

BANKING POLICY AND SALARIES.

(Contributed.)

A short time ago a leading daily in Toronto incidentally mentioned in its financial news, that the staff of an important bank in Canada had not received the accustomed increases in salary because of a large defalcation at one of the branches. If this is a correct statement of the directors' action it deserves comment because it is hardly in accord with the policy that some of our most prominent bankers have declared to be the best and most up-to-date, for preventing dishonesty among bank employees.

The general manager of the Bank of Commerce has several times declared, that the only way to get the best service out of the staff, and to win its loyal good will, is to treat the men well. This does not mean giving them what they are fairly entitled to; it means giving them something over. And the policy followed by the two biggest banks in the country, and by several others, towards their men, is in full conformity with that enunciated by Mr. Walker in his public utterances. Liberal salaries are paid; in extra-prosperous years substantial bonuses are given to the clerks and officers; and not only that, but the executives show that they take thought for the comfort and moral well-being of their men as well as for their financial well-being.

Of this latter the recent announcement by the Bank of Montreal in Montreal of its plan to provide a comfortable living place, combined with recreation, club and reading-rooms, for its clerks in Montreal is a case in point. When men are treated like that, whether they belong to a bank or to another kind of corporation, the effect is to make every one of them who has a spark of decency about him, hot with zeal for his employers. It is only necessary to meet the clerks of these institutions, and to talk with them a little, to see that the policy bears the most excellent fruit. One and all they are inspired, especially the younger fellows, with the strongest feelings of pride for their bank; and many of them have an overweening contempt for other institutions, whose conduct they characterize as "mean" or "stingy."

Bank clerks have a habit of living together a great deal, more particularly in the smaller towns are they found at the same boarding houses or at the same hotels. It is natural that "shop" should bulk large in their conversation, and that the growth, business, and policies of, and salaries paid by their respective banks should come in for lively discussion. If it would be possible for a few members of boards of bank directors, themselves invisible, to see and overhear what goes on when these "families" of young bankers are discussing some such thing as the granting of a bonus to the employees of one of the banks, or a substantial general rise in salaries, they would get a valuable object-lesson on how these things affect their men. To begin with, there is a marked difference in the bearing of the men.

The fortunate ones who have just received the bonus or the increase in salary, bear themselves with an exultant confidence; they feel that what has happened is merely another instance of the kind of thoughtfulness shown towards them by the general manager and the board, in other words, by the bank; they know that, so long as the times are prosperous, they can expect to have the circumstance repeated at reasonable intervals. The effect which liberal treatment has on them generally is, to make them work harder,—"we don't mind a little night-work when we're used like that," as one of them would say—and to give them the enthusiasm and spirit to bring plenty of fresh business of value to their banks' counters. While they are, as a rule, too gentlemanly to rub it into their less favored companions, it is hardly possible

to avoid discussing the matter. And how different the others feel. The more sensitive of them, those who have given of the best, that is in them, feel eaten up with shame. What they have to say in favor of their banks is of the half-hearted variety; they are driven to seek excuses for their high officers.

Some do not trouble to do that, but are loud in their condemnations. They feel that they work just as hard and that they are just as much entitled to good things as are the other fellows. If they are suffering what they think is a special injustice as appears to be the case with the employees of the bank referred to at the beginning of this article, it is to be expected that they would experience a hard feeling about the heart and have a fixed determination to leave an obnoxious service at the first opportunity. They will never see that because a man at one of the branches was guilty of defalcation that all the good men in the service should be deprived of their merited increases. And this matter of how the men feel is of great importance; it is apt to display itself in their dealings with the customers. A sorely aggrieved clerk is in no condition for showing that patient courtesy towards all classes of customers which the head management desires shall be shown.

It pays the stockholders to have the men loyal and enthusiastic. When they are that way there will be far less likelihood of defalcations—it is impossible to escape defalcations altogether; one occurred just the other day in a bank whose men have always been well treated—and there is a far greater likelihood of steadily increasing business and profits. Even if by so doing the directors are unable to make the customary additions to reserve funds, it is in the best interests of the stock that good faithful and intelligent service on the part of the men should receive its customary reward.

CANADIAN BANK OF COMMERCE.

Preliminary to the annual meeting, which will be held in Toronto, on January 8th, the statement of the Canadian Bank of Commerce for the year ending November 30 last has been issued. It shows a net profit, after providing for all bad and doubtful debts, of \$1,741,125, of which \$700,000 has been absorbed by the usual dividend at 7 per cent., and \$100,000 as a bonus of 1 per cent.; \$341,434 