

ANSWERS TO CORRESPONDENTS.

PETER.—Send your card. We cannot deal with such a subject blindly.

BROKER.—By referring to OSWALD BROTHERS' Annual you will find the stock was considerably lower ten years ago.

SHAREHOLDER, Richelieu.—We have heard that it is intended to pay the President either \$2,000 or \$3,000 per annum. That and other questions will be put at the annual meeting.

ENQUIRER.—The U. B. has done good service. It was started in Quebec at a time when nearly all the discounts at other banks were secured by cliques and many outsiders of good standing could get no accommodation at all. The U. B. is no more responsible for bad times than the Mudir of Dongola.

A BANKER'S BANK.

To the Editor of the Mail.

SIR,—I beg to draw your attention to the lack of a useful institution in this country, namely, a bank clearing-house in the principal monetary centres of the Dominion.

Cities in other countries, with fewer banks, and less business than we have in ours, have adopted and retained this system, which is spreading rapidly, thus showing it is of value. For instance, in the United States, since 1853 (when the first association was organized in New York), it has spread until now 31 cities in the Union have clearing-houses. They are now to be found in several European countries, and in Australia they have one also. The system has a particular value to the public, as well as to the banking community, and is therefore of interest to all.

It would take too much space to discuss in a single letter the details of the workings of a clearing-house suitable for Canadian cities, and as most business men know the principle, it will suffice to state it generally, and what it has in its favor.

The present mode the banks have of squaring the large indebtedness each has against the other every day is inconvenient and laborious, as they present and settle all claims upon each other directly and separately.

The clearing-house plan is to settle their mutual claims by one transaction, indirectly, through a common medium, i.e., by meeting together and exchanging claims, and settling the differences by charging and crediting everything to the medium (the clearing-house), and settling with it in bulk in one receipt or payment.

The clearing-house has been called the banker's bank, because it bears the same relationship to the banks as the banks have to their customers, viz.:—to transfer money from one to another without the use of coin.

Again, it has been likened to a head office in relation to its branches, for money is transferred from one branch to another by merely crediting one and debiting the other in their accounts in the head-office books.

Professor Jevons characterizes such a plan as the one in use at present in Toronto as "absurd," because a manifest extension of the banking principle as above at once meets the difficulty.

The difficulty he refers to, and which all bankers are aware of, is the immense amount of risk, work, and inconvenience which the present system entails. Perhaps the best way to describe the difficulty is to show some of the advantages to be gained by the adoption of the clearing-house principle. I adapt from a report on the subject to suit (say) Toronto:—

1. The condensation for 13 banks of 12 balances into one, and the settlement of that balance without a movement of specie taken altogether this would save striking 143 balances daily).

2. The avoidance of numerous accounts, entries in cash books, and postings in ledgers, a saving of 154 entries daily (two cash books, one ledger) without counting settlement entries.

3. Great saving of time to messengers and clerks, and risk making exchanges and settlements from bank to bank (the clearing takes only 15 minutes in many cases).

4. Relief from a vast amount of labor and annoyance to which the army of managers, tellers, and bookkeepers, are subjected under the present system.

5. The liberation of the banks from injurious dependence on each other, and placing of settlements on a more business-like basis.

6. The absolute facility afforded by the books of the clearing-house for knowing at all times the management and standing of every bank in the association.

The returns of the clearing-houses would be of much use to the public as well as to the bankers, because in rendering regular statements of total clearings, etc., they would thus exhibit a continuous history of the aggregate dealings of the banks, which would represent the business of their particular cities and their monetary districts.

This would show the progress of a city pretty accurately and the development of the country about it, and in the aggregate that of the Dominion, and in the case of some cities would prove a valuable exhibit when seeking purchasers for their bonds and debentures in foreign markets, and the records of all would be useful to the wholesale dealer as an index of progress or depression to help him to

decide whether to expand or contract his sales in certain provinces.

How interesting it would be if we could now compare the clearings of this our Toronto Semi-Centennial year with the clearings of, say, twenty-five years ago, or compare the clearings of Winnipeg of to-day with those of the Winnipeg of two or three years ago, or watch its clearings now from month to month. Further, the record of the bank note circulation would be an index as to the movement of the crops, etc., and in many other ways the returns of the clearing-houses would be valuable.

