

as a result of the arrangement. From a broader view of the interests of Canadian banking generally also, the amalgamation would appear to be one that may be wholly approved and the Royal Bank will have the cordial good wishes of the banking fraternity in general as it starts upon its enlarged sphere of operations.

Leading figures of the two banks as at July 31, are as follows:—

	Royal Bank	Union of Halifax
Paid-up Capital .....	\$ 5,000,000	\$ 1,500,000
Reserve .....	5,700,000	1,260,000
Circulation .....	4,435,443	1,407,210
Deposits .....	51,767,834	10,631,013
Total Liabilities .....	63,703,301	12,435,313
Total Assets .....	75,427,987	15,289,668

### THE INTERNATIONAL CHEQUE.

Attention is drawn by the London Economist in a recent leading article to the important action taken by the International Law Association at its conference in London with regard to proposals for international cheques. The International Law Association includes in its membership, it may be mentioned, not only judges and lawyers of the chief states of Europe and America, but also ship-owners and men of business who temper the ideas of theorists by their experience of affairs.

At the present time, says the Economist, there are considerable differences between the Anglo-American and the Continental laws, with regard to cheques. The former, as is its habit, allows much more freedom to the commercial community in the form of its instruments and adopts the practices which that community has devised for security in their employment; the latter imposes specific requirements as to form, and has not fostered the same flexibility in usage. Thus the laws of Germany and Austria-Hungary require the cheque to be described as such upon its face, with a reference to the funds which the drawer has standing to his credit at the bank; while by the law of France the date must be written in words by the drawer and the omission of the words "to order" makes the cheque payable only to the drawee. It is obvious that if the cheque is to be made more adaptable to the needs of international commerce, reform of the law must be by way of reducing formalities, and it is obvious, too, says the Economist, that as England is the clearing house of the world's banking business, an international rule must, to a large extent, recognize and give effect to English practice.

At the conference a scheme of international law of cheques was submitted by a committee of experts. The scheme provides (1) That it shall not be obligatory (a) to insert into the context of the cheque an indication either of

the account to be debited or of the balance out of which the payment is to be made, (b) to write the date all in letters or in the hand of the writer of the context; (2) that the cheque shall be payable upon demand only, shall be dated and shall be deemed payable to order, unless there are express words prohibiting transfer; (3) that the English provisions relating to crossed cheques are to be maintained and should be accepted generally. These rules, says the Economist, adopt either the existing English law or the regular English practice, for though legally a cheque need not be dated, in effect bankers require that formality. Modification of the English rule, however, is introduced by the recommendation that internal cheques shall be presented for payment within a fixed period limited by the law of each country, and foreign cheques within an interval fixed in relation to this period. Under the existing English law a cheque must be presented within a reasonable time after issue to make the drawer unconditionally liable, but though this elasticity has advantages, it tends to uncertainty and the Institute of Bankers has recommended the Continental system of fixing a definite limit. Again, it is proposed that the duty and authority of the banker to pay should be terminated by the drawer's countermand of payment, but not by notice of the drawer's death.

It is hoped, says the Economist, that these rules for cheques, which will be laid before the International Convention at the Hague next year, will be approved by the official representatives. There is much to be said against the feasibility of a universal code for bills of exchange; sacrifices required of various countries are too great; the national differences are still too large to be immediately dissolved. The reasons which call for the unification of the law of cheques are stronger, and the chances of attaining it are greater. By the simplicity of their form and the combined ease and security of their transmission cheques are becoming a favourite means of settling international liabilities. Like the telegraphic transfer, they require a quicker despatch than bills and there is the greater need for eliminating legal questions as to discrepant foreign laws in dealing with them. If the Governments, says the Economist, cannot formulate one law covering the whole range of bills of exchange they would render a great service to international trade by adopting general rules for cheques on the lines recommended by the London conference. One result of such an understanding would be to increase the use of cheques in international exchange. For some transactions, indeed, the time bill is the natural means of payment, but if one law regulated all drafts on bankers they might replace bills in a number of cases. This change again, might have a vast effect