

ANSWER.—Such a cheque must be regarded as payable to John Smith (the drawer), or order. (Bills of Exchange Act, Sec. 8, sub. sec. 4).

*Notice of customer's death*

QUESTION 187.—Re Sec. 74, Bills of Exchange Act, (1) What constitutes notice of a customer's death? (2) Would a bank be justified in refusing payment on the strength of one of its officers having heard of a customer's death?

ANSWER.—1. Any information received by the bank from which the death of the customer may be fairly inferred, must be held to constitute notice of his death.

2. Generally speaking, any information received by an officer of the bank which is within the above conditions would not only justify the refusal of the cheque, but would put on the bank the burden of paying the cheque, if paid, at its own peril; *i. e.*, if it should prove that the information was correct the bank would not have the right to charge the cheque to the customer's account. The risk involved in this is fully stated in the JOURNAL for October, 1898, in reply to Question 158.

Whether information which has reached any officer of the bank is to be regarded as knowledge on the part of the bank would depend somewhat on the circumstances, the position of the officer, &c.

*Cheque in payment of goods accepted by secretary of a patron organization, payable to himself personally, and negotiated with a bank—Cheque dishonoured—Rights of holder*

QUESTION 188.—John Smith having been appointed Secretary and Treasurer by the patrons of a cheese factory, engages to manage the business, make the cheese, and sell the same, for a remuneration of so much per lb. He makes a sale of cheese, receives an unmarked cheque for the same payable to himself personally, endorses the cheque (in his own name alone), and negotiates it with a bank. The cheque is returned dishonoured.

Can the holder recover from the patrons, Smith being their paid agent and the cheque really their property?

ANSWER.—The questions involved here are chiefly questions of fact. If the relations between John Smith and the bank were such that the latter could successfully set up that they were dealing with him as agent for the patrons, they could no doubt look to the latter to make good the agent's liability.

If, however, he was only authorized as agent to sell for them for cash, and not on credit, it could scarcely be said that