would have been recourse against everyone on the bill subsequent to the first endorser. In other words, a bank paying a cheque has not the same rights as to the parties on the cheque if it be wrong as a person who receives the cheque and does not pay it, which seems an absurdity.

HON. MR. SCOTT—Is that a decision of a court?

HON. MR. ABBOTT—No; but it is the opinion of eminent lawyers in Montreal and Toronto, and in the Maritime Provinces also. There seems to be a sort of consensus on the part of the bar that that is the case, because the House will find the definition of a holder in due course does not comprise the party on whom the cheque is drawn and who pays it, because the moment the cheque is paid it is extinguished, as the law stood, and he has no recourse, except to go to the man who got the money, and say to him: "You have got the money wrongfully, and must give it back." I hope there will be no difficulty on the part of the House in giving the bank the legal remedy which the law affords to everyone else.

HON. MR. SCOTT—There has been no test case yet, and the courts would probably hold that the bank would have the same recourse as others.

HON. MR. ABBOTT—There has been no test case yet, but there is no difference of opinion among the leading members of the bar. Those lawyers who have the best reputations in the Dominion have been consulted about it. The other substantive alteration which this Bill makes is to re-insert in the Act a clause which was in the original draft, but which was left out. It is to be found in the previous law and it was so in the Code. There was a similar clause in the Lower Canada Code—simply to make the common law of England apply upon a point where it is not inconsistent with the provisions of the Bill. I did not think last session, when the Act was passed, that that clause was necessary, and others were of the same opinion; but it seems to have caused a certain amount of doubt and uneasiness that there is no system of law to be referred to in the event of a dispute as to the construction of the statute, and it is considered important that this should be got in.

HON. MR. POWER—I presume there will be no objection to the reading of the Bill, but I do not suppose by reading a Bill the second time the House commits itself to accepting the proposed amendment to section 24, and I take the opportunity now to call the attention of the hon. leader of the House to the fact that this amendment to section 24 is, it strikes me, inconsistent with the portion of section 24 which remains in force. Section 24 of the Act begins as follows:—

"Subject to the provisions of this Act, where a signature on a bill is forged or placed thereon without the authority of the person whose signature it purports to be, the forged or unauthorized signature is wholly inoperative," &c.

Now, you propose by the amendement before the House to practically repeal that, because the signature is made operative to a certain extent.

HON. MR. ABBOTT—No; my hon. friend is mistaken. That is not the intention at all.

HON. MR. POWER—If there were no drawers' names on the bill or acceptor's name on the bill it would not be good for anything, from the fact that a number of gentlemen have put their names on paper which was not signed or accepted. It would not make them liable, but you propose by this legislation to make all the endorsers liable.

HON. MR. ABBOTT—No. Under the existing law, if a bill in which the earlier signature is forged came into the hands of a *bona fide* holder, and on which three or four of the names were genuine, he would have an action against the endorser. It has been held that in the case of a cheque, the person who pays it does not become the holder, and therefore he would have a remedy against the last endorser who held the cheque. The object is to give the same action against the whole of the endorsers that the holder in due course would have—to give to the bank the same power as a holder in due course.

HON. MR. KAULBACH—Would it be against the bearer who transfers? Would you have an action against the bearer of the note—against the drawee?