

Bills of Exchange Act

Mr. Sinclair: The reason this exception was put forward at the request of the bankers was primarily so they could stay open and cash cheques. That is why they have singled out cheques as distinct from other instruments. Their objection to bills of exchange or promissory notes being accepted on Saturday is that they felt that in many cases they would have to inquire from the drawer or drawee as to whether they were valid, and the same is true with respect to some cheques. They feel that in some cases they would want to make inquiries from other banks or from the person who drew the cheque as to whether or not it was valid. With a small staff on Saturday morning this might be difficult. They would like to reserve to themselves the right to accept or not accept a cheque on Saturday morning without in any way prejudicing the position of the cheque when it is presented on the next business day, Monday. I think you can link this with paragraph (c) of subsection 2, which provides that failure to do any act or thing on a Saturday does not give rise to any rights.

The banks feel it is a very important section to them. In the few hours they are open on Saturday they want to do as much business as possible but they want to put it on the basis that they do not have to cash a cheque on Saturday if they are in doubt, and that the cheque is not dishonoured or not accepted because it may be presented on Monday. If there are not sufficient funds on Saturday it is very unlikely there will be sufficient on Monday.

Mr. Fulton: That is true. I think the section is desirable and the subsection necessary. All I want to point out is that it seems to me it is going to have this effect. If my hon. friend goes into his bank on Saturday with a cheque drawn by somebody on that branch, present it for payment, and there are not sufficient funds in the drawer's account to pay the cheque the bank will say: "No, we will not accept the cheque", and the reason they give is that there are not sufficient funds in the account. My hon. friend will still not be able to treat that cheque as dishonoured simply because it is a Saturday. He will have to go back on Monday, present it again and be told that there are not sufficient funds. Then he can treat it as dishonoured. All I am asking is whether it would not be possible to provide that, if a cheque is dishonoured on Saturday for reasons which would otherwise on any other day result in its being dishonoured, those reasons shall entitle the person presenting it to treat it as dishonoured on Saturday without having to wait until Monday. That is my only suggestion, not

that the banks be required to accept it without being able to make these other inquiries. If they can say immediately that the cheque is dishonoured because of insufficient funds, then I think the payee should be entitled to go right away to his lawyer or the drawer and say: "This cheque is no good; I am going to sue you unless you make it good". Under the section as it stands he will have to wait until Monday.

Mr. Sinclair: If there are not sufficient funds on Saturday when the cheque is presented it is unlikely there will be on Monday, but the other point that suggests itself immediately is that if the banks begin picking and choosing types of non-payment on Saturday morning in those branches which are open, then other people with cheques drawn on branches that are not open have not the same opportunity to find out whether a cheque will be honoured or dishonoured. That is why these two sections have been linked together, first of all so that the cashing of cheques by banks on Saturday morning is what you might call a permissive matter. The bank does not have to accept them. The bank's refusal to accept them is neither dishonouring nor non-paying. They are capable of being presented on Monday morning, and so far as paragraph (c) is concerned, failure to do that act does not give rise to any rights on the part of the people connected with that cheque.

Mr. Knowles: Can the parliamentary assistant say whether the banks have indicated to the government when they intend to put into effect the proposed five-day week? My question of course relates to the larger centres.

Mr. Sinclair: I am not in a position to say that, but I do know that the banks have been very anxious to see this bill moved up to the top of the list. From that I would say they are quite anxious to see this bill become an act as quickly as possible.

Mr. Knowles: One other question, and I am pursuing the suggestion which I think was made first by the hon. member for Portage-Neepawa. Was consideration given to drafting a bill which would permit the banks to close any day of the week rather than just Saturday as the bill is now drawn?

Mr. Sinclair: The difficulty there is that we would have to set out in the Bills of Exchange Act that whatever other days the banks were closed were also non-judicial days, on which financial dealings on notes and bills could not be transacted. This goes far beyond the banks. If my hon. friend had a promissory note of mine it would be affected, as would also any private transaction.