BANKING AND FINANCIAL.

The evidence in the Steel-Coal suit at Sydney this week has centred around the problem as to whether No. 6 belongs to the Phelan seam.

The formal ratification of the issue of $2,000,000 7 per cent. preference stock and $1,000,000 common stock has been given by the shareholders of the Canadian General Electric Company.

The thirty-second annual report of the Imperial Bank of Canada, which has already appeared in these columns, has been issued in book-form. On the cover is a very striking design.

The Temiskaming & Northern Ontario Railroad has received a cheque for $16,000, being the Government percentage of the returns of two cars of ore from the Right of Way mining company.

Cleveland and New York interests are said to be seeking to purchase the Ottawa Railway Company, the Ottawa Electric Light Company, and the Ottawa Gas Company, which are all practically under one control.

Instead of censuring or lauding the banks, says the Edmonton Bulletin, according as personal interest may be injured or served by their new-found policy of restriction, the condemnation should be that the banks provided the funds whereby an inflation of prices was made possible, and that they quit them in time to save themselves, but in absolute disregard to others.

The directors of the Bank of England raised the bank's discount rate yesterday from four to four and a half per cent., owing to the monetary situation on the Continent and in New York, and the anxiety of American houses to place finance bills here, which is taken to indicate possible gold shipments to New York in the near future.

CANADIAN BANK OPENS IN FRANCE.

A branch of La Banque Nationale has been opened in Paris, France. The advantage derived by travellers in finding a Canadian bank in Paris, with which to transact business, is manifest. The facilities, too, afforded to exporters and importers in making their payments or collecting bills on account, and the moderate rates of exchange are other features that will doubtless be fully appreciated. Canadian travellers will find at the bank's Parisian office a staff that speaks both languages fluently. A waiting parlor, correspondence desks, and the pleasure of reading the leading newspapers of Canada—the latter a pleasing feature—are other facilities which will be welcomed by the Canadian traveller in Europe.

"WHERE IS MONTREAL?"

Here is another plain tale from the hills, the scene in England this time.

"Where is Montreal?" seriously asked a government official of a Canadian banker in Britain.

Which only proves that, when applied to knowledge, the head of the ostrich is not the only one in the sand.

CLEARING HOUSE RETURNS.

The following are the figures for the Canadian Clearing Houses for the weeks ending with August 17th, 1906; August 8th, and August 15th, 1907, with percentage, increase or decrease over 1906:—

	Aug. 17,'06.	Aug. 8,'07.	Aug. 15,'07.	Change.
Montreal	$26,679,439	$29,773,076	$28,772,011	+ 7.8
Toronto	21,640,718	20,662,150	22,944,003	+ 6.02
Winnipeg	8,730,779	11,200,410	10,623,570	+21.6
Halifax	1,659,155	2,066,894	1,807,630	+ 8.8
Hamilton	1,506,131	1,791,808	1,605,873	+ 6.6
St. John	1,195,942	1,721,230	1,189,718	− .5
Vancouver	2,720,486	....	3,701,070	+32.3
Victoria	881,389	1,221,510	969,448	+ 9.9
Quebec	1,700,938	2,225,502	2,203,343	+29.5
London	1,185,017	1,235,939	1,482,063	+29.5
Ottawa	2,794,015	1,424,890	2,871,968	+27.8
Calgary	925,212	....	....	
Edmonton	710,922	1,026,011	1,004,677	+41.1
Totals	$72,330,213	$76,289,420	$79,175,314	+ 9.4

NOTES OF RAILROAD DIVIDENDS.

The directors of the C.P.R met at Montreal on Monday and declared a dividend of two per cent. on the preference stock, and three per cent. on the common stock, for the period ended the 30th June last. An additional payment of one-half of one per cent. on the common stock will be paid thereon at the same time out of interest on the proceeds of land sales.

There was a break in C.P.R stock last week, and one board lot came out at Montreal at 166¾. This was doubtless due to the passing of the Grand Trunk dividend.

The results of the Canadian Pacific Railway for the fiscal year to June 30th last were:—Gross earnings, $72,217,526; working expenses, $46,914,219; net earnings, $25,303,309; net earning of steamships in excess of amount sources, $1,640,832; total net income, $27,667,720; deduct fixed charges, $8,511,756; surplus, $19,156,034; deduct amount transferred to steamship replacement fund, $700,000; deduct contribution to pension fund, $80,000; net revenue available for dividends, $18,376,034. After the payment of all dividends declared for the year the surplus for the year carried forward is $9,339,005.

The G.T.R have declared a dividend for the half year at the rate of 5 per cent. per annum on the first and second preference stock. No payment was made on the third preference, and at the rate of 4 per cent. per annum on guaranteed stock; £14,600 was carried forward and $40,000 placed to the pension fund.

