

until the point has been judicially discussed it is difficult to say how rigidly the courts will construe this part of the Act. They might say that there must be an express promise referring to the particular note, and covering expressly the security afterwards acquired; as *e.g.*, "In consideration of your discounting my note dated ..... for ..... payable ..... after date, I agree to give you as security John Smith's warehouse receipt for ..... bushels wheat, stored in his warehouse at .....". Such a promise would be quite satisfactory, but it would almost be impossible to work a grain or produce account in that way. An advance made to a grain dealer with which he goes on the market to buy whatever grain comes to hand, oats, peas, wheat or what not, would clearly seem to be within the line of transactions which it was thought that the Act would cover, but the borrower's written promise to give security could in such a case be of the most general kind only. However, following the line of reasoning which Mr. Kappeler adopts, based on the practice and law in kindred questions about chattel mortgages, it would seem that a promise to give security on "all the grain" which the borrower might at any time have in his warehouse, would be a proper promise on which afterwards to base an assignment of all such grain, described in the identical terms of the promise, and that description, as Mr. Lash and Mr. Kappeler have both pointed out, is a highly satisfactory one.

There is one slip in the more theoretical part of the article to which we may refer; the assertion that the policy of the law is to confine banks to the safest lines of business, and that, therefore, they are not allowed to lend on real estate, is not sound, nor is it quite true that the Australian banks made such a mess of their business merely because of their power to lend on real estate. The boards of direction of our banks could probably conduct a business of lending money on real estate as safely as the best of our loan companies who make that their specialty; the objection to such loans is not on the point of safety, but of availability. The business of banks is to provide means for handling the commerce and manufactures of the country; their obligations are practically all payable on demand; their capital, deposits and circulation represent a mass of credit which is or should be constantly flowing in and out (as