customers in respect of the forged bills. The authority from Vagliano Brothers to the Bank of England to honour the bills was contained in a letter enclosing a monthly list of acceptances made payable with the bank, with the request to pay at maturity and debit the account of the firm. According to the accepted rules of law a banker with whom bills are made payable cannot debit his customer unless they have been paid to persons who, acording to the law merchant, can give a valid discharge for the bills. The law merchant of bills of exchange is now contained in the Bills of Exchange Act, 1882 (45 & 46 Vict., c. 61), and by section 7, sub section 3, it is provided that 'where the payee is a fictitious or non-existing person the bill may be treated as payable to bearer.' Now, no doubt, the ingenious Glika, whatever may be said of him, was a 'bearer,' and if the bank could show that C. Petridi & Co. were fictitious or non-existing persons, it would have discharged its duty by paying Glika. Mr. Justice Charles, however, points out that the provision in question is no new law, but reproduces the effect of cases in which it was held that the payee must be fictitious in the sense that the acceptor means or knows him to be fictitious. In the case in question Vagliano Brothers did not know that the signature was fictitious, and were far from meaning to accept a bill of which there was a fictitious payee. There appears to prevail among bankers an idea that they are entitled to the same privileges in the case of bills payable with them as in the cases of bills drawn upon them payable on demand, commonly called cheques. Mr. Justice Charles, however, commented on the fact that a special Act was required to relieve bankers from liability for the payment of cheques on forged indorsements, if the indorsement purport to be that of the payee, as showing that by forging an indorsement the forger did not make the payee a fictitious person so as to authorise its payment to the bearer. A more formidable point was presented in the contention that Vagliano Brothers had been guilty of a breach of that kind of duty which the customer owes to his banker typified by the rule that he ought not, in drawing a cheque, to leave spaces for a forger to fill in. That point necessitated the elaborate inquiry into the facts which took place; and those who read the judgment of Mr. Justice Charles will probably come to the conclusion that if there was negligence conducing to the success of Glika's scheme, it was in the bank over the counter of which the bills were cashed without inquiry as to the destination of the proceeds, being bills of a class seldom cashed except through a banker. As to the alleged negligence on the part of the firm, the evidence broke down, not because there was no evidence of negligence in the abstract, but because it was of a kind the absence of which would not have prevented the fraud.

Bankers no doubt consider the decision hard law; and Mr. Justice Charles can only give them the somewhat cold comfort of Mr. Justice Maule and Baron Parke, that they should decline to cash bills of exchange, and force the merchants to face the 'bearer' in their own counting-houses, giving him a cheque on the bank when satisfied of his title—a process picturesquely described as 'domiciling their bills at their own offices.' The answer will probably be that they might as well close their shutters. The introduction of a fresh complication into a transaction moulded by the commercial practice of centuries would be an injury to business. The law as laid down by Mr. Justice Charles has, however, no injustice in it. The banker's hand is the last that is laid on the transaction represented by the course of a bill of exchange. If there is a fraud in the bill and the banker pays, the money is lost, and the loss must fall on some one. His action is final, and therefore his responsibilities are the greater, and the care which he should exercise should not be lessened by removing any part of his liability. In the interests of banking, and especially of persons with small accounts and those who take small cheques, the Legislature has protected the banker, but that policy should not be extended. As the guardian of the money-chest of the community he should be the watch-dog, and not merely handle the shovel. — *Law Journal* (London).

APPEAL REGISTER—MONTREAL.

Wednesday, January 30.

Ross et vir & Ross.—Motion for leave to ap-