

it open to serious objection for the other banks to refuse to accept the bills from their customers. The adoption of such a course, even under the stress of unfair conditions such as those mentioned, would be bound to disturb the public confidence in bank notes, a confidence that has been largely increased by the arrangements brought into effect at the last revision of the Bank Act. At the present time any person, in any part of Canada, who receives a bill issued by a Canadian bank, knows that he has something that he can use without question, and at its face value, whenever he wishes to pay a debt with it or deposit it in his bank, and it would be a serious matter to disturb this condition.

*Instructions by wire to "notify and pay"—Neglect to notify—
Liability*

QUESTION 196.—A New York bank instructs a Halifax bank by wire as follows: "Notify and pay A \$1,000." Through oversight A was not notified, and, according to his statement, lost a valuable contract through not receiving the money. Has he any claim on the Halifax bank or the N.Y. bank for the loss incurred?

ANSWER.—A clearly has no right of action against the Halifax bank. Whether he would have a claim against the New York bank, or the New York bank's customer who was sending the money, would depend altogether on the facts.

Under ordinary circumstances, and in the absence of any special arrangement or understanding, the New York bank would probably not be under any liability to the party to whom the money was to be transmitted, and, of course, the Halifax bank could not be held responsible if the New York bank was not. The question is, however, one which could only be answered with a full knowledge of all the facts.

Irregular Endorsements

QUESTION 197.—A cheque payable to Mrs. A. A. Smith or order is endorsed "B. B. Smith" and paid under a guarantee.

(1) What is the exact position of the paying bank under the guarantee?

(2) Would its position be different if the cheque had been endorsed "B. B. Brown"?

ANSWER.—(1) We think the presenting bank guarantees that "B. B. Smith" is the proper signature of Mrs. A. A.