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20, 1952

31489 No. 8 of 1952.

In the Privy Council.

ON APPEAL FROM THE HIGH COURT OF AUSTRALIA UNIVERSITY OF LONDON AUSTRALIA C 1

JUL 1953

IN THE MATTER of the Companies Acts 1931 to 1942 (Queensland) and

LEGAL STUDIES

IN THE MATTER of THE QUEENSLAND NATIONAL BANK LIMITED (in voluntary liquidation)

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and

IN THE MATTER of an application by FRED PACE as Liquidator of the Queensland National Bank Limited (in voluntary liquidation) for an Order under Section 258 of the said Acts to determine questions arising in the winding up of the said The Queensland National Bank Limited.

BETWEEN

THE NATIONAL BANK OF AUSTRALASIA LIMITED

Appellant

AND

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THE SCOTTISH UNION AND NATIONAL INSURANCE COMPANY, THE NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA LIMITED and FRED PACE

Respondents.

Case

for the SCOTTISH UNION AND NATIONAL INSURANCE COMPANY and THE NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA LIMITED.

RECORD.

1. This is an appeal from an order of the High Court of Australia (Latham, C.J., and Dixon, Williams, Webb and Fullagar, JJ.) dated the 19th March, 1951 which varied the answers given by an order of the Supreme Court of Queensland dated the 16th November, 1949, pursuant to a judgment of Macrossan, C.J., pronounced on the 31st October, 1949, to certain questions arising in the voluntary liquidation of The Queensland National Bank Limited (hereinafter called "the Bank") consequent upon the Appellant acquiring all the shares in the Bank. The questions relate

pp. 124-127.

pp. 79-82.

pp. 52-75.

to the currency in which various classes of creditors of the Bank who at the date of its liquidation were the holders of interminable inscribed deposit stock (hereinafter called "stock") registered in one of four registers kept respectively in London, Brisbane, Sydney and Melbourne are entitled to be paid.

p. 10, ll. 41-48 ;
p. 47, ll. 24-26.

p. 323.

2. Until the liquidation of the Bank no question arose about the currency in which the Bank was liable to the holders of stock in respect of principal or interest. Holders of stock registered in London for the time being received interest and bonus payments in sterling, and holders of stock registered in Australia for the time being received interest and bonus payments in Australian pounds. This was so notwithstanding the differences that existed between the value of the pound sterling and the Australian pound. Furthermore, the Bank's balance sheets in and after 1942 showed the liability to the holders of stock registered in London not at the face value of the stock but in Australian pounds equivalent at the current rate of exchange to the face value in sterling of the stock so registered. 10

pp. 2-3.
p. 43, l. 40-p. 44,
l. 19.

p. 45, ll. 9-20.

p. 45, ll. 36-39.

3. The proceedings were begun by originating summons. The Appellant in 1947 became the holder, either in its own name or in the names of nominees, of all the shares in the Bank which thereafter went into voluntary liquidation on the 30th day of October 1947. This was an event upon which the stock became payable. These Respondents represented the holders of stock which at the date of the commencement of the winding up was on the London register and which had previously been— 20

(1) only on the London register ;

(2) on an Australian register until transferred to the London register ;

(3) originally on the London register but at an intermediate period on an Australian register.

The first of these Respondents represented the first of these classes, and the second of these Respondents represented the other two. 30

p. 6, l. 36-p. 8, l. 10.

4. The questions asked, in respect of the principal moneys and interest secured by the stock, whether the holders were entitled to be paid or to prove in the winding-up of the Bank on the basis that they receive the equivalent of the face value of their stock and interest in English or Australian currency. As regards the three classes mentioned above, the answers by the Courts below were :—

(1) English currency, by both Courts.

(2) Australian currency, by the Supreme Court, and English currency by the High Court. 40

(3) English currency, by both Courts.

Both Courts further held that the equivalent in Australian currency of the face value of principal or interest payable in English currency is to be ascertained as of the date of the commencement of the winding up.

