## CROSSED CHEQUES.

By the Bills of Exchange Act of 1890 (53 Vict., c. 33, D.), the English practice of crossing cheques was formally recognized as part of the law of Canada which was codified by that enactment, and yet, probably, neither prior to, nor since that statute, has the practice of crossing cheques ever very generally prevailed in Canada.

It may, therefore, be worth while to consider what are the advantages of the practice, and what is to be gained by its adoption.

In the first place, it may be observed that by the Bills of Exchange Act, a cheque is defined to be a bill of exchange drawn on a bank, payable on demand: s. 72.

It differs from an ordinary bill of exchange in that it is rarely, if ever, accepted by the drawee except by the act of payment—unless the marking the cheque good is to be deemed to be an acceptance. It has, however, like ordinary bills of exchange, all the incidents of a negotiable instrument, in that, in the absence of any special indorsement, the holder for the time being is presumed to be the rightful owner and entitled to demand payment by the drawee.

This circumstance, though convenient in some respects, is proved by experience to be somewhat a disadvantage in others, in that it may enable fraudulent or wrongful holders of the instrument to obtain payment of it in fraud of the rightful owner.

The practice of crossing cheques seems to have been introduced in England with the view of obviating this difficulty, and as a means of imposing some restriction on the fraudulent use of cheques by persons having no right thereto.

According to Parke, B., the custom of crossing cheques with the name of a bank originated in the London Clearing House, and is of comparatively recent date, and in 1852 witnesses were still living who were able to recollect the commencement of the practice. It had originally nothing whatever to do with restraining the negotiability of cheques, but appears to have been done more as a matter of convenience, and for the purpose of shewing by what particular bank the cheque had been deposited, so as to facilitate the adjustment of accounts in the clearing house. It afterwards became a common practice to cross cheques, which were