

Montreal, 23rd January 1882.

To the Bank of Montreal:

Pay to the order of the Honorable the Minister of Railways and Canals twenty thousand dollars (\$20,000).

McDONALD & CHARLEBOIS.

Stamped on the face of the cheque was, "Bank of Montreal, entered in No. —, January 24, 1882. Good for two days only."

Now these fateful words "good for two days only," disquieted the Honorable Minister of Railways who sent his private secretary to the Ottawa Branch of the Bank of Montreal for explanations.

Here begins an incident on which depended the acceptance or refusal of Messrs. Charlebois & McDonald's tender.

The point was whether, in spite of the stereotyped phrase, "good for two days only", the cheque maintained its value as an accepted draft, or whether that value was confined to the narrow period therein specified.

Two things were to be considered, though in reality they form only one—the object and scope of the Bank of Montreal stamp. Every business man knows very well that the said stamp is a pure formality, having no legal sanction whatever, and used for the sole purpose of preventing the circulation of the Bank's cheques. This measure favors the return of the paper to the Bank and facilitates bookkeeping, on the one hand; while, on the other hand, it secures for the Bank, which discounts its own drafts, a commission which it would lose if traders, relying on the credit of the institution, used its paper as simple bills.

By what right could a bank limit the term of discount of a cheque, value for which it has received and retains?

As a matter of fact, the cheque is the property of Messrs. Charlebois & McDonald and not that of the Bank of Montreal. The latter is debtor and not creditor.

This is the law of the case. Now for the facts.