

# BANKING & FINANCIAL NEWS.

## CANADIAN BANKING PRACTICE.

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LVIII.

These sealed packages are allowed to accumulate till they amount to \$50,000, \$100,000 or maybe \$500,000. Then a "burning" takes place. It is to be observed that these disabled notes were obligations of the bank; they circulated as money. Now that they have done their work and are to be destroyed, it must not be done in any haphazard manner. The directors, as trustees and representatives of the stockholders (who are liable for all the debts of the bank), must not only satisfy themselves that the documents are actually destroyed, but they must put the fact on record in solemn and binding certification. On the day appointed for the burning the directors gather early in the board room, for the task before them is not a light one.

For bookkeeping purposes the central branch must carry these worn notes on the asset side of its balance sheet. It has given credit or paid for them to the branches, banks and customers that sent them in, and they are its property. So, when the directors are ready to begin, a couple of branch officials accompany the notes from the vaults to the board room. They make a bulky consignment; \$200,000 in "fives" and "tens" will fill a large clothes basket heaping full. Then the branch officials remain and watch the counting. The directors set to work and count the whole. When they have done, the notes are taken to a specially devised furnace and burned, the directors personally seeing that complete destruction takes place. The central branch gets its quittance for the notes as soon as the counting is done.

Then in one of the circulation books a record is made of the notes destroyed. Opposite this record a declaration is written out stating that "we, the undersigned directors, were personally present and did see" the destruction of the notes referred to in the record.

With regard to the discounts at the city office, there will be, of course, larger accounts and larger transactions than are to be found in the country offices. The wholesalers bring in big batches of drafts and notes, payable on all parts of the country. Large corporations negotiate special loans. A minute description of the kinds of business encountered will not be entered upon, as it would take up altogether too much space, but a brief sketch of one phase of city banking—that connected with call loans on stocks and bonds—will be given.

### Call Loans on Stocks and Bonds.

Every bank has from time to time a certain fund of day-to-day money. A considerable amount of loans and discounts may be paid off in the ordinary course of business, or there may be a substantial gain in deposits. No matter at what branches this happens, it is sure to be reflected by a rise in the cash at the central branches. It is so because the branches invariably remit all funds not needed for branch purposes to the centres. So, when the central branch finds its cash getting unnecessarily high, if no permanent or long-time employment offers, it will put out some on the call loan market.

In New York City there is a regular place in the Stock Exchange assigned to the money brokers; it is called the money market. The money brokers find out every morning from the banks how much each one is prepared to put out. The Stock Exchange houses who want money bid for it to the money brokers. The bids are expressed in rates per cent. of interest. The money brokers do not pay over the money, nor do they pass on the security; they simply give the would-be borrower

the name of the bank that will lend him, and he must go there with his security and get the money if it be approved.

## LA ROSE CONSOLIDATED.

### Some Particulars of the Latest Cobalt Merger.

Capital, \$6,500,000.

Stock in reserve, \$1,000,000.

Par value of stock, \$5.

Properties merged: La Rose, La Rose Extension, Violet, University, Princess, Fisher-Epplitt and Silver Hill.

The La Rose Consolidated, comprising the seven properties enumerated above, was floated on the American curb markets on Tuesday. The shares were offered at \$4.75, and although bidding was not of a kind to cause a rapid rise in price, an active market is looked for in the new issue. There is already some talk of possible amalgamation with the Nipissing, whose interests are closely associated with the newly-formed corporation.

Very little has been made public regarding the actual manner in which the cards have been shuffled in connection with the merger, but it is known that the La Rose proprietors, Messrs. John and Duncan McMartin, Henry and Noah Timmins and David Dunlop, are closely identified with the proposition and are on the board of the new company. The other directors are: Messrs. David Fasken, of the firm of Beatty, Blackstock & Company, Toronto, E. P. Earle, W. B. Thomson, Richard T. Greene and Frank Holmes, all of New York.

### One of the Leading Properties.

The La Rose mine, consisting of 40 acres, is one of the leading properties of the Cobalt district. The company was incorporated in August 1905, with an authorized capital of \$480,000, active operations having been commenced in July, 1904. The first shipment was made in November of the same year. Total shipments have so far been over a million dollars' worth of ore. Professor Miller states that in the first 200 feet of the mine there are \$10,000,000 worth now in sight, and while several thousand feet of underground work has been done, only a fraction of the property has yet been exploited.

The La Rose Extension covers 40 acres directly north of the La Rose. Numerous of the celebrated big veins of the La Rose have been located in it.

The Violet mine also consists of 40 acres, and is adjacent to the La Rose and O'Brien mines.

The University mine, 40 acres, lies in the Kerr Lake section and is reported to have been bought by the La Rose owners several months ago at a very high figure. The new company has 90 per cent. of the capital stock of this mine, the authorized amount of which is \$1,000,000.

### South African Firm Not In It.

The Princess, situated near the McKinley and Silver Queen, consists of nearly 20 acres and is wholly owned by the new company. Some very rich veins have been located on this property.

The Fisher-Epplitt is adjacent to the Great Temiskaming, while the Silver Hill, which includes properties formerly known as the Brown lot, is south of the University mine. The Silver Hill Company was incorporated on October 4th with a capital of \$50,000 and head offices at Mattawa.

It is intended later to appoint a general superintendent for the whole of the consolidated properties, but no official announcement has yet been made in the matter.

We learn that Messrs. Wernher, Beit & Eckstein, the famous South African mining firm, thought by many to be involved in this transaction, has nothing whatever to do with it.

## DIVIDENDS DECLARED.

The Eastern Townships Bank has declared a dividend at the rate of 8 per cent. per annum for the quarter ending June 30th.

The Montreal City and Districts Savings Bank has declared a dividend of \$10 per share of the capital stock.

The Coniagas Cobalt Company has declared an extra dividend of 1 per cent., payable on the first of each alternative month, in addition to the bi-monthly dividend of 2 per cent., making 18 per cent. a year.