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THE VILLE MARIE BANK CASE.

Judge's Charge to Jury, and Sentence.

William Weir, manager of the Ville Marie Bank, played out the last scene of a false manager's career when under charge of a policeman he passed from the court house to a two years' imprisonment. He had been liberal with other people's money to his relatives and friends, and therefore he was in this scene comforted by their presence in considerable numbers, he was an old, feeble man, whose very appearance gave pathos to the final scene, but by giving out fraudulent statements of the bank's affairs, he had robbed poor, hard-working men and women of all they had, so pity for the old man is out of the question. This last scene in a fraudulent bank manager's career, where the Majesty of Justice asserts itself, will be useful if it brings conviction to business men that Honesty is the best Policy.

THE JUDGE'S CHARGE IN THE WEIR CASE.

The charge to the jury at the trial of Mr William Weir was regarded by all who heard it as a very able presentation of the evidence and of the law bearing upon the issue. The accused was charged with having signed wilfully false statements regarding the condition of the bank of which he was president and manager. The statements formed part of a monthly return to the government, which renders them a public document, each return being published in the Canada Gazette. In the following will be found a verbatim report of those passages in the judge's charge which have general public interest. The trial took place in the Court of Queen's Bench in this city before Judge Wurtele, a verdict of "guilty" being rendered on the 27th November after a short consideration by the jury.

Judge Wurtele: The case, gentlemen, in which we are now engaged is a very important one, and one which is attracting considerable attention, but whatever interest the public may have in the case, whatever importance it may have, you and I have only one way to deal with it, and that is, to deal with it as every case that comes before this court is dealt with.

The defendant in the present case is accused of having made and signed, in his capacity of president of the Ville Marie Bank, a false and deceptive report to the Government.

Banks are incorporated institutions for the purpose of aiding commerce and trade. Banks in our country have a three-fold office to fulfill—they are banks of issue, issuing notes for public circulation, they are banks of deposit, to receive savings of some of the people, and many of the merchants of the country, where they think it may be placed in safe keeping, and the third function they fulfill is that of being banks of discount. As banks of issue they issue promissory notes, they issue their

own notes, which pass as money, the same as ready money. Those notes are guaranteed. In the first place, when a bank fails the first lien on all the property of the bank is for the payment of the notes, and is applied towards the payment of the notes.

Now, these notes are issued in circulation, and banks are limited in their power of issue. They are limited to a certain proportion of their capital. They cannot issue more notes—the amount is fixed by the Banking Act of the country.

The Judge then defined the function of a bank as a place of deposit.

Depositors have a right to know what is the financial position of a bank, and for that purpose the Bank Act requires that every bank should send into the government once a month a statement signed by the president and the accountant of the bank, showing the financial position of the bank at the end of every month.

Then, as a bank lends the money of depositors, it is of interest to them that they should know, in the first place, what amount of current notes have been discounted.

Now, the public have a great interest in knowing what amount of discounts is represented by current notes, and what amount is represented by overdue notes. The reason is simple—there is every expectation that the current notes will be paid within a small fraction. You can allow a certain percentage on the notes which are current. The bank discounts a note at 3 or 6 months. When it is discounted the bank knows something of the solvency of the debtor, and they have every expectation that the note will be paid at maturity, but, when a note becomes past due, its credit is gone, and you can no longer look upon it as valuable security—as a running note. If it becomes an overdue note, it is so because the maker of that note has either been unable or is unwilling to pay it, and consequently it becomes necessary to take proceedings, and to sue for the recovery of that note.

The greater the amount, therefore, of overdue notes that a bank holds, the less credit it has—the less favorable its position.

Now, for those reasons, therefore, the Bank Act requires that a statement should be sent once a month representing the position of a bank classifying its liabilities and its assets—by assets I mean the property it holds, whether it be real estate, or shares, or debentures, or whether it be promissory notes of its customers. But, the Bank Act requires that such a statement should be sent, and the schedule to the Act requires that the amount should be a true and faithful statement of the liabilities of the bank.

It is enacted in the Bank Act that if the chief accountant of a bank, or director, or the president of a bank wilfully (that is, knowingly) signs a declaration or a return of that kind, which contains false statements, that he shall be held guilty of a misdemeanor and punished accordingly.

Now, in the present case, the defendant is accused of having signed and sent to the government of Canada, or to the Receiver General, a false and deceptive return, a false, deceptive representation of the position of the bank on the 30th of June last.

What we have to decide now, gentlemen, is simply and purely the fact as to whether the return which was made on that day is a true and correct statement, or whether, on the other hand, it was a false and deceptive statement of the affairs of the bank.

If you should come to the conclusion that the statement was a false one, you have then to ask yourselves, was that false and deceptive statement signed by the defendant, Mr. Weir, knowingly and wilfully.

The first item in the report is an item

giving the circulation of the bank, that is, of notes which they had a right to issue. Now, it is very important that it should be known what was the exact amount issued and in circulation, because, that is the first charge on the property of the bank. The whole of the circulation that was issued that was in the hands of the public and of the other banks on the day that the bank suspended will have to be paid, every cent of it, before any depositor can receive a cent.

Now, in that statement the circulation is given as \$261,870. The question is, is that the true figure? Was that the only amount then in circulation? It would appear that officials of that bank were treated with a great deal of undue leniency. On one occasion it was ascertained that, out of the treasury of the bank when the signed notes were deposited until they were wanted for issue, \$21,000 had disappeared. Well, it turned out that the accountant of the bank had taken that sum. Was he dismissed? He should have been not only dismissed, but have been brought before this court for judgment, but he was not dismissed. He was allowed to give a certain amount of notes of questionable value. It was a robbery. The accountant took that money out of the bank, and they allowed him to pay it back, and the balance of the \$26,000 they put to profit and loss. That is an instance of the way in which that bank was managed.

Later on, after that \$21,000 had disappeared, one day Mr. Weir made an examination of the bank, and he stated as the result of his examination that \$173,000 were missing of the currency, \$173,000 of the money of unissued notes, signed, which, when issued, became a liability of the bank had disappeared.

Well, the man who had taken \$21,000 must naturally have been suspected. He had gone to New York, and Mr. Weir went after him with the chief detective. They found him there, and Mr. Weir came back with the accountant, who stated that that amount of notes had been burned, and that that would account for their disappearance. It would appear to be an extraordinary proceeding that they should burn \$173,000 of notes and made no record whatever of it. Well, Mr. Weir had stated in the first place that that amount was missing. Then let us see what else we have—what other proof we have. That amount was missing either at the end of September or at the commencement of October. Then, in January, the authorities of the bank proceeded to count their cash to count the amount of unissued currency in the vault and in the hands of the bank. Mr. Weir made a record of that and this record is to the following effect:

"Cash counted this 21st January, 1899, and found correct, \$236,965, less \$173,000 in vault," giving the amount. There is no mistake about the \$173,000 in the vault—other items also checked." The Judge at some length decided the evidence which proved that this money had been stolen as well as a large amount by the teller.

Mr. Yaylor, the assistant inspector of the Bank of Montreal, was one of the committee appointed to investigate the currency of this bank, and here, under oath, he tells us that not understanding this entry, where it was said that the cash was found correct, less \$173,000 in vault, not understanding that he asked Mr. Weir for an explanation, he acknowledged that he knew that the money had disappeared, and he told him that he made the entry in that ambiguous manner for the purpose of throwing the bank officials off the scent, so that they might not be aware that that money had been taken and was lost by the bank.

Well, now, gentlemen, you will have to ask yourselves in the face of all the evidence, whether you can say that the \$173,000 of the currency of the bank had been