

CONVERTING STERLING INTO CURRENCY—Mr. John Brookes, of San Francisco, writes to the Editing Committee:

"In replying to Mr. W. F. Cooper's letter of the 29th Nov., published in your issue of January, 1900, it will be necessary first to mention that the old par rate of exchange in Canada was 4.44⁴⁴ and the present quotation rates are so much premium on the old par of exchange, as for instance, £100 at 9½ would be £100 at 4.44⁴⁴ = \$444⁴⁴ plus 9½% of \$444⁴⁴ or \$42²² = \$486.⁶⁶.

"If Mr. Cooper will examine his formula he will find that 400 divided by 90 gives 4.44⁴⁴, the old par of exchange. So that he is merely reversing the order of things and multiplying the premium by the old par of exchange, instead of the par by the premium, that is, $109\frac{1}{2} \times 444.⁴⁴$ instead of $444.⁴⁴ \times 109\frac{1}{2}$.

"I should think a simpler method than Mr. Cooper's would be to add or subtract the difference in exchange to or from the par rate (486.⁶⁶) for example 10 is ½ of one per cent. of 444.⁴⁴ added to 486.⁶⁶, or 488.⁸⁸."