5. The facts are not in dispute. In 1872 the Bank was incorporated and commenced business in Queensland. In 1878 it opened a branch office in London, established a Register of Shareholders, and, in or about 1881 appointed a local Board of Directors. The principal business of the London Branch was to canvass for deposits, to raise share capital and to provide banking facilities for the Bank's Australian customers. Canvassing for deposits was done by agents throughout England, Scotland and Ireland and by 1891 over £4,000,000 was held upon fixed deposit. In 1893 the Bank was in financial difficulties and on the 15th May was compelled to suspend payments. At that date it owed £2,360,000 to the Queensland Government, £2,897,619 to United Kingdom depositors and £1,970,950 to Australian depositors. These Respondents submit that there can be no doubt that the debts to the United Kingdom depositors were sterling debts payable in London.
6. Petitions to wind up the Bank were presented in Queensland, New South Wales and London. A scheme of arrangement was sanctioned by the Supreme Court of Queensland on the 31st July, 1893; by the Supreme Court of New South Wales on the 11th August, 1893, and by the High Court of Justice in England on the 13th September, 1893, in each case after approval by the necessary majority of local creditors. It was part of the scheme that creditors in respect of deposits should accept in satisfaction of their claims twelve deposit receipts each for a twelfth of the debt and bearing interest at $4\frac{1}{2}$ per cent. per annum. The first was to be payable at the end of six years and the remaining eleven in successive intervals of six months. As alternatives to accepting these deposit receipts the creditors might take either negotiable deposit receipts or inscribed stock. The debt to the Government of Queensland was deferred in a similar, though not precisely the same, manner. These Respondents submit that the scheme of arrangement of 1893 did not destroy the identity of the debts to which it related and, in particular, that it did not convert sterling debts into debts in the currency of Queensland.
7. For this scheme of arrangement a new scheme of arrangement to take effect from the 31st March, 1897, was substituted with the sanction of the Supreme Court of Queensland on the 12th May, 1897, and of the Supreme Court of New South Wales on the 15th April, 1897. In England the Bank obtained a winding-up order, and after a meeting of creditors had approved the new scheme the High Court sanctioned it on the 4th June, 1897. At the time the Bank owed the Queensland Government £1,833,326, the sum of £2,711,366 in respect of deposits in London and the sum of £1,144,129 in respect of deposits in Queensland and New South Wales. In broad outline the effect of the new scheme was to make one-quarter of the amount owing to each creditor both interest free and payable only out of profits. Interest on the balance was reduced from $4\frac{1}{2}$ to $3\frac{1}{2}$ per cent. per annum and the principal was payable only in case of default in the payment of interest or in the event of the liquidation of the Bank.

p. 16, ll. 8-11, 21-22.
p. 17, l. 14-p. 18,
l. 26.

p. 18, ll. 33-35.

p. 23, ll. 32-42.

pp. 146-149.

p. 21, ll. 1-5.

pp. 21, ll. 41-47,
162-163.

p. 23, ll. 13-23.

pp. 247-256.

p. 26, ll. 38-44.
pp. 27, ll. 30-32,
244.

p. 27, l. 37-p. 28,
l. 47.

pp. 245-247.

8. The chief relevant provisions of the new scheme may be summarised as follows :—

Clause 1.—“ Court ” was defined as the Supreme Court of Queensland ; “ stock ” as interminable inscribed deposit stock of the Bank created in pursuance of Clause 3 of the scheme ; and “ the said securities ” as deposit receipts, negotiable deposit receipts and the coupons thereof, and inscribed deposit stock issued or given to creditors under the old scheme, or held by the Bank for or as security for advances to such creditors, and all similar documents held by creditors of the Bank at the date of the old scheme and not exchanged under the scheme for any of the mentioned securities. 10

Clause 2.—The Queensland Government was to receive in discharge of principal moneys and interest owing to such government 15s. in the £ upon the principal moneys, payable in five annual instalments beginning in 1917 carrying interest, and a further 5s. in the £ upon such moneys payable, without carrying interest, out of profits, or, in so far as not so paid, on the 1st July, 1921.

Clause 3.—Within six months of the scheme being sanctioned by the Court the Bank was to create and allot to the registered holders of the said securities interest carrying stock equal to 75 per cent. of the principal moneys so secured ; such stock (under Clause 6) to be subject to scheduled conditions, summarised in paragraph 9 of this Case. 20

Clause 4.—Each registered holder was to surrender his securities under the old scheme at the office where such securities were payable and to accept in discharge thereof an amount of stock equal to 15s. in the £ on the principal moneys secured thereby. The interest on the stock was to be paid half-yearly at the office in Queensland, Sydney or London at which the stock was registered ; and (by Clause 5) on default for six months if the government or registered holders of two-thirds of the unredeemed stock calculated at its par value should call in the principal moneys, or on an order or resolution for winding up the Bank, the principal moneys were immediately to become payable. 30

