

**CLEARING HOUSE OF
NEW YORK CITY: NEW
YORK CLEARING HOUSE
ASSOCIATION, 1854-1905**

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Clearing House of New York City: New York Clearing House Association, 1854-1905 by
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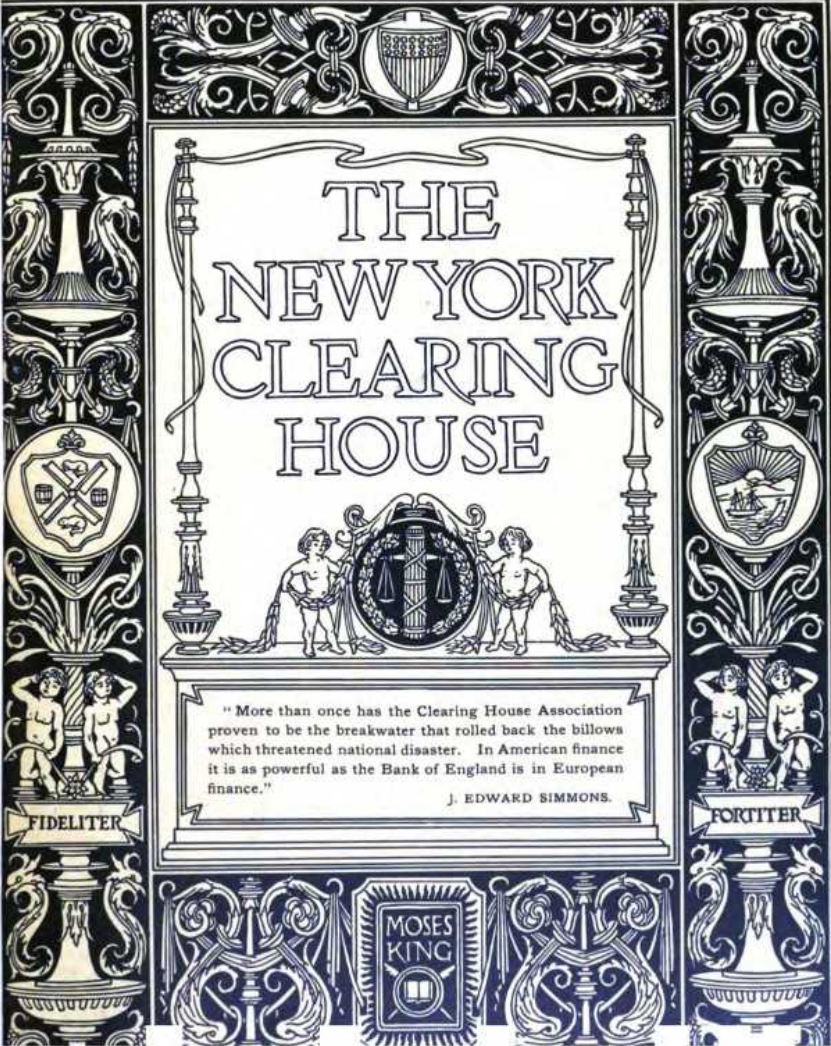
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WILLIAM J. GILPIN & HENRY E. WALLACE

