

off a portion of a small perforated strip, the remaining portion indicating that a specified sum is not exceeded; by having the space for the figures divided into a series of small medallions. No doubt all these are protective, in part, but it would be difficult to standardise any one of them. Careful drawing in ink, and the aid of such a machine as the "protectograph" which thoroughly lacerates the paper in the process of marking it, should be quite sufficient to prevent the possibility of loss. On this point it may be well to call attention to the recent decision of the House of Lords in the case of *London Joint Stock Bank v. MacMillan & Arthur* (reported in "The Secretary" for July, 1918), where, owing to the omission of the drawer to observe, when signing a cheque, that he had given his clerk an opportunity to increase the amount, which the clerk subsequently did, and absconded, the Court held by a majority that the consequence of such negligence must fall upon the drawer.

Another danger, both to banks and their customers, arises from the increasing practice of filling in cheques by means of the typewriter. The Bills of Exchange Act requires that a bill or cheque should be an order in writing. Section 2 says "written includes printed, and writing includes print." Custom has established that certain essential parts of a cheque are usually written by hand. Does this include typewriting? Typewritten matter is easily erased; there is no moisture to disturb the chemically-treated paper. A cheque so drawn might, without difficulty, be fraudulently "raised"; it is likely that, in case of dispute between the banker and customer as to the responsibility, a form of negligence measurably similar to that in the "MacMillan Case" might be successfully argued against the latter. The dangers of the so-called "indelible" pencil should also be considered. For some time there has been a marked tendency to introduce the lithographed signature, or rubber stamp fac simile signature, into use upon cheques. Both are dangerous. It is doubtful if any public company is authorized, by its articles, to have its cheques so dealt with. The Bills of Exchange Act requires a bill of exchange (which includes a cheque) to be signed by the drawer; and again, there arises a question as to the correct interpretation of the Act. In any case a particular understanding with the bank on the subject is a necessity.

Another variation with regard to the drawing of cheques is the "crossing." Owing to the ease with which a skilful criminal can erase the impression of a rubber "crossing" stamp or fine ink lines, many banks have introduced a form of printed crossing, carefully engraved and partly superimposed on the "tablet," so that erasure is rendered

extremely difficult. The use of this elaborate "crossing" should be adopted generally, and, as far as possible, no opening of a "crossed" cheque should be permitted. It will probably be remembered that the Clearing Bankers passed a resolution in 1912 "that no opening of cheques be recognized unless the full signature of the drawer be appended to the alteration, and then only when presented for payment by the drawer or by his known agent." The desirability of assisting the banks in this respect will be obvious. No forms of order on a banker vary so much as dividend warrants. They are by far the most unwieldy documents with which the Clearing House clerks have to deal. There are many reasons for this, a few of which may be named; e.g., the varying sizes and texture of paper, lack of clearness in printing the name of the bank to which the warrant is addressed, and, more frequently, the name of the branch to which it has to be presented; the absence of the "clearing letter" and the name of the clearing agent. To these may be added difficulties of those who examine the payees' discharge and other endorsements. The former is in varying places, and, as a rule, a space is provided on the front of the warrant, but this is usually in the form of a cheque and the latter have to be looked for on the back. If all companies would submit the proposed form of warrant to their bankers, and, at the same time, aim at uniformity of design, many of these difficulties would be avoided.

A useful paragraph recently appeared in "The Times" Money Article (30th December, 1918), with reference to the uniformity in the counterfoils of dividend warrants, and is well worth attention.

The points that have been considered, although covering somewhat wider ground than the actual standardisation of the cheque form, touch but lightly upon a subject of considerable commercial importance.

An order on a bank may, at present, be of almost any design, shape or size. If all banking documents could, by mutual arrangement, be of standard size, with a recognized style of crossing and other protective measures, without ambiguity of "ornament" and superfluous wording, in particular if the size could be regulated and the "background" design (frequently successful in concealing the more important details altogether) could be dispensed with, much eye and nerve strain on the part of the bank clerk and counting-house clerk would be avoided, and the banking and commercial community generally could claim to have effected a valuable saving in labor, temper, and time.

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