Clause 7.—Each half-year, of the Bank's profits not reserved to meet contingencies, one-quarter was to be paid to the government until 5s. in the £ of its debt had been paid ; and half (or when the government had received 5s. in the £, three-quarters) was to be carried to a special fund and, as the directors might determine, be distributed amongst the stockholders rateably until in this way a bonus (which by Clause 2 was to be in addition to the specified interest) equal to 5s. in the £ of the principal moneys of the said securities had been paid ; and thereafter the special fund was to be applied in payment of moneys due to the government under the scheme. The remaining quarter was to be carried, for at least 10 years from the 31st March, 1897, to the Bank's ordinary reserve fund. 40

Clause 10.—The Bank, after the government had been paid in full, might after notice redeem and cancel any stock at its market value, but at not less than at its par value, plus so much of 5s. in the £ on the principal of the securities represented by such stock as had not been paid out of profits; the holder in accordance with such notice being bound to surrender the stock to be redeemed and to deliver the certificate therefor in exchange for payment, including interest; the surrender, delivery and payment to be made at the office where the stock was registered.

10 Clause 12.—So long as £500,000 of stock was unredeemed one London director, not necessarily a shareholder of the Bank, was to be appointed by the registered stockholders; and the Brisbane directors were to be five, three of whom (not necessarily shareholders) were to be elected by the registered stockholders each of whom was to have one, two, three or four votes according as his stock was not less than £500, £2,000 or £5,000 or exceeded £5,000.

9. The chief relevant provisions of the schedule to the new scheme pp. 252-256. may be summarised as follows:—

20 Clause 1.—Registers of stock were to be kept at the office at which the securities in exchange for which the stock was issued was payable, or at the office to which such stock should be transferred.

Clause 3.—The registered holder of any stock was entitled to require the manager at the office where the stock was registered to have the stock transferred at his own expense to the register kept at any other office.

Clause 12.—Every instrument or (*sic*) transfer had to be left at the office at which the stock to be transferred was registered, with the certificate for cancellation.

30 10. These Respondents submit that under the new scheme the Bank's liability was defined by reference to proportions of the existing debts in respect of which stock was issued. In respect of sterling debts 5s. or 15s. in the £ must, it is contended, be 5s. sterling or 15s. sterling in the £. In the same way in respect of Queensland or New South Wales debts 5s. or 15s. in the £ meant 5s. or 15s. in the currency of the Colony. These Respondents submit that when the Bank at its branch in London, issued, and inscribed in a register, stock which was not only issued in respect of a sterling debt but was also for a number of pounds calculated as a fraction of that sterling debt, then the stock so issued and inscribed was itself at the outset a sterling obligation and that by parity of reasoning stock issued
40 in Australia in respect of Australian debts was at the outset an obligation in Australian currency. In this view the stock which was issued by the Bank was not all within the framework of one financial or monetary system any more than were the debts in respect of which it was issued.

11. The scheme entitled any holder to have the registration of his stock transferred at his own expense to any other register kept by the Bank. There was not in 1897 any difference in value between sterling and the currency of the Australian colonies, or the likelihood of such a difference p. 253, ll. 17-22.

p. 251, ll. 21-23.

to cause those concerned to confine the obligations of the Bank or the rights of the holder in the case of transfer of the stock to payment of interest or principal in the currency of the place where it was originally issued and no provision was made for keeping any record of the place of issue of any transferred stock. It was expressly provided that interest and principal (in the event of redemption at the option of the Bank) should be paid at the office at which the stock was registered at the time and in the submission of the Respondents it was implicit that in the event of principal becoming payable otherwise than upon redemption it should also be paid at the office at which the stock was registered.

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These Respondents submit that the place of registration determines not only the place of payment of principal and interest but the currency in which payment should be made according to the face value of the obligations to pay for the following reasons:—

(1) That registration identifies stock with the jurisdiction and the monetary system of the place of registration.

(2) That a contract to pay a number of pounds in a place where pounds are the unit of currency means, *prima facie*, payment in the currency of that place to the face value of the obligation.

(3) That here, other circumstances, and in particular the circumstance that the place of registration is the place of payment support what is *prima facie* the case and outweigh any countervailing circumstances that there may be.

(4) That there is not here one obligation but a large number of separate obligations which did not all arise in the same way and for the discharge of which it is quite practicable to look to more than one currency as money of account.

12. It is further submitted on behalf of the Respondents that since the right to transfer stock from one register to another register kept by the Bank was an integral part of the scheme the exercise of that right and the actual transfer of stock in no way varied the legal obligations of the parties under the scheme although, according to circumstances, it may have increased or decreased the amount of Australian currency that would have had to be found to satisfy the Bank's liability to pay interest and principal and that in this connection it is not without significance that the stock was interminable and actually became payable not at the instance of the stock holders but because the Bank went into voluntary liquidation.

