

house or not; *e.g.*, if a person puts some furniture in his neighbor's house, and takes a receipt in proper form therefor, that is a warehouse receipt under the Act, though not a desirable banking security.

The difficulty Mr. Kappeler finds with regard to the party to whom a receipt is given is one which does not trouble bankers in practice. We cannot conceive of a case where a receipt would be made in favor of anyone but the owner or his agent, or, at the owner's request, of a bank or other lender of money. If the owner procured its issue to a private lender, the rights of the latter would be governed by provincial law; if after a receipt had been thus issued the owner wished to have it transferred to a bank, we think the circumstances would be sufficient to constitute the private lender the agent of the owner, and so bring the receipt within the terms of section 73; and if the private lender himself wished to borrow on the security, it seems clear that a bank could acquire it from him as holder as security for an advance. This, of course, on the assumption that the receipt he holds is a warehouse receipt within the terms of the Bank Act. Much more difficult points arise in cases where the warehouse receipt is a valid document under the Ontario Mercantile Amendment Act, and not under the Bank Act; but this point need not be discussed here.

The comments on the new form of security provided by the Act, best described as "Assignments under Section 74," are useful. On the practical point of the form of the security we must, however, differ from the cast-iron rule suggested, that Schedule C should "never be departed from." A form "to the like effect" might be framed which would leave much fewer blanks to fill, and so avoid the risk of error always present when such documents have to be filled up by clerks of perhaps limited experience. Schedule C, in addition, is not well fitted for an advance made by discounting a promissory note, for the advance in such a case is the net amount of the bill or note after deducting all charges, and it would, in most cases, be highly inconvenient if this had to be calculated before the assignment could be completed.

As to the nature of the "Written Agreement" to give security, there is admittedly much room for trouble in this, and