Surrendering Securities for an Uncertified Cheque.

Bankers in England have been interested in the outcome of a suit brought by Lloyds Bank and the Union of London and Smith's Bank against the Swiss Bankverein. The action involved securities of the value of £45,000. A firm of bill brokers, Hellings & Company, had loans against securities lodged with the two plaintiff banks. It is a long established custom with the London banks to surrender securities to customers of this class merely on receipt of an unmarked or uncertified cheque, on the theory that the broking house will as a matter of course negotiate the securities and provide for the cheque during the day. It is said that very few losses have resulted from the practice. In dealing with brokers the banks are obliged to trust their borrowers to a certain extent. In New York they have a variation of the British practice. Thus on this side of the ocean securities are not given up unless the cheque on another bank is certified by that bank. But, while the bank holding the security does not take the risk, the other bank, which certifies the broker's cheque, does so. It is the custom to mark or certify these cheques when the drawer of the cheque has not the funds at credit. The bank marks his cheque trusting that he will acquire the securities and bring them in.

In the English case the brokers gave their cheque in the morning and received the securities. But during the day the Swiss Bankverein, another creditor, fearing that the brokers were about to fail, got possession of the securities and retained them. Thus the cheques given to the English banks were dishonored and they were left with nothing but the borrower's name. The case was decided against them when they sued the Swiss institution, and they now have a loss to write off. Perhaps if this happens again the London practice will be changed.

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Sovereign Bank Holding Co.

Publication of the first annual report of International Assets, the company formed to take over the estate of the Sovereign Bank has caused some discussion as to how the stockholders will eventualy fare. As yet everything is shrouded in uncertainty. Occasionally news items favorable to the company are published; and it is generally assumed that the two railway properties comprising the bulk of the assets are increasing satisfactorily in value, thus improving the prospects of the Sovereign stockholders. Prior to the formation of this company the deficit shown by the Sovereign increased nearly every month. The big item of expense was the interest on the loans granted by the associated banks. And the income or revenue produced by the assets was of comparatively little importance.

By means of sale of bonds and payments on account of preferred stock issue, the bank loans were paid off and now the assets are only required to provide revenue enough to meet the interest on about $1,600,000 mortgage bonds outstanding. The chief end of the organization of the new company was to avoid the sacrifice of the railway properties. It is hoped that by holding them for a year or two years the opportunity of disposing of the bank's interest in them may present itself—especially if general business conditions in the United States show marked improvement.

The Porcupine Output.

One of the well-known mining authorities estimates that the Porcupine output has reached the total of over $8,000 per day. Seven-eighths of this is credited to the Hollinger and the Dome, half of it is the Hollinger alone. The other two producing mines are the Vipond and the McIntyre, the former being credited with $900 per day and the latter with $500.

He estimates that in the month of July these four producing mines will yield approximately $240,000. If realized this would be at the rate of about $2,-800,000 per year. Then, of course, it is expected that the leaders will increase their rate of yield "as the mills run more in time and as the difficulties experienced in treating the ore are met." And two more plants are to be constructed at once—one is to be a five-stamp, the other a ten-stamp mill.

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State Bankers' Conventions.

Nearly every week brings pamphlet reports of one or more state bankers' meetings. The reports contain speeches and addresses by prominent bankers. Usually the speeches are long-winded affairs containing but little meat. In the last two years, at many of the conventions, machine made addresses in favor of the famous Aldrich plan for establishing a central bank under the guise of the National Reserve Association, have been prominent. However, this programme has not been pushed so vigorously this year as last. The Aldrich people last year had a man at every meeting for the purpose of securing endorsement of the scheme; and most of the conventions did as they were told and approved the proposed legislation. The National Reserve Association was taken up by the old guard of the Republican Party while in power, and by the Bankers Association. All the political wires were worked, and for a time it looked as if legislation would be enacted. But the general public displayed indifference and the prospects for the institution of a central bank are not now so favorable, as the political power in the United States is apparently shifting.

On June 21st, 22nd, the Oregon Bankers' Association met; on 27th, 28th and 29th, the Washington Association met at Tacoma; and on July 2nd and 3rd, the Ohio Bankers met at Sandusky.

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Express Rates.

Canadians have taken considerable interest in the recommendations of the United States Interstate Commerce Commission that express rates be reduced in general about 15 p.c. and that comprehensive changes be made in the regulations and practices in vogue with the American express companies. It is expected that this decision will open up important new avenues of trade, especially in food commodities, fruits, etc. The charges levied by the express companies have long been a subject of complaint, and the relations between the railways and the express companies have been sharply criticised. In some important instances it is said the railway directors would form an express company, allotting the stock to themselves and their close associates; then they would give the express company so formed exclusive rights to the express business originating on their railway line (thus enabling it to charge high rates) and on the other hand they would on behalf of the railway contract to carry the express matter