

A custom to be binding must be not merely general, but also reasonable. *Perry v. Barnett* (1885), 15 Q.B.D. 388, and cases cited. Cf. Aske, Custom and the Usages of Trade, pp. 158 ff., 169 ff.

A trade custom, in order to be binding upon the public generally, must be shewn to be known to all persons whose interests require them to have knowledge of its existence, and in any case, the terms of a bill of lading, inconsistent with and repugnant to the custom of a port, must prevail against such custom. *Parsons v. Hart* (1900), 30 S.C.R. 473.

The mere fact that a person employs a broker to buy for him in a particular market does not render a local custom of that market binding upon the principal if he is ignorant of the existence of the custom. *Robinson v. Mollett* (1875), L.R. 7 H.L. 802; *Scott v. Godfrey*, [1901] 2 K.B. 726, 734-5; cf. Aske, op. cit., pp. 191 ff.

One important product of the law merchant is the law of exchange which is now part of the common law.

The origin and history of bills of exchange and other negotiable instruments are traced by Cockburn, C.J., in his judgment in the case of *Goodwin v. Robarts* (1875), L.R. 10 Ex., at pp. 346 ff. in language which need not be quoted at length. The introduction and use of bills of exchange in England, as indeed everywhere else, seems to have been founded on the mere practice of merchants and gradually to have acquired the force of a custom. The old form of declaration of a bill used always to state that it was drawn *secundum usum et consuetudinem mercatorum*. The practice of making bills negotiable by endorsement was at first unknown, but from its obvious convenience it speedily came into general use, and, as part of the general custom of merchants received the sanction of the courts. In the beginning the use of bills of exchange seems to have been confined to foreign bills between English and foreign merchants. It was afterwards extended to domestic bills between traders, and finally to bills of all persons, whether traders or not. In the time of Chief Justice Holt, a controversy arose between the