13. The effect of the scheme and the issue of stock pursuant thereto may according to the submission on behalf of these Respondents be put in either of two ways—

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(1) that the Bank became obliged to pay interest bonus payments and principal to United Kingdom creditors in sterling and to Australian creditors in Australian currency with, in each case, the right to transfer from one currency to the other by a transfer of registration; or

(2) that the obligation to each creditor was simply to pay principal and interest in pounds of the currency of the place of registration for the time being whereas the Appellant maintains that the obligation of the Bank to pay a stated number of pounds in London meant originally that number of Queensland pounds or their equivalent in sterling and now means that number of Australian pounds or their equivalent in sterling.

14. In the courts below the Appellant has suggested that under the scheme the rights of the English creditors to receive sterling had been
 10 changed into a right to receive only Australian pounds, or the sterling equivalent of the face value in Australian pounds of their stock, by reason of one or more of four events, none of which (in these Respondents' submission) could have had any such effect :—

(i) In the first place it is suggested that the intention of the scheme was that all creditors should take stock in Australian pounds ; and that, although there are no express words embodying such an intention, the circumstances are such that this intention should be imputed to the original parties to the scheme. The
 20 intention suggested, however is one which it is not likely that London depositors held and is inconsistent with the conduct of the Bank up to the time when the Appellant obtained all the Bank's shares ; and with the conduct of the holders of stock for the time being on the London register, who always received interest in sterling. These Respondents contend that all the circumstances negative any agreement to substitute an obligation to pay Australian pounds instead of English pounds.

(ii) The second contention is that the change of currency was effected by reason of the Supreme Court of Queensland sanctioning the arrangement. To sanction the issue of stock in respect of debts
 30 payable in London in sterling equivalent to 15s. in the £ could not have such a result ; and to hold that the sanction had such an effect is inconsistent (as these Respondents submit) with the decision in *New Zealand Loan and Mercantile Agency Company Limited v. Morrison* [1898] A.C. 349.

(iii) Thirdly, reliance is put on the approval of the scheme by the order of the High Court of England. The scheme, however, made provision for English creditors getting stock on the London register ; for the payment of interest or any other payments under the scheme to be made in London so long as the holder kept his
 40 stock on the London register ; and for the amount of stock which each stockholder was to receive to be a proportion of the sterling debt owing to him. The amount of stock to be issued was determined by taking a proportion of the debts due, and each creditor was individually entitled to stock proportionate to his debt. The case is therefore quite different from a case where a fixed amount of stock in a particular currency is created and issued to creditors in proportion to the face value of other securities held by them. The references to pounds in the order of the Court would naturally be to pounds sterling unless the context or circumstances indicated
 50 that it referred to or covered Queensland pounds.

(iv) Lastly, the Appellant contended that by virtue of the liquidation of the Bank the obligations under the scheme fell to be discharged in Australian currency. If that be so, sterling obligations could only be discharged by payment of the equivalent in Australian currency, at the date of the liquidation, of the sterling obligation. These respondents submit that it is settled law that for purposes of proof in a liquidation moneys owing by a company in foreign currency must be converted at the proper rate of exchange.

p. 66, ll. 27-37.

15. In the Supreme Court of Queensland, Macrossan, C.J., set out that under the scheme stock was issued to the face value of £1,083,097 10 in Australian and £2,033,524 in London, and that 25 per cent. of the principal moneys written off had been repaid in cash between 1900 and 1918. He then gave a table showing transfers from London to Australia, and from Australia to London, and the amounts of purchases by the Bank. Macrossan, C.J., attached no importance to the use, before 1931, of the word "sterling" or "Stg." in certificates issued in Queensland as well as in London. He then stated the fact that prior to 1919 the government had been paid in full, and that 5s. in the £ had been paid to stockholders by instalments completed in 1918 in the currency of the country in which the stock was for the time being registered. Macrossan, C.J., then pointed 20 out that each register of stock was complete in itself without duplicate; that interest was paid with no distinction between stock originally on a register and stock transferred thereto; that interest on stock on the Brisbane register paid to holders in England was remitted at the current rate of exchange, and that in some cases it might be impossible to ascertain where stock had been originally registered. The Chief Justice then stated the facts leading to the winding-up of the Bank.

p. 66, l. 38-p. 67,
l. 10.

p. 67, ll. 11-40.

p. 67, l. 41-p. 68,
l. 18.

p. 68, l. 38-p. 69,
l. 7.

p. 69, ll. 8-21.

p. 69, l. 22-p. 71,
l. 22.

p. 72, l. 11-p. 73,
l. 49.

l,
p. 75, ll. 4-47.

