

erable difficulty. In the first place it may be pointed out that it only applies to indorsements and will not afford any relief to banks paying forged acceptances or drafts, but leaves the law as to them as it was before. The words "reasonable time" in sub-s. 3 are somewhat unfortunate. It might have defined what would be a reasonable time. Doubtless the same rule would be applied as in giving notice of dishonour of a bill or note, i.e., it will be in time if given not later than the following day.

But a more serious difficulty arises from there being no limitation of the time within which the discovery may be made and its consequent remedy resorted to. In practice the Act will no doubt be chiefly confined to cheques. Most customers have monthly settlements with their banks, although not always so. Many customers, especially outside of the business classes, allow long periods to elapse without ever calling for their cheques. But even otherwise, cases may arise where a cheque apparently paid to the proper person may afterwards prove to have been paid on a forged or unauthorized indorsement. A right of action arises on discovery of the fact and notice given. Will this right exist after six years? Is the customer of a bank whose cheque is so paid "a person on whose behalf such payment is made?" The value of crossing cheques and thus acquiring the protection of the Bills of Exchange Act will be in consequence of this legislation more than ever manifest.

E. H. SMYTHE.