

QUESTIONS ON POINTS OF PRACTICAL INTEREST

THE Editing Committee are prepared to reply through this column to enquiries of Associates or subscribers from time to time on matters of law or banking practice, under the advice of Counsel where the law is not clearly established.

In order to make this service of additional value the Committee will reply direct by letter where an opinion is desired promptly, in which case stamp should be enclosed.

The questions received since the last issue of the JOURNAL are appended, together with the answers of the Committee:

Sterling bill payable "at the current rate of exchange"

QUESTION 307.—A sterling bill on a Canadian house drawn at three days' sight is expressed to be payable "at the current rate of exchange when due." Is this payable at the 60 day or demand rate?

ANSWER.—For the reason set out in our reply to question 93 (1), we think this bill is payable at the 60 day rate. The usance between Canada and Great Britain is 60 days sight, and in our opinion "the current rate of exchange" refers to the rate for that usance.*

*Continuing the subject our correspondent wrote:

"The question arose in connection with a bill on one of our customers, presented for payment by one of the other banks in town, and received by it from a bank in X. We claimed the correct rate to be the 60 days rate—the bank in X claimed the demand one. As the amount was small we paid the demand rate, and referred the question to our Montreal branch office. The reply from them was that the "custom" in Montreal and "in Canada generally they believed," was to pay such bills at the demand rate.

"Knowing of the reference to the question in the JOURNAL, I thought it possible I might have missed some later opinion than the '98 one, and therefore troubled you again.

"If Montreal (the bank in X claimed the same custom prevailed there) is correct as to the custom in Canada, there must be a conflict of opinion. Could we in any way obtain an official deliverance on the point?

"Does it not seem somewhat anomalous that, by our law, a customer in Canada of a British firm should, *after maturity of his bill*, practically have