

CHEQUES AND PITFALLS.

It is an interesting event for a budding financier of the legal or any other fraternity and one that gives him a sense of importance to open a bank account and handle a cheque book; but we would warn him that there are pitfalls on the road to opulence which must be avoided.

Firstly as to issuing cheques. It is scarcely necessary to say that it is not desirable to give a cheque unless there is money to the credit of the drawer's account—carelessness in this respect has landed men in a Police Court on a charge of fraud. Issuing a cheque to pay a debt when there are no funds or not sufficient funds to meet is not necessarily a fraud. There may not have been any fraudulent intent (see Crim. Code. sec. 404), but serious consequences might result. If the drawer had no account at the bank named in the cheque fraudulent intent would be hard to displace. In a recent case there was a conviction by a Police Magistrate who seemed to think that the simple act of giving a cheque when there were no funds to meet it was a fraud and the careless youth who did it was convicted. The Magistrate was wrong in his law as there was shown to be a reasonable excuse, but the offender saw the inside of a prison all the same.

A different pitfall is dug for a novice when the holder of a cheque delays the presentment of it. This feature of the law affecting cheques is discussed in a recent number of our English contemporary *The Law Times* as follows:—

DELAY IN PRESENTING CHEQUES.

"Persons who cash cheques for friends who have no banking accounts—which might be described as an everyday occurrence—should make a point of presenting such cheques without delay, otherwise they may find themselves unable to recover the money paid. A cheque is a bill of exchange drawn upon a banker, payable on demand (*Bills of Sale Act 1882, s. 73*), and should be presented within a reasonable time of its issue. What is a reasonable time is a question of fact in each case, regard being had to the nature of the instrument, the usage of trade and of bankers,