..Legal..

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RECENT DECISIONS.

Banker. Customer Drawing Cheque with Spaces which Facilitate Forgery.—Messrs. Marshall, Day & Myers, the executors of Ann Myers, opened an account with the Colonial Bank of Australasia (Limited) in Melbourne, against which cheques were drawn signed by the three executors. Myers, who alone resided in Melbourne, drew each cheque, sent it for signature first to Marshall, then to Day, and then added his own signature. He drew five cheques, three for £10 each, one for £50 and one for £2 6s. 4d., and wrote them out so as to leave a space between the left hand margin and the statement of the amounts in words and figures Messrs. Marshall and Day signed the cheques in that condition Then Myers filled in the vacant space so as to turn the three £10 cheques into cheques for £110 each, the £50 cheque into a cheque for £150, and the £2 6s. 4d. cheque into a cheque for £32 6s. 4d The cheques so altered were presented to and paid by the Bank, which could not, by the exercise of ordinary care and caution, have avoided paying the cheques as altered. On discovery of the forgeries, the Bank debited the executors' account with the amounts of the cheques as altered, contending that Messrs. Marshall & Day were estopped by their negligence from alleging that the cheques as altered were not their cheques Messrs Marshall & Day sued the Bank to recover the difference between such amounts and the original amounts of the cheques. Held by the Judicial Committee of the Privy Council (affirming the decision of the High Court of Australia) that, whatever the duty of a customer towards his banker may be with reference to the drawing of cheques, the mere fact that the cheque is drawn with spaces such that a forger could utilise them for the purpose of forgery, is not by itself any violation of that obligation, for people are not supposed to commit forgery, and the protection against forgery is not the vigilance of parties excluding the possibility of committing forgery, but the law of the land. The Bank was therefore entitled to debit the executors' accounts with only the original amounts of the cheques. *The Colonial Bank of Australasia (Limited) v. Marshall* 22 *Times L.R.* 746.

Promissory Note Material Alteration not Apparent.—A promissory note was made in England by The Exhibit and Trading Company (Limited) payable to the order of The Goderich Organ Company, and sent out to Canada to The Goderich Organ Company, which had been turned into a limited company. Subsequently to the making of the note the word "Limited" was added after the words "The Goderich Organ Company" on the face of the note, and it was endorsed by the Goderich Organ Company (Limited) to the Bank of Montreal, which sued the Exhibit Company upon it. Held by Phillimore, J., that by the addition of the word "Limited" the note had been materially altered, that the alteration was not apparent, that, therefore, the note was set up according to its original tenor, viz. as if it were payable to the Goderich Organ Company, that the endorsement, therefore, was not in order, without prejudice to a fresh action on a proper endorsement, and that the Bank could not recover. *Bank of Montreal v. Exhibit and Trading Company (Limited).* 22 *Times L.R.* 722.

Breaches Outside New Zealand of Award of the Arbitration Court Seamen on New Zealand and Foreign Vessels. Jurisdiction.—The Arbitration Court made an award for the Wellington industrial district to which the U S S Co., which is incorporated in and has its ships registered in N.Z., and the Huddart-Parker Co., which is incorporated in and has its ships registered in Victoria, were parties, fixing minimum rates of wages to be paid to members of The Wellington Cooks' and Stewards' Union, and the N Z Seamen's Union. The following questions were submitted for the consideration of the Court of Appeal in a case stated by the President of the Arbitration Court. (1) Could the award be enforced with respect to an alleged breach committed in Australian ports, or any port outside of New Zealand? (2) Was the breach committed when the watch was ordered to be kept or the holiday withheld, or when the men were paid without overtime payments being made? (3) To what extent does an award become the law of the ship? Held by the full Supreme Court that the Arbitration Court has no jurisdiction over foreign shipping companies, and therefore cannot enforce its award against the Huddart-Parker Co., except in the case of men engaged for a voyage beginning and terminating in New Zealand, but that it has jurisdiction over the U.S.S. Co. even outside New Zealand and therefore —(1) The Court can enforce its award with respect to a breach committed in an Australian port or any port outside New Zealand. (2) The breach is not committed when the watch is ordered to be kept, but when the company finally fails to pay for the service, and continues until the duty is performed. (3) The award binds the shipowner in New Zealand with respect to the whole of the round voyage, and his acts and omissions during that voyage. *Re The Wellington Cooks' and Stewards' Union. Supreme Court, October 15th,* 1906