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THE NEW YORK CLEARING HOUSE



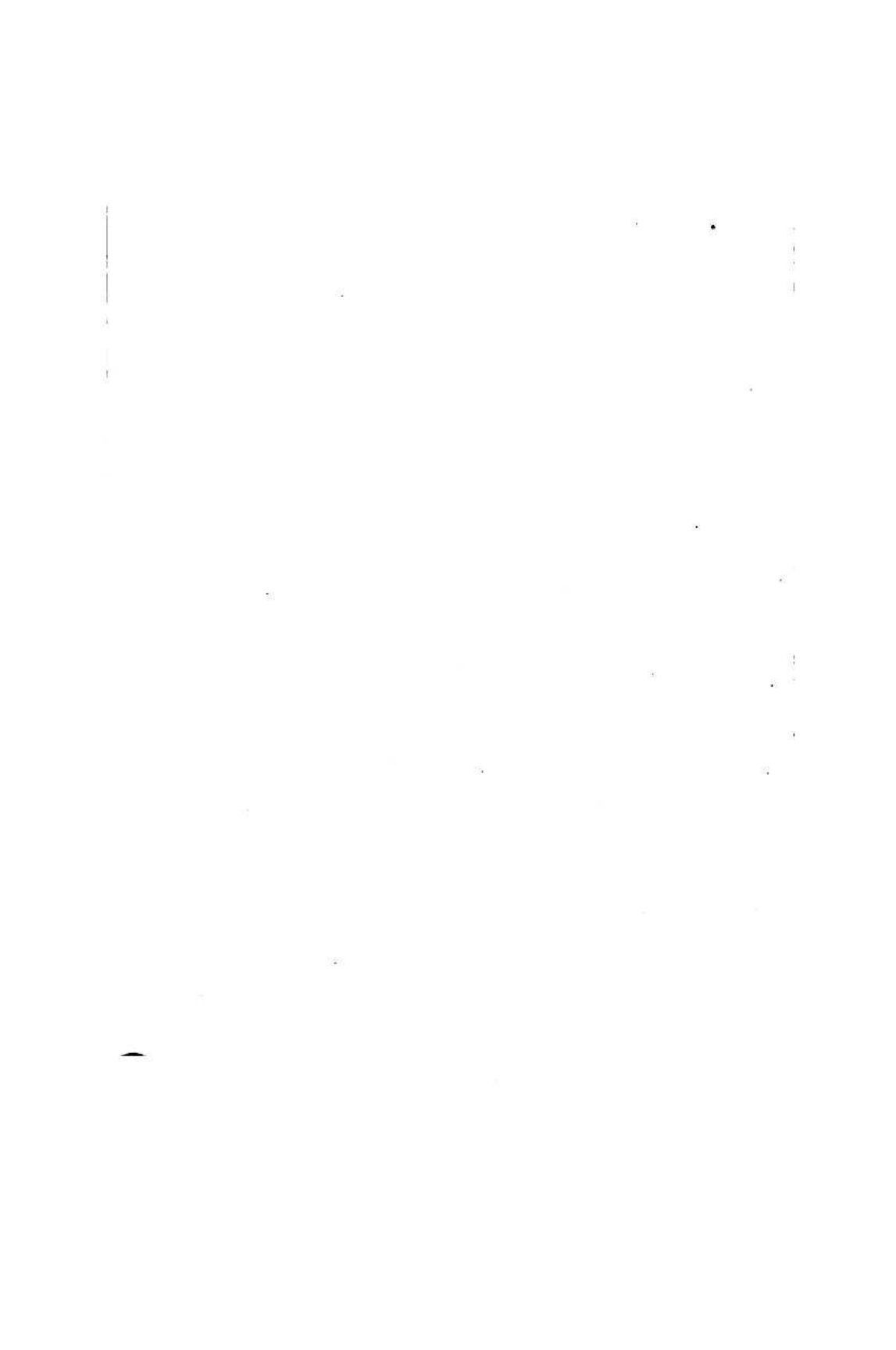
"More than once has the Clearing House Association proven to be the breakwater that rolled back the billows which threatened national disaster. In American finance it is as powerful as the Bank of England is in European finance."

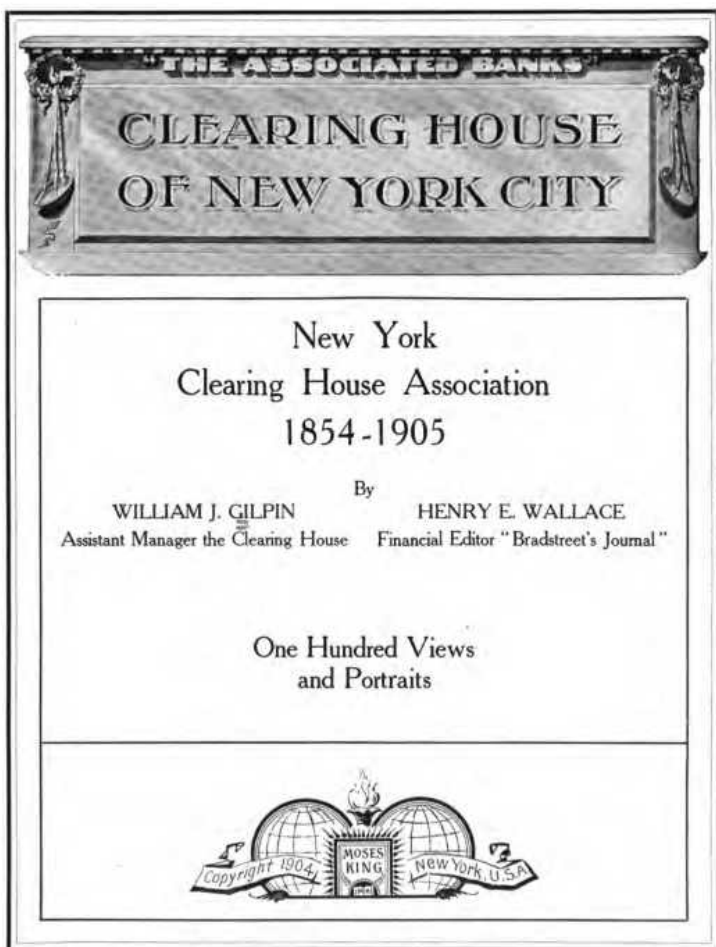
J. EDWARD SIMMONS.

