

THE MONTREAL CLEARING HOUSE.

In the current issue of the *Journal of the Canadian Bankers' Association*, Mr. John Knight, secretary of the Association and manager of the Montreal Clearing House, writes an interesting and entertaining account of the history and mechanism of the Clearing House. This Clearing House was started in January, 1889, and at its first meeting, says Mr. Knight, "proved to be all that had been claimed for it as a time and labour saving device. The exchanging of parcels commenced at 10.10 a.m., the total amount delivered by the sixteen banks in attendance being \$1,458,474.84. The amount of money required under the new system to be paid into and disbursed by the settling bank was only \$390,452.06, and the time consumed by the clerks and officials in effecting this exchange was fifty minutes. Under the old plan of bank to bank delivery, fully one-half of a banking day would have been given to arriving at the same goal.

"The passage of time" continues the writer, "has much more conclusively exhibited the incalculable advantages of the clearing-house as a means of effecting the daily exchange of notes and cheques between banks. The record day's clearing of the present year in Montreal amounted to \$15,380,211, the actual sum in legal tender notes required in settlement was \$1,658,000, and the actual time taken in delivering, receiving and balancing was only seventeen minutes.

"Such facts and figures as these clearly demonstrate the extreme usefulness of a clearing-house, and, in the illustration just given, they do more. They show the expansion of the trade and commerce of the country since the year 1889, even if it has to be admitted that a large percentage of the millions of dollars referred to as a day's clearing in Montreal in April last, represented the receipts of the Stock Exchange, the results of the flotations of large industrial corporations and extraordinary activity in the stock and bond market.

"The table published herewith has been carefully compiled from the records of the Montreal Clearing House, and exhibits the annual increase in the amount of money annually passing through the Clearing House of the Metropolis.

YEAR.	AMOUNT.	YEAR.	AMOUNT.
1889	\$454,560,000	1901	\$ 889,479,000
1890	473,984,000	1902	1,098,970,000
1891	514,607,000	1903	1,113,978,000
1892	590,043,000	1904	1,065,067,000
1893	568,732,000	1905	1,324,313,000
1894	546,600,000	1906	1,533,597,000
1895	583,160,000	1907	1,555,729,000
1896	527,851,000	1908	1,467,316,000
1897	601,185,000	1909	1,866,649,000
1898	732,264,000	1910	2,088,558,000
1899	794,029,000	1911	2,368,490,000
1900	730,933,000		

"What takes place at the meetings in Montreal of the banks' representatives for the purposes outlined in this brief history may be summarized thus:—

"The exchange occurs daily at 10 o'clock a.m. (on Saturdays half an hour earlier). Each bank, at the appointed time, sends representatives to the Clearing House with the notes and cheques of other banks enclosed in sealed envelopes. At the appointed time, the Manager calls out, "Ready!" and rings a bell. Each messenger from the twenty banks then delivers the parcels in his possession, and receives in return other parcels, and returns to his respective bank with

his delivery statement only initiated by the clerks who have received the parcels he has delivered. The clerks remain to transcribe the amounts received, as shown by tickets removed from the parcels delivered to their respective messengers, to settling sheets, and proceed to calculate the difference between the amounts delivered and the amounts received—the said differences constituting the credit or debit balance for which the manager of the Clearing House, if his figures agree with their claims upon him, signs vouchers to be used later at the settling bank. If the work of those present has been performed with accuracy, and the manager finds from the vouchers delivered to him that the amounts therein stated as due to the Clearing House exactly agree with the amount due by same, the satisfactory result is announced by another ringing of the bell, and the attendant clerks return to their respective banks.

"A careless or incompetent official may cause confusion and delay, and necessitate a search for errors varying from one cent. to one hundred thousand dollars. However, a discrepancy seldom remains long undiscovered, and, when the error is traced to its source, the culprit is presented by the Manager with a valentine, in the shape of a card inviting the recipient to pay a fine to the treasurer."

PRINCIPAL FIRES IN CANADA, INVOLVING LOSS OF \$5,000 AND OVER, FEBRUARY, 1913.

Feb. 1913.	PLACE.	RISK.	Loss.
1.	Sandwich, Ont.	Stores	\$ 30,000
2.	Brantford, Ont.	Stores	30,000
2.	Welland, Ont.	Factory	30,000
3.	Craigmount, Ont.	Corundum mills	*91,800
4.	Orillia, Ont.	Business premises	25,000
5.	Creston, B.C.	Engine and building	5,000
5.	Big River, Sask.	Hospital	20,000
6.	St. Thomas, Ont.	Music warehouse	100,000
6.	Essex, Ont.	Stores and residences	10,000
6.	Souris, Man.	Department store	50,000
6.	Orillia, Ont.	Business premises	5,000
7.	New Westminster, B.C.	Residence	5,000
8.	Redcliff, Alta.	Mill and Elevator	50,000
8.	Toronto	Club house	15,000
9.	Elgin, N.B.	Store	20,000
10.	Halifax, N.S.	School	5,000
10.	Campbellton, N.B.	Business block	25,000
10.	Winnipeg	Hotel	20,000
11.	Toronto	Factories & dwellings	25,000
12.	Port Hawkesbury, N.S.	Cold storage plant	*212,000
12.	St. John, N.B.	Dredge	24,000
13.	Montreal	Rubber factory	25,000
13.	Cobden, Ont.	Business block	25,000
13.	Hamilton, Ont.	Planing mill	10,000
14.	Truro, N.S.	Church	12,000
15.	Elk Lake, Ont.	Hotel, stores, etc.	35,000
16.	Ottawa	Store and residence	15,000
22.	St. Thomas, Ont.	Livery stable, etc.	16,000
23.	Halifax, N.S.	Business premises	10,000
23.	Vienna, Ont.	Stores and dwellings	25,000
24.	Montreal	Shipping rooms
24.	Winnipeg	Business block	*102,500
24.	Gloucester, N.S.	Co-operative Store	70,000
24.	Vancouver, B. C.	Cafe	5,000
25.	Ottawa, Ont.	Business block	100,000
27.	Winnipeg	Store	7,000

*Insurance loss.

Any young fire company which is making large additions to its income must be taking hazardous risks.
—*The Policyholder, Manchester*