

# BANK RESPONSIBLE FOR ENDORSATION

In a judgment given by Judge Panneton in Montreal this week, responsibility was placed upon banks for endorsation signatures to cheques. According to the judgment it is the duty of the bank to ascertain whether a signature of endorsation is that of an agent or the man to whom the cheque is made payable, and as this was not done in the case in which he was sitting in judgment, he condemned the bank to pay the plaintiff the amount of the cheque.

The case in which judgment was given by Judge Panneton was Clovis Laporte, plaintiff, vs. La Banque Nationale, defendants; and La Banque Nationale, plaintiffs in warranty, vs. the Royal Bank of Canada, defendants in warranty. On June 14, 1915, Laporte issued a cheque for \$1,920 to the order of La Banque Nationale, payable to E. Pelletier. The money was paid on June 16, 1915, and plaintiff's account was debited. On January 25, 1917, plaintiff and defendant received a notice from Mr. Pelletier informing them that he had not endorsed the cheque in question and that the signature was a forgery. He therefore claimed \$1,920 with interest and costs from Laporte. The plaintiff alleged that the bank paid the money irregularly and illegally.

The Royal Bank of Canada, who were the defendants in warranty, alleged that E. R. Dufresne, a notary, was the agent of Pelletier, and that he deposited the cheque in their bank and received the money. They maintained that Pelletier and Laporte were the victims of their own imprudence in dealing with Dufresne.

## Details of Case

In delivering judgment on the case, Judge Panneton went into the details of the case. The action arose as follows: Dufresne asked Laporte if he had any money to loan, and the latter succeeded in securing money from his brother-in-law. Dufresne wanted \$2,000. He said the money was for Elzear Pelletier. According to the evidence, too, plaintiff went with Dufresne to see a certain property on which he was to be given a hypothec in virtue of the loan. Subsequently, plaintiff says, an interview took place between him and Pelletier at Dufresne's office, but this is denied by Pelletier.

The loan was effected, and plaintiff received \$80 as his commission for securing the money. He gave a cheque for \$1,920, which was to be immediately accepted by the bank, but which was not to be paid until the contract of the loan was registered against the said property.

Judge Panneton, in his judgment, declared that he did not doubt that Dufresne acted for Pelletier, and that the cheque in question was given either to Pelletier personally or to Dufresne by plaintiff. He considered this the same thing, inasmuch as Dufresne was Pelletier's agent.

In connection with the endorsement of the cheque, Judge Panneton said that Dufresne did not sign Pelletier's name, and then add the words "attorney" or any other words to show that it was not the real signature of Pelletier on the cheque. Dufresne himself signed the cheque, and he signed it as if Pelletier himself had signed. He committed a forgery. Pelletier denied receiving the money.

It is for the bank to prove, said Judge Panneton, that Dufresne was authorized to act as agent of Pelletier and to sign his name on the cheque. Pelletier's authorization to Dufresne to act as his agent did not go so far.

He, therefore, condemned La Banque Nationale to pay plaintiff \$1,920 with interest and costs; while he also condemned the Royal Bank of Canada to pay La Banque Nationale \$1,920 with interest and costs.

## TRAFFIC RETURNS.

### Canadian Pacific Railway.

Year to date	1916	1917	1918	Decrease
July 31	\$73,047,000	\$82,500,000	\$82,133,000	\$367,000
Week ending	1916	1917	1918	Increase
Aug. 7	2,985,000	2,559,000	2,882,000	323,000
14	2,943,000	2,746,000	2,759,000	13,000
21	2,860,000	2,700,000	2,942,000	242,000
31	4,092,000	4,018,000	4,130,000	112,000

### Grand Trunk Railway.

Year to date	1916	1917	1918	Increase
July 31	\$32,589,209	\$36,503,344	\$39,612,196	\$3,108,852
Week ending	1916	1917	1918	Increase
Aug. 7	1,256,376	984,921	1,236,343	251,422
14	1,236,989	993,965	1,285,264	297,879
21	1,304,848	1,043,948	1,361,827	297,879
31	1,952,163	2,008,128	.....	.....

### Canadian Northern Railway.

Year to date	1916	1917	1918	Increase
July 31	\$19,907,600	\$23,466,100	\$24,331,200	\$865,100
Week ending	1916	1917	1918	Increase
Aug. 7	841,500	775,500	859,800	84,300
14	841,500	746,800	819,100	72,300
21	846,300	748,500	912,700	164,200
31	1,129,100	1,134,400	1,341,700	207,300

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