The experience furnished by the United States shows that the establishment of the principle in the leading centres of the Dominion is feasible, say in Montreal, Toronto, Quebec, Halifax, Ottawa, London, Winnipeg, and perhaps in other places. The expenses of the clearing in the cities of the United States runs from nothing—where the banks take turns in acting as clearing-house—up to considerable amounts, where they have a separate establishment for the purpose.

The organization of such establishments would vary according to circumstances, the details are rarely alike, and would have to be discussed by a committee of bankers conversant with the locality in which they were to be established. It seems to me that it requires only a short time to find clearing-houses in the cities of our Dominion, and they would, I daresay, have been found before this were it not that bankers are so notoriously conservative in their habits.

Yours, etc,

WALTER DARLING

Brampton, Dec. 27.

STRANGE WAGERS.

New York Graphic,

The London swells are the most inveterate betters in the world. Time hangs so heavy on their hands that in the excitement of uncertainty they find a grateful relief. A curious bet was made in one of the London Clubs some years ago that will perhaps point a moral. It was that a certain member could not within two hours on London Bridge sell 100 new guineas at a penny a piece. The man took his place on the bridge with a little tray on which he had the coins. He informed the passers-by that they were genuine gold coins from the Bank of England and that they were to be had for a penny each. The cartmen and policemen laughed at him. When the time expired, such is human incredulity that he had sold but two, which a maid servant had bought to amuse her little charges. Another peculiar bet made in London was by a well known barrister for a large amount that he could, at a certain hour, block Fleet street in the busiest part of the day and at its narrowest point. Half an hour before the time appointed he took his stand on the opposite side of the street from an insurance office which had a large lion over the door. He was dressed like a necromancer with a long cloak and wearing a tall pointed hat and large glasses over his eyes. Under one arm he carried an enormous book and in the other he held a large telescope which he every few minutes pointed at the lion after inspecting the book. People gathered around, and he told them that in the Book of Balderdash it was written that in half an hour that lion would wag his tail. Slowly walking up and down, and every few minutes taking a look at the lion through his glass, he attracted the attention of everybody, and the awaiting crowd grew every moment denser. Then waggons stopped to see what the trouble all was, and these jammed others until the whole street was crowded and impassable. The barrister slipped away in the crowd, but a most obstinate jam ensued, and it was more than an hour before the police could clear the thoroughfare.

A STRANGE FOUR-IN-HAND.

No man ever sacrificed so much time or so much property on practical or speculative sporting as the Earl of Oxford. Among the most curious of his exploits was that of driving four red deer stags in a phaeton instead of horses, and these he had reduced to perfect discipline for his excursions and short journeys upon the road; but, unfortunately as he was one day driving to Newmarket, their ears were saluted with the cry of a pack of hounds which, soon after crossing the road in the rear, caught scent of the "four-in-hand," and commenced a new kind of chase with "breast-high" alacrity. The novelty of the scene was rich beyond description; and in vain did his Lordship exert all his chivalrous skill—in vain did his well-trained grooms energetically endeavor to ride before the frightened steeds; reins trammels and the weight of the carriage were of no effect, for they went with the celerity of the whirlwind; and this modern phaeton in the midst of his electrical vibrations of fear, bid fair to experience the fate of his namesake. Luckily, however, his lordship had been accustomed to drive this set of "fiery-eyed steeds" to the inn at Newmarket, which was now close at hand, and to this place of succor the thoughts of the earl were at once directed. Into the yard the steeds presently bounded, to the dismay of ostlers and stable boys, who seem to have lost all presence of mind upon the occasion. Soon, however, the animals were overpowered, and the stags, the phaeton and his lordship were all instantly huddled together into a barn, just as the hounds appeared in full cry at the gate.

SIGNALLING BY LIGHT.—Arrangements have just been completed by the War Department for placing London and Portsmouth in communication by visual signalling. If an enemy were to land on the south coast and intercept telegraphic communication between Portsmouth, London, and Aldershot, communication could be maintained by flag signalling and the heliograph by day, and by the flash and rocket system by night.