16. Macrossan, C.J., had no doubt that the law of Queensland was the proper law of the contract, but that was not decisive of the question of the money by which the Bank's obligations are to be measured. He 30 held that the money of account in the case of stock originally issued and registered in London or Australia was respectively English money and Australian money, and remained so, unaffected by changes of the places of registration. The like considerations applied to the interest payable. In his view, the argument that the place of registration for the time being determined the currency of payment was unsound. Accordingly, the Chief Justice answered the Liquidator's questions on the basis of the Bank's obligations in respect of stock originally registered in London being sterling obligations and in respect of stock originally registered in Australia being obligations in Australian currency without regard to any 40 subsequent change of register; the equivalent of the face value of principal and interest payable in English currency being ascertained as of the date of the commencement of the winding-up.

p. 92, ll. 39-40.

17. In the High Court of Australia, Latham, C.J., dissenting from the other members of the Court, held that all payments were to be made in Australian currency according to the face value of the stock, whatever the place of original or later registration. Latham, C.J., appears to have attached importance to the fact that the form of stock certificate did not specify any place for payment, although the manner of execution must

- have shown upon which register the stock was. In his opinion the question was one of interpreting not a contract but the stock certificate, the obligation under which was created by order of the Supreme Court of Queensland and to be interpreted by Queensland law, with a meaning unchanged by reason of the order being adopted by New South Wales and English courts. The meaning of "pounds" or "£" depended, in his view, on an examination of the whole scheme, which he then summarised. The Chief Justice was of opinion that the reasoning in *Bonython v. The Commonwealth of Australia* [1951] A.C. 201 supported the view he took. The word "pounds" has always been properly applicable to currency in Queensland. Special provisions relate to the discharge of the Bank's debt to the Government depending on the payment of 5s. and 15s. in the pound and out of the Bank's profits. The debt to the Government would always be calculated in the currency of Queensland. In the scheme "pounds" must be construed as relating to Australian currency in some cases, and, in the Chief Justice's opinion, the scheme would be incoherent unless "pounds" were construed in the same sense wherever it appears in the scheme. Accordingly he concluded that all holders are entitled to be paid the face value of their stock only in Australian currency.
- 10 p. 92, l. 44-p. 93, l. 25.
- p. 93, l. 45-p. 97, l. 6.
- p. 97, ll. 7-51.
- p. 98, ll. 1-21.
- p. 98, l. 30-p. 99, l. 40.
- p. 99, ll. 41-46.

18. These Respondents respectfully submit that the coherence of the scheme is not affected by the amounts payable under the scheme to holders of stock on the London register being payable in sterling; that the practical difficulties envisaged by the Chief Justice do not in fact exist and that the scheme was administered for 50 years on the very basis which the Chief Justice considered would deprive it of all symmetry and coherence; that the Chief Justice ignores the effect of the provisions for issuing stock for a stated proportion of the debts due when some of those debts were and had always been sterling debts; that the Chief Justice's reasoning is inconsistent with the reasoning of binding authorities, and that the contrary opinion of the majority of the judges in the High Court is to be preferred.
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19. Dixon, J., considered that the basis of the scheme was a tacit assumption that stock on the English register would be governed by English law and the English monetary system, while stock on the Australian registers would be governed by the laws of the Australian colonies concerned and their monetary systems. This conclusion was to be drawn from the history of the liabilities dealt with by the scheme and from the nature and terms of the scheme. At the inception of the scheme stock allotted from and registered in London replaced English securities, and stock allotted from and registered in Australia replaced Australian securities, and interest was expressly made payable at the office of registration, while there were various indications that principal was payable in the same place as interest. The existence of a right of transfer from register to register is a reason for caution in inferring that it was not intended that the rights of London depositors should cease to be measured by the English pound, but nevertheless the inference should be drawn. The transactions recognised the existence, in different jurisdictions, of different bodies of creditors and the need for separate registers grew
- 40 p. 106, l. 15-p. 107, l. 4.
- p. 107, l. 5-p. 108, l. 38.
- p. 109, ll. 1-27.

