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In accordance with our annual custom, we did not issue our August mid-month number, in order to enjoy a rest in the hot weather, which is peculiarly trying to those engaged in journalistic labors, to whom the old and the very wise saying "All work and no play makes Jack a dull boy" applies with all the force experience can impart. We hope our friends have been so absorbed by their holiday enjoyments as not to have missed the mid-month number. They will, we trust, find this issue to make ample amends by its extent, variety, and interest.

The Union Bank,
Newfoundland.

THE preliminary hearing of the case against the directors of the Union Bank, Newfoundland, for malfeasance in office, is eliciting evidence very damaging to their business reputation, and utterly destructive of it as bankers. Their advances to their own firms were excessive, and to others of amazing magnitude. Three insolvent firms were indebted to the bank \$1,635,000. Instead of building up a strong Reserve Fund, at one time \$125,000 out of this reserve was distributed to the shareholders for additional shares, at a later date \$190,000 was taken for distribution, and at another time \$40,000. The whole business seems to have been conducted in the interest of a few large firms, the amounts of whose respective indebtedness was enormous, considering how limited were the bank's resources. The concentration of the business of the Island in the hands of a few firms with English connections has long been the bane of Newfoundland, and the policy pursued by the Union Bank seems to have aggravated the mischief. The directors have been committed for trial which, in itself, is a heavy punishment, more especially for the one who is a member of the local government.

Altering a Promissory Note.

THE Supreme Court of Pennsylvania gave judgment last month, which is a warning against making alterations in a promissory note. The holder of a note sued the maker in a lower Court, and secured judgment on it, the plea that the note had been altered without assent of the maker being set aside as the maker admitted his liability for the principal. The alteration consisted in the words being added, "with interest at six per cent.," which were placed on the note by the payee. The defendant, the maker of the note, does not appear to have objected to pay interest, but he took the ground that, as those words had been added without his express assent, the instrument was invalid. The judgment of the Supreme Court was very emphatic. Such alteration of a note as increased the liability of the maker without his assent was condemned as a criminal forgery. As the holder of the note was no party to the transaction, being, as is said, "an innocent holder for value," it was urged that, as he only wished judgment for the principal, and wished the words, "with interest at six per cent.," to be disregarded by the Court, he ought to secure a verdict. The Supreme Court demurred strongly to such a course as the judge said: "If such were the law, forgeries by alteration would be protected by the law," as judgment would have to be given on an instrument which had been vitiated by the change stated. The note, being invalid and illegal, had no standing in a Court of law, and the compromise proposed could not be entertained. Chitty in his Treatise on Bills declares that a drawee ought not to receive a bill which has the least appearance of alteration. There are several decisions on record which show that bankers who discount notes bearing any sign of alteration run a great risk, as the maker may repudiate his liability for such a changed instrument. The burden of proving that the maker made or assented to the alteration is thrown upon any banker who discounts an altered note, or upon any other innocent holder, which is a very difficult matter. When notes bore stamps it was usual to be more cautious in drawing bills than is now the case, as mistakes were expensive. The decision given above suggests the necessity of having notes re-drawn which bear sign of having been altered in date, or term, or amount, or by any addition affecting the maker's liability.