

BANKING & FINANCIAL NEWS.

CANADIAN BANKING PRACTICE.

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LVII.

To resume the description of the clearings. After all the sheets are balanced and the difference or balance which each bank has to pay, or receive, arrived at, the sheets and slips are handed to the clearing house manager and balanced. The total of the debit balances should balance with the total of the credit balances. Everything being found correct, the manager signs a slip for each bank, stating the amount of the debit or credit balance it has to pay, or receive, and the clearing is completed.

Importance of the Clearing House.

The messengers and clerks from each bank hurry home with the parcels they have received, and the clearing house sheets that contain the records of them. They are given to one of the tellers, and the contents of each parcel are carefully examined to see that the amount claimed to be there is actually there. There will be in each a list of cheques and bordereaux, with specification of cash. The cash is counted, and the cheques ticked off on the list. The ledger-keepers examine the cheques to see that the signatures are authentic, the endorsements in order, and that funds are held for them. If any item is missing, if there are any cheques in the lot for which there are not sufficient funds, or if there is a shortage in the cash of any parcel, demand is made direct upon the bank that sent the parcel, and it has to send over cash to rectify the mistake. If it does not do so, the bank can, if it chooses, stop the settlement of balances at the clearing bank until its claim is satisfied. At a certain fixed time, usually from twelve o'clock to half-past twelve, the debtor banks must pay in their balances at the clearing bank. Then from half-past twelve till one, provided the clearings have not been stopped, and provided all the debtor banks have duly settled their balances, the creditor banks appear and draw what is coming to them.

It will be remembered that the panic in New York was precipitated by the fact becoming known one day that the Mercantile National Bank of New York had been unable to meet its balance at the clearing house in that city. As failure to meet a balance promptly would be tantamount to a confession of inability to meet obligations, all the banks are most particular to be prompt in their payments. The operation of meeting these balances furnishes a daily test of the solvency and preparedness of every bank in Canada. In the event of any bank becoming straitened for cash, probably the first indications would be seen at the clearing house.

City Tellers' Additional Duties.

Tellers in the city offices have some duties which do not fall to tellers in country places. One of them is to fill requisitions from the branches for the bank's own notes. In a bank which has numerous branches a considerable number of parcels will have to be sent out daily. This department is especially busy when the crops are being financed and the "circulation" moving rapidly out.

Then at the head offices there is the duty of looking after the worn and mutilated notes. A banknote may last from three to five years in fairly good condition. Each bank desires to keep up the quality of its notes in circulation. People will hold a new bill longest, and will get rid of dirty or torn bills first. So the banks try to keep their notes clean and sound. It would be too much expense to pay out nothing but new bills, but the tellers

are instructed to carefully weed out the worn and torn notes among their receipts, and to forward them to the branch at head office. From all the branches these packets of "disabled" notes keep coming in, and they have to be got ready for the "burning," which is a ceremonious affair. The teller who receives them cancels them by stamping them or cutting them with a machine, and keeps them till he gets a round amount of \$5,000, \$10,000 or more. Then an officer from the head office is deputed to count and sort them. They are to be sorted into the various issues (the issues are usually known by the dates on the bills). Then the bills of each issue are arranged according to the letters and numbers, and a record taken of all the numbers in the package. After this is done the bundle is packaged up, sealed and marked with the head office man's signature. It is also marked so that it can be told at a glance what record of numbers refers to its contents.

NEWS AND NOTES.

The Royal Bank of Canada has opened a branch at Grand Falls, N.B.

A branch of the Bank of Commerce may be opened at Rosebank, Man.

The annual meeting of the Sovereign Bank will be held at Toronto on Tuesday, July 14th.

A building on Charlotte Street, St. John, N.B., has been leased and is being fitted up for an office of the Bank of Nova Scotia.

A new branch of the Montreal City and District Savings Bank has been opened at the corner of St. James Street, Montreal.

The Bank of New Brunswick is opening a branch at Chipman, a village on the Central Railway, some forty miles east of Fredericton.

The Mackay Companies has declared the regular quarterly dividend of one per cent. on common and preferred stocks, payable July 1st to shareholders of record on June 13th.

The Canada Landed and National Investment Company, Limited, have declared a dividend of 3½ per cent. for the current half year, being at the rate of 7 per cent. per annum.

The names of 110 new members were entered during 1907 upon the roll of the Society of Accountants and Auditors, of Great Britain, while 34 Associates were advanced to the degree of Fellow.

Mr. G. J. Lovell has opened an office at 402 McIntyre Block, Winnipeg, as a broker and financial agent, making a specialty of promoting companies. He has already five or six good propositions on hand.

The Home Bank of Canada has opened a branch office in Toronto on the corner of Queen Street East and Ontario Street. The Home Bank now has six offices in Toronto, inclusive of the head office and the West Toronto branch.

The Canadian Bank of Commerce sends a well designed map of the City of Toronto, showing the location of streets, etc., and also of the bank's various Toronto branches. The map is so excellently prepared that it will probably leave many offices for private homes.

The London & Canadian Loan and Agency Company are moving from their present quarters at 103 Bay Street, Toronto, to the ground floor of the Commercial Travellers' building at 51 Yonge Street. The Bay Street property has been leased for 99 years by the London & Canadian Co.

A year ago, or more, the Canadian Brass Company commenced business in Galt, the town loaning them \$15,000 at four per cent., while the company, consisting of several Americans, were to invest a like amount. This, it appears, they were unable to do, and they assigned last week to the London & Western Trust Company. The town of Galt has a first mortgage on the plant, which is well constructed.

The Imperial Bank has decided to move its branch at Toronto just west of the corner of Spadina Avenue and King Streets from the building which it has occupied for nearly three years, to the new building now in course of erection at the south-west corner of the two streets for the M. and L. Samuel, Benjamin and Company. The bank has taken a long lease of the corner of the building. It is not expected that the new