FIDELITER

FORITIER

MOSES
KING





THE ASSOCIATED BANKS

CLEARING HOUSE
OF NEW YORK CITY

New York
Clearing House Association
1854-1905

By
WILLIAM J. GILPIN HENRY E. WALLACE
Assistant Manager the Clearing House Financial Editor "Bradstreet's Journal"

One Hundred Views
and Portraits





DUMONT CLARKE.

**PRESIDENT OF THE AMERICAN EXCHANGE NATIONAL BANK OF NEW YORK.
PRESIDENT OF THE NEW YORK CLEARING HOUSE, 1904-1905.**

The
Clearing House of New York City

A Bulwark of Confidence

LIKE many kindred institutions founded and maintained for practical business reasons, the New York Clearing House has a most important and beneficial part in the general economic health of the nation. The conveniences it affords through the actual clearings which are conducted by means of its mechanism are of even less importance than the influence it exerts, mainly in an indirect manner, in the country's financial and commercial affairs. In the first place it is necessarily a national body, for though its membership is confined to banks doing business in New York City, and its affairs are conducted by representative New York bankers, these institutions and these bankers are in constant and close contact with the banks throughout the country, New York being the city at which nearly every bank or trust company in the land keeps an account, and at which the exchanges resulting from business transactions between interests located as far apart as Florida to Oregon or Minnesota to Louisiana are ultimately settled. It is therefore the paramount reserve city of the country, whose strong box is consequently the New York banks represented in their aggregate capacity by the Clearing House. In administering affairs of such wide importance the institution, moreover, has developed policies which have a marked and beneficial effect on the American business world. The appearance of the Clearing House as a prime agent in dispelling apprehension and allaying panic through its loan committees in times of trouble is a conspicuous example of its work for the entire public, but it must be considered that at all times its organization serves as a point of cohesion for the banking interests of the metropolis and through them for those of the nation. We have in this country no establishment like the Bank of England or the Bank of France, but the New York Associated Banks virtually fill in various respects the same functions in our body politic. It is the New York Clearing House organization which has exemplified the importance of concerted action by bankers, not only to meet emergencies which threaten disaster to the business community, but to settle other questions which have any bearing on the prosperity of the country. In this latter respect its work is informal and unobtrusive but none the less effective. It is, in fact, a bulwark of business confidence.

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Chase National Bank R. W. Gibbon, Architect Copyright, 1904, by Mowse King Entrance
THE NEW YORK CLEARING HOUSE, Cedar Street, north side, between Broadway and Nassau Street
Erected 1894-96 by the Clearing House Building Co. Fifth home of the Clearing House. Cost, \$1,100,000.

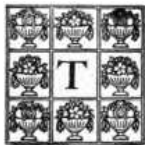


Facade entablature and capitals

Above the second floor

An Illustrated Sketch

— WILLIAM J. GILPIN.



HE New York Clearing House is a voluntary association of banks of the City of New York. Its object is concisely stated in the second section of its constitution as "The effecting at one place of the daily exchanges of the several associated banks, and the payment at the same place of the balances resulting from such exchanges." The place is the New York Clearing House. The exchanges are the checks, drafts, and other negotiable instruments drawn on the various member banks, and received in the course of business on deposit by other members and exchanged at the Clearing House.

Earlier methods employed for the collection of checks were primitive, crude, and unsatisfactory. At first holders presented such items at the various bank windows and received gold and bank notes in settlement, the handling and carrying of which through the streets entailed much labor and great risk. After a time weekly settlements for the daily deliveries of checks effected a slight improvement over the original method, but the absence of suitable quarters for the transactions, the need of a comprehensive system of accounts, and the risks attending the lack of organized system and consequent responsibility, finally impelled bank officers to constitute a fixed place of clearing, which led to the establishment of the Clearing House Association on October 4, 1853.

The method of exchanging or clearing checks is as follows: Each bank member of the association has a small desk at the Clearing House; these desks are on the third floor of the building, and are numerically arranged in the order of the date of the bank's organization for the original members, and of the bank's admission to the association for those subsequently enlisted. There are in fact fifty-four members, i. e., fifty-three national and State banks, and the Assistant Treasurer of the United States at New York, who also has a desk and clears through the institution. At each desk every business morning two bank clerks are stationed, one the outside or delivery clerk, and the other, seated inside, the settling clerk, who receives the checks drawn on his bank. The delivery