- out of this fact ; but it was recognised that change of register might be convenient and means were therefore made available to a payee of transferring the liability to him to another class belonging to a different monetary system. Dixon, J., then considered arguments in favour of a view different from the view he had taken and found them inadequate and fallacious. Accordingly he held that stock on the English register at the date of winding-up is to be paid according to its face value in sterling, and that the other stock is to be paid according to its face value in Australian pounds.
- p. 109, l. 28-p. 110, l. 20.
- p. 110, ll. 21-24.
20. Williams, J., thought it clear that the obligation to repay moneys deposited in New South Wales and England was to repay them, with any interest, in the respective currencies of New South Wales and England ; and this obligation was unchanged under the old scheme, while under the new scheme interest and other moneys payable were, in his view, to be paid at the office where the stock was registered, including principal moneys on the right to redeem being exercised. Williams, J., regarded as the decisive factor that particular places are chosen for performance. Apart from the provisions for transfer from one register to another, Williams, J., would have felt little doubt. Those provisions, in his view, gave and were intended to give the holders the option of changing from one monetary system to another.
- p. 111, l. 1-p. 113, l. 4.
- p. 114, ll. 5-17.
- p. 114, l. 18-p. 115, l. 43.
20. Webb, J., held that the original deposits were ordinary loans, respectively within the framework of the Queensland, New South Wales and English monetary systems, and that neither the old nor the new scheme brought about any change in the monetary systems governing the transactions, although a transfer of stock from one register to another brought the stock within the monetary system of the country to which the transfer was made.
- pp. 117-118.
22. Fullagar, J., considered it unlikely that an option of place of payment given to a debtor or creditor would be intended as a power to determine the extent or substance of the obligation, but in the present case he had in the end felt satisfied that the place of registration determines the money of account by which the obligation is to be measured. There are many instruments each evidencing a separate contract, and accordingly the word " pounds " need not always have the same meaning. The vital features are that the Bank's original obligations to its English depositors were English obligations governed by English law, and that the nature of those obligations was not changed by either the old or the new scheme. The Bank under the new scheme had three relevant sets of obligations to depositors in Queensland, New South Wales and England, governed respectively by the law of Queensland, of New South Wales and of England. This case is therefore radically different from *Goldsbrough Mort & Co. Ltd. v. Hall*, 78 C.L.R. 1. The right of transfer might produce either of two results : (1) that the obligations in respect of stock originally on the London register are to be measured in English money and in respect of other stock in Australian money, or (2) that the place of registration at the date of liquidation determines the money of account. Fullagar, J., was of opinion that each transfer involved a change in the
- p. 119, l. 32-p. 120, l. 25.
- p. 120, ll. 26-33.
- p. 121, ll. 4-46.
- p. 121, l. 47-p. 122, l. 16.
- p. 122, ll. 29-43.
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relevant money of account and that the second result was that which the parties presumptively intended because the proper inference is that the place of registration as such is to determine the money of account.

23. These Respondents submit that the opinion of the majority of the judges in the High Court is right, and that this appeal should be dismissed for the following amongst other

REASONS

- 10 (1) BECAUSE a scheme to pay a defined proportion of sterling debts cannot be carried out by payment in other currency of less than the equivalent of such proportion.
- (2) BECAUSE properly construed, the new scheme recognises the continued existence of obligations governed by different laws and different monetary systems and does not provide that Australian currency shall be the money of account for all payments to be made thereunder.
- (3) BECAUSE the place of registration determines the money of payment and the proper money of account.
- 20 (4) BECAUSE by its conduct the Bank recognised that the Bank's obligations in respect of stock for the time being on the London register were sterling obligations.
- (5) BECAUSE the reasoning of the judges who formed the majority in the High Court is sound.

DOUGLAS I. MENZIES.

FRANK GAHAN.

In the Privy Council.

ON APPEAL

From the High Court of Australia.

IN THE MATTER of The Companies Acts 1931 to 1942
(Queensland)

and

IN THE MATTER of The Queensland National Bank
Limited (In Voluntary Liquidation)

and

IN THE MATTER of an application by Fred Pace as
Liquidator of The Queensland National Bank Limited
(In Voluntary Liquidation) for an order under
Section 258 of the said Acts to determine questions
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BETWEEN

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TION OF AUSTRALASIA LIMITED
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Respondents.

Case

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INSURANCE COMPANY and the NATIONAL
MUTUAL LIFE ASSOCIATION OF AUSTRALASIA
LIMITED.

PARKER, GARRETT & CO.,

St. Michael's Rectory,

Cornhill, E.C.3,

Solicitors for the Respondents.