of years, without any new bargain, it will be as a tenancy from year to year. No notice is required in case of the termination of a lease for a definite time. A full six months' notice, ending with the end of the year, is required to terminate a tenancy from year to year. A monthly tenancy requires a month's notice. A weekly tenancy requires a week's notice to end it. A covenant for renewal does not call for a renewal covenant in the new lease, unless expressly called for. Destruction by fire during the currency of a lease does not release the tenant from payment of rent unless expressly provided for. The landlord is required to look after the roof and outside walls, but the tenant cannot require any defect apparent at the time of the lease to be repaired. Defective

sion must be in writing, with an affidavit of execution and affidavit of *bona fides* in the form required by the Act, and must be filed within five days (except in certain outlying districts of Ontario, where the time is extended by the Act) from date of execution in the office of the Clerk of the County Court of the county where the property so mortgaged or sold is at the time of the execution of the instrument, otherwise they are void as against creditors of vendor or mortgagor and subsequent purchasers or mortgagees in good faith for value. Mortgages for securing against the indorsement of any bills or promissory notes or other liability incurred for the mortgagor (which liability must not extend for a longer period than one year from the date of the mortgage), must set forth the terms of the agreement as to the indorsements and the amount of liability intended to be created. Mortgages for securing repayment of advances to be made in pursuance of an agreement in writing for the purpose of enabling the borrower to enter into and carry on business with such advances (the time for repayment not to be longer than one year from the making of the agreement), must set out the terms of the agreement. A contract to give a chattel mortgage is considered by the Act to be a chattel mortgage, and is subject to the above requirements. A contract to make a sale is considered a sale, and is also subject to the above requirements. A renewal of chattel mortgage must be filed within thirty days preceding the expiration of one year from date of previous filing, otherwise the mortgage becomes void as against the creditors of the mortgagor and subsequent purchasers and mortgagees in good faith for value.

LIEN NOTES.—Lien notes, hire receipts and receipt notes given by persons purchasing chattels, where the condition of the purchase is such that the possession of the chattel passes without any ownership therein being acquired by such purchaser until the payment of the purchase money, shall only be valid as against subsequent purchasers or mortgagees without notice in good faith for valuable con-

responsible for the acts of their agents. Agency may be either general or limited. An agent must be a third person, not the other contracting party. A subsequent ratification of the acts of an agent will bind the principal. Agent's authority is not revoked till revocation is communicated to him. An agent signing in his own name is not allowed to offer parol evidence to prove that he did not intend to bind himself personally, but parol evidence is admissible to bind his principal. A broker is not entitled to receive payment for goods, while a factor is. A *del credere* agency is where the agent in consideration of larger commission guarantees the price of the goods sold.

PARTNERSHIP.—Each member of a partnership is responsible for the whole amount of the debts of the firm, except in case of special partnership. A special partner is only responsible to the amount of the capital contributed by him, but he cannot take any part in the management of the business. The act of one partner binds all. Partners are bound to keep good faith with each other. Partnership may be either for a term of years or at will. A partnership at will may be dissolved at any time. The death of one partner dissolves the partnership, unless provided for in the articles of co-partnership. The sale by a partner of his interest in the firm also dissolves the partnership. In the absence of express agreement partners share equally. If a partner retires from the firm, he should give public notice of the fact and notify all persons doing business with the firm. All persons associated in partnership for trading, manufacturing or mining purposes must register within six months after the formation of the partnership with the Registrar of the Registry Division in which they carry on business, a declaration in writing, signed by the members of the partnership, setting forth the names, occupations and residences of every partner, the name of the partnership, the time during which the partnership is to exist, and that the persons therein named are the only partners. A similar declaration must be registered in