Speaking of the Grand Trunk affairs the London Economist said before the meeting:—

"Unless the directors bring forward some altogether abnormal charge against revenue for car renewals, or other special expenditure, it may be anticipated that the half year's working will show a balance of profit of not less than £70,000 in excess of the amount required to pay the full dividend upon the guaranteed and the first and second preference stocks. In view of the chairman's declaration at the last half yearly meeting, that until the company is in a position to pay a dividend on its ordinary stock the directors do not intend to institute the payment of half yearly dividends on the third preference stock, shareholders cannot look for the declaration of any dividend on the third preference stock until after the close of the year. But having regard to the fact that the net profits for 1906 were only about £70,000 short of the amount required to pay the full dividend on the third preference stock it is not unreasonable to assume that the full dividend will be paid on this stock for the current year.

"At present the interest on the Grand Trunk Pacific bonds is being paid out of the capital of the Grand Trunk Pacific Company, but as soon as this section of the line is in operation the Grand Trunk Company will presumably become liable to make up any deficiency in the amount required to pay the interest on the bonds issued in respect of this section. In view of the rapid development of the country and the favourable conditions of working on this particular portion of the line, it is not necessary to anticipate that any very onerous charges will fall upon the Grand Trunk Company just yet, but the company's heavy contingent liabilities in connection with the Grand Trunk Pacific should not be overlooked."

FORTY YEARS AGO.

Here is a story from the columns of the Monetary Times, of August 20th, 1868. It has a moral for the present day.

"Two years ago, Ontario had one of its remittent speculative fevers. Oil had been discovered in the township of Enniskillen a few years before; prejudice had at last been overcome; enthusiasts proclaimed that a source of wealth had been discovered which would enable this Province to compete with any other country in the globe; money was being made, and everyone was determined to make it. The most stingy county councils voted bonuses to the companies that would sink a deep shaft for oil. Many tried it, and "rowed up Salt River." One or two, the Goderich one, for instance, were fortunate enough to reach the salt. But in the counties of Kent and Lambton, what agreements were entered into, purchases made, and wells created where the indications were promising. Unfortunately the fever and the price of oil reached their greatest height at one and the same time. The oil poured forth, the price went steadily down, and unwary speculators found themselves with unsaleable lands on their hands, investors with wells yielding rivers of oil, worth little more than the water of the adjacent creek, hotel keepers had rats for boarders, and deserted villages to look upon from their front doors."

The Wellington, N.Z., Premier announced in the House of Representatives that the Government could obtain half of the million loan outside the colony at 102, with brokerage at ½ per cent.

CANADIAN BANKING PR

By H. M. P. Eckardt

XV.

Question of Interest Charges.

After that is done, the interest ta
and the interest calculated, beginning
number of days and working up to t
customer has more than one bill, on
same number of days are to be charge
of interest, the bills can be added
interest on the total amount calculate
The commission and other charges to
each bill can now be put down in the
for the purpose. This done, the proce
lated. Unless there are special instru
trary, the proceeds of all the bills belo
class of bills deposited by any custome
in one amount.

The total of the face amount of
arrived at, and from it is deducted
the totals of the interest, commission,
charges on his bills, the difference be
or the amount which the bank pays him
the calculations of all proceeds are co
be proved by carrying the addition
columns in pencil down through the
day's list.

The grand total of all interest, c
charges, and proceeds should equal t
The proceeds can now be entered in
that purpose. In this it is only nec
customer's name and the amount of his
this book the deposit ledger-keeper po
ledger.

Different Classes of Discounts.

Reference has been made to the en
in different classes. The discounts, li
are divided into classes, but for a diffe
bank wishes to know at all times h
various kinds of paper it has under di
banks will have their bills differently
two main classes of bills are "Ac
"Loan Bills," and "Trade Bills."

The first named class contains the
direct loans by the bank to its custon
man wishes to borrow a thousand doll
pose or other. He goes to the bank an
secured by an endorser, or in some ot
bank lends him the money. His note
accommodation or loan bill. This is an
transaction from that which ensues w
brings to the bank for discount notes
his debtors in settlement of goods pu
from him.

These latter are said to be trade b
represent actual trade transactions. G
they are considered superior to the acc
as a banking security.

Loan and Trade Bills.

These two classes may be subdi
special kinds of loan bills and special ki
For example, there may be a section of
merely to loan bills, one to loans on wa
or, if they be specialized, to grain loans
The trade bills may be divided into
remitted bills, and into any other clas
desirable. All the bills of the same cla
consecutively, usually with a distingu
letters prefixed. An account may be ke
ledger for each class of bills.

**At Vermillion, in Eastern Alberta,
brigade has been organized. The chief i
the deputy-chief, A. E. Howard. There ar**