Interference with Trade. Trade Union Inducing Master to Dismiss Servant and not to Employ Him Further.—Mr. Heggie, who was employed as a shipwright in the service of the Queensland Government at one of its docks, was called upon by the Brisbane Shipwrights' Provident Union to join the Union and pay the entrance fee. The Union and its representatives at its direction told the Government that if Heggie were not dismissed the union shipwrights employed at the dock would be called out, and as long as Heggie's employment continued would not be allowed to resume work. The Government dismissed Heggie, who sued the Union and its representatives for damages. The jury awarded him £100 damages, finding that the officer of the Government was induced and coerced by these statements to dismiss Heggie, and that the Union and its representatives had combined and conspired together to procure his dismissal with the intention of injuring him and depriving him of the opportunity of earning his livelihood as a shipwright, until he should become a member of the Union Held by the High Court of Australasia that these facts disclosed an actionable wrong and Heggie was entitled to recover Quinn v. Leathem applied and Taff Vale Railway Co v Amalgamated Society of Railway Servants followed and the rules laid down applicable to such actions. *The Brisbane Shipwrights' Provident Union v. Heggie.* 3 *Commonwealth L.R.* 686.

Bankruptcy. Payment made to Trustee of Deed of Assignment for Benefit of Creditors.—Watson, a builder, on 5th June, 1903, executed a deed of assignment whereby he assigned all his property to Mr. Afford as trustee for the benefit of his creditors. Mrs. Petrie, who owed Watson £21, paid this amount to Afford on 12th June Watson was adjudicated bankrupt on 20th August. Afford had received about £500 in respect of the bankrupt's estate and paid away various sums under the deed and on the request of the Official Receiver trustee in Watson's bankruptcy paid the receiver £100. The Official Receiver then sued Mrs Petrie for the £21 which she owed Watson. Held by the Court of Appeal that the Official Receiver, by accepting the £100 had not elected to treat the deed as valid and the trustee under it as his agent to collect the debts due to the bankrupt's estate, that as Mrs Petrie had paid the £21 with full knowledge that the deed was an act of bankruptcy, and that, as Watson was made bankrupt within three months of the act of bankruptcy, the deed was void, her payment was not protected and, as she was unable to show that any part of the £21 was included in the £100 received by the Official Receiver, she must pay this amount again *Dairs v Petrie.* 22 *Times L R* 771.

Using House for Receiving Deposits with a View to Betting. Recovery of Money Deposited to Make Bets.—Mr Mortimer, by arrangement with the owner or occupier of No 51 Lexington street, London used it in connection with his business as a turf commission agent, calling for and receiving his correspondence there. Mr Vogt who was a sport with a "system," remitted to Mortimer's Bank £100 odd for the purpose of making bets on his behalf In due course Vogts' money disappeared in the losses resulting from his system, but he bethought himself of a nice sharp quillet of the law which would enable him both to have his cake and eat it Accordingly he sued Mortimer for the deposit on the ground that by the section of the English Betting Act corresponding with section 13 of "The Gaming and Lotteries Act, 1881" (N Z) any money received by the owner or occupier of a betting house, or by any one using it for betting as a deposit on any bet, shall be deemed to have been received to the use of the person from whom it was received, and may be recovered accordingly Held by Joyce, J. that this section of the Betting Act applied not only to the owner or occupier of the premises but to anyone using them and that Vogt although he had had a good "run for his money" was entitled to get his money back again *Vogt v. Mortimer.* 22 *Times L.R.* 763