

## CANADIAN BANKING PRACTICE.

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This can be done without risk with certified cheques, drawn on a bank of undoubted strength. A point that has to be considered is that the process causes a delay of a day in the presentment of the cheque at the bank on which it is drawn. As a rule, the bank is under obligation to forward these items to the places at which they are domiciled as quickly as possible. Should it happen that an item is sent by the slower process and the drawer or the drawee fail before it is presented, there might be a case against the bank for damages if the customer who deposited the item can prove that it would have been duly honored had it been sent direct.

**Economizing the Entries.**

Though each of the remittances on points where the bank has a branch is in effect a debit for that branch, entries are economized by listing all items, cheques and bank drafts received the same day payable at the same point. The total of the list is then the debit entry. When the remittances are all recorded, numbered and listed, the teller passes them out, first entering each item on the debit side of his blotter. On their being entered in the proper books, they are sent away in letters to the points at which they are payable.

It has occasionally happened that defalcations occurred in connection with these remittances. Those payable at branch points are simply sent at debit. But the items sent to other banks have to be sent for collection and remittance, being debited in the meantime to a general ledger account. When the payments come back from the correspondents the general ledger account is re-credited with the amounts.

The crooked work has been done in the second stage of the proceedings. In the mail in the mornings will be a number of drafts sent by other banks as payment for remittances, collections, etc. Dishonest clerks having the handling of these have been known to use the drafts to draw cash for themselves instead of to credit them to the account to which they belong. By keeping track of the items so wrongfully used they have been able, through substituting others from time to time, to carry their frauds through a long time till they amounted to considerable sums.

This can be effectively stopped by keeping what is called a waste book, or sundry credits book. When the manager opens the mail in the morning he records in this book all the items for which credit entries should go through during the day. Then, when he checks the cash book next morning, he takes the waste book and sees that every item entered there has been duly credited. If any credits are missing, it is an easy matter to trace the items.

**Other Receipts Over the Counter.**

Besides the deposits in current account there are various other receipts coming in over the teller's counter. There are deposits of the savings bank customers and of deposit receipt holders, purchase money for drafts and transfers, settlements for notes and bills due. In all of them it is necessary to be sure that the cash and other items received are "good," and that for each credit accorded an equal amount of cash, cash items, or debits, is received.

As the savings bank depositors and those who prefer the more old-fashioned deposit receipts are not as familiar with banking methods as are the regular daily customers of the bank, the teller has to take a little more trouble to explain things to them, and perhaps to write out slips for them. A great many of them are timid, and have a sort of feeling that the bank does not much want to be bothered with such small business as theirs. A first-class teller will lay himself out to convince them

that the bank values their business, and to make them feel that they are welcome visitors whenever they call to deposit or withdraw.

**Value of Small Deposits.**

One of the main things to be borne in mind is that the bank desires the great bulk of its loanable resources from this class of its customers. The bank returns show that while the demand deposits, or current accounts, can show wide fluctuations, the course of the notice deposits is steadily upwards. They have a character of permanence that fits them well for employment in current loans and discounts to the business interests of the country. Therefore, every bank desires to have its notice deposits increase as rapidly and steadily as possible, and the teller is an officer who has special opportunities to forward the interests of the bank in this matter. He is the officer, more than any other, coming in direct contact with the depositors of fixed or permanent money. Many of them judge the bank through the demeanor of the teller. Is he crusty and surly, turning to attend to them with a frowning or unpleasant countenance, the customers are apt to say: "My business is not wanted at that bank." A teller of that kind can do incalculable damage to the bank's interest. He had better be kept out of the cash department altogether, no matter how skilful he may be in counting money, wherever the savings bank business is important.

One of the peculiar things regarding bank depositors is that a large number of them have deposits scattered in different banks. In transacting business with the bank they will, time and again by inadvertence, disclose the fact that they have, in addition to their deposits with the bank, respectable deposits in other banks, or with the Post Office or Dominion Government savings banks. The right kind of a teller will prove to be a factor in unconsciously influencing these deposits to his own bank through the good-will which his customers have for him. He will not require either to have recourse to undignified methods to get them.

**Bank Depositor is an Asset.**

Besides, if the bank's depositors are converted into active friends, it is impossible to measure the good they can do for it in influencing their friends and acquaintances to go to it with their business.

Regular and occasional customers, from time to time during the day, ask for drafts on other points in that country or on points in the United States, Europe, or elsewhere. When the bank receives the money from one of these customers and gives him its draft on the point desired, it is said to have sold him exchange. If the draft is on some point in Canada, it is called inland exchange; if on New York or some other United States point, it is called New York, United States, or foreign exchange; if on London and drawn in sterling, sterling exchange. The word exchange is here used in its broader sense. In practice it is coming to have the same meaning as commission, and is applied to the tolls or charges which bankers make when they issue drafts or buy remittances.

This function of the banks—the buying and selling of exchange—is important, and it is worth while for young bankers to aim at understanding it. The business in inland exchange is the most important, and bulks the largest. People in all the villages, towns, and cities are all the time sending money to other places in Canada. It may be for purchases of goods, presents, or contributions to friends or relations, payment of debts or for other purposes.

**Banks and the Handling of Exchange.**

The bank stands ready to receive the money at its branches, and to issue in exchange a draft, or order, good for the required amount at the point to which the remittance is to be sent. It does not matter how small or how large is the transaction. It can quote a rate of commission for which it will undertake the operation.