

*Sterling draft on London, enfaced payable at a Bank in
San Francisco*

QUESTION 185.—If a bill is drawn in sterling from Dunedin, N.Z., on London, England, and enfaced payable at the Bank of — in San Francisco, does the San Francisco bank then become the drawee of the bill, and can the bill be protested for non-payment in San Francisco? Would your answer apply equally to a draft drawn from Montreal on Toronto, and enfaced payable in Hamilton, where there is no conversion of sterling into dollars?

ANSWER.—If by the phrase “enfaced payable at a bank in San Francisco” is intended such a crossing as is commonly used in Canada, it is in effect only a request that the San Francisco bank will negotiate the draft, which we would not consider an integral part of the instrument. That being the case the bill is not payable at the office of the San Francisco bank, and is not dishonoured if they will not comply with the request.

A draft drawn in Montreal on a Bank in Toronto, crossed with the request that some other bank will pay it in Hamilton, is not, in our opinion, thereby made payable at the latter point. If the request is not complied with the only result that would follow, so far as we can see, would be that the purchaser might have a claim for damages against the drawer, for failure of an implied understanding that the draft would be paid to him in Hamilton.

It is the custom in Canada to permit certain large financial institutions to place a memorandum on their cheque forms to the following effect: “This cheque is negotiable (or payable) at par at any office of the Bank in Canada.”

It has long since been settled that encashment of such a cheque by a branch of the bank other than that on which it is drawn, is only a negotiation of it, and we should suppose the “enfacement” to which you refer to be of the same character.

There are occasional cases here where a cheque drawn by a customer is marked “good” by the drawee bank, and crossed by it with instructions to another branch of the bank to pay the same. This we should regard as a domiciliation by the acceptor of the cheque, and it would probably be dishonoured if not paid in accordance with such instructions.

Cheque payable to “self,” with words “or bearer” scored out

QUESTION 186.—A cheque is drawn by John Smith payable to “self,” the word “bearer” being scored out; in other respects the cheque is in accordance with the common form. Is it legally payable to order?