

selves of the new system. The Bank of Toronto remains an outsider for the present, the reason assigned having its origin in a proposed by-law requiring the deposit by clearing banks of none but marked checks. The adoption of this rule was opposed, on the ground of unnecessary severity, by a majority of those interested in the association, and its non-adoption led to the withdrawal of the bank referred to. While entirely in sympathy with the Bank of Toronto, so far as regards the desire of the bank to avoid a repetition of the recent cause of action in the case of *La Banque Nationale vs. Merchants Bank of Canada*, we think the measure proposed too drastic a means to that end, and the members of the Clearing House seem to have acted wisely in adopting only such rules as were actually necessary in order to provide simple and expeditious facilities for their daily settlements. The true object had in view in establishing the new system is to simplify and expedite the old system of messengers' clearings, by effecting at one place and at one time the daily exchanges between the several associated banks. Considering it, therefore, in the light of a Messengers Clearing House, claims arising from the return of checks should be adjustable, as heretofore, directly between the banks interested. The adoption of the proposed resolution as to marked checks would have entailed the same running around of bank messengers as formerly, and this was one of the evils the Clearing House was intended to remedy. Customers of undoubted standing, if required to deposit only marked checks, would naturally—and with reason—resent this indirect imputation as to their credit; and to humor them the necessary demands for acceptance would have to be made by bank officials after closing hours, keeping ledger keepers unnecessarily at their posts marking the hundred's of checks thus presented. Discounts also would require to be passed through within a much shorter time than is now the custom in leading banks, or the rule would prove very burdensome on the majority of customers. The arguments which suggest themselves in support of the rule are undoubtedly of great weight in theory, but it is always unwise to derange existing customs unless necessity absolutely calls for the adoption of such a course. This question has lately been brought up for discussion before the Montreal association, but it is likely to meet with the same fate here as in Toronto. In such event the future action of the Bank of Toronto will be watched with great