

PAGET'S LAW OF BANKING, 6th ed. by Maurice Megrah. [London, Butterworth & Co. 1961. pp. 577 and Index. £4.4.0.]

Mr. Megrah's new edition of Paget brings this standard text book up to date. The learned editor has attempted to change as little as possible and to leave the ideas of the author intact. At the same time he has incorporated all relevant cases decided after the appearance of the fifth edition in 1947. Cases like *Arab Bank Ltd. v. Barclays Bank D.C.O.* [1954] A.C. 495, *Baker v. Barclays Bank Ltd.* [1955] 2 All. E.R. 571 and *Re Primrose (Builders) Ltd.* [1950] Ch. 561 (the third of which would seem to support *National Provincial Bank v. Freedman and Rubens*) are ably discussed and analyzed. Altogether, sixty-one post-1947 cases are included in the text and in footnotes, among them the unreported decision of McNair J. in *Hedley Byrne & Co. Ltd. v. Heller and Partners Ltd.*, which has — after the appearance of the book — been affirmed by the Court of Appeal ([1961] 3 W.L.R. 1240).

Post-1948 statutes, too, are substituted for earlier repealed Acts and new Acts are introduced in the text. The Cheque Act, 1957, in particular, is fully and exhaustively dealt with.

The only major change is the addition to the book of a new part on documentary letters of credit. Mr. Megrah is, no doubt, an authority on this subject, and he has certainly succeeded in giving a clear and accurate summary of the law relating to this mercantile instrument. Thus it is, with greatest respect, that a few observations are made in relation to this new part.

In the section dealing with "The Types of Credits" the learned editor — actually the author of this part — gives a somewhat unorthodox definition of "export letters

of credit." He attempts to define this type of letters of credit as including also bank acceptances. Usually, however, the term is used only as referring to letters of credit — not acceptances — opened in the country of the exporter. The second edition of Gutteridge and Megrah would support the ordinary meaning of the term.

Another observation about the same section must be made. It is felt that the classification of letters of credit into direct and negotiation credits should have been discussed. Since the decision in *Midland Bank v. Seymour* this division would seem indispensable.

In the section concerning the relations between the intermediary banker and the beneficiary Mr. Megrah states that a confirming banker is both a principal contractor and a guarantor. It is true that a confirming banker might sometimes act as a guarantor (See: McAvoy J. in *Courteen Seed Co. v. Hong Kong and Shanghai Banking Corporation* 215 N. Y. S. 525 at p. 529 (1927)). Yet, when the confirming banker undertakes the obligation of a principal debtor he can hardly be described as a guarantor. In the absence of direct authorities on the point it might perhaps be suggested that the nature of the obligation should, in each case, depend on the language employed by the confirming banker in the confirmation.

In the section about the banker's recourse to the beneficiary the learned author expresses a view already stated by him in Gutteridge and Megrah. He suggests that a banker who, in the belief that documents tendered by the beneficiary comply with the letter of credit, accepts faulty documents, can claim the credit sum back as money paid under a mistake of fact. This opinion has, so far, not derived support from any English decision. The American case of *Burke v. Utah National Bank* 47 Neb. 247, 66 N.W. 295 (1896), though not directly concerned with this problem might give rise to some doubt on this point.

Finally, in the section concerning forged documents reference might have been made to *Szetjn v. J. Henry Schroeder Banking Corporation*, 177 Misc. 719, 31 N.Y.S. 2d. 631 (1941).

In spite of the above observations it should be stressed again that the part on letters of credit — as the rest of the new edition — is very well written and will be of assistance to the practitioner as well as of guidance to the advanced student of laws.