CAPTURING A GHOST.

NEW LONDON, Dec. 29.—Three ghosts have been frightening the women and children of the quaint little village of Mystic on the Sound, eight or ten miles east of this city, for several weeks. Women and girls were at first pursued almost nightly by a tall, white figure that rose up suddenly from the wayside, and seemed to their excited fancy to float swiftly on the wind toward them. They sped down the street closely chased by the apparition and dashed into their homes out of breath and fell on the floor. At length the terror became so general that few women and girls ventured out of their houses after dark, and when they did so hurried along the roads, often turning an affrighted glance over their shoulders lest the three ghosts might steal on them unawares.

Next a company of young men was organized to lay in wait with loaded shotguns for the ghostly disturbers of the peace, and several parties stayed out all night for a week or more, at different points about the village, lying in the frosted grass behind walls and fences, or in the shadow of unlighted buildings. No spectre appeared in the silent streets, and the watchers went home and thawed out in the chimney place with draughts of hot cider. Thereupon a committee of two or three young men arrayed themselves in hoop skirts, dresses, and bonnets, and after dark minced coquettishly up and down the sidewalks hoping to lure the ghosts into pursuing them.

For two nights the ruse was without result, but a few evenings ago one of the ghosts was tempted out. He sprang at one of the masqueraders, who at first fled, leading the ghost on, until he suddenly wheeled, and, throwing his arms around the ghost, held him in a merciless hug. The captive was lugged before a Peace Justice, who had him locked up. The ghost was Albert C. Briggs, a jack-of-all-trades of the village. He was sentenced to thirty days in jail for disturbing the peace.

Who the other ghosts are is not known, as Briggs refuses to expose them. They have not been seen since his arrest.

GROWTH OF TORONTO.

The progress of this city must be a cause of deep gratification to all Torontonians. The assessment, which is the most trustworthy index of the value of property, has gone up by leaps and bounds. In 1873 the assessment was \$44,764,882, and in the year just closed it is \$65,212,918. What makes this progress satisfactory is that it is all substantial. There is not to be discerned one sign that the assessment is anywhere above the selling value, or that values are at all inflated. Toronto's population has increased so rapidly that suburb after suburb has been built up to and absorbed. Places which a few years ago were "commons" or large vacant lots are now covered with handsome houses, facing block paved and well-lighted streets. One who knows the city well, returning after even a few months' absence, finds important changes on every hand. The progress made is not the result of any temporary boom, but is caused by the steadily-growing importance of Toronto as an industrial, social, and educational centre.

A BEAR TRANSACTION.—A French artist, finding it somewhat annoying to have his creditors constantly at his door pressing him for money, procured a bear, which he taught to answer the door bell and to show its teeth every time an unwelcome visitor appeared. The plan was successful beyond the artist's most sanguine expectations. Creditors, having naturally some regard for their personal safety, ceased troubling him. Latterly, however, the animal died. Another not being procurable, the artist determined to enact the part himself. He sowed himself up in the bear's skin coat set to, practising the manners and language of the animal by howling, screeching, and scratching at the door, until at last the neighbors lost all patience and lodged a complaint against him, with the result that the ingenious artist was fined and compelled to desist.

A MAN telegraphed from New York on Christmas Eve to friends in a New England town: "Cannot be down until Saturday—foreman drunk." When he went down he was astonished by the hilarious manner in which his friends received him. It came out that the telegram when received read: "Cannot come down before Thursday forenoon—drunk."

A PROMINENT American lumberman has had his coat-of-arms painted on the panels of his carriage, with the Latin motto "Vidi," which by interpretation is "I saw."

It is said that the holiday market will soon be stocked with a novelty in the way of a low-priced electric lamp to be worn as a scarf pin. The lamp is connected by a wire to a small pocket battery.

CANADA is making a lively effort for a reciprocity treaty with us. We don't believe she can reciprocate. She hasn't half enough criminals to make the swap anything like even.—Chicago News.

IN Canada—"Well, wife, I suppose we ought to call on the Mandelbaums, hadn't we?" "Yes, dear, I suppose so; but they are horribly common people; just think, they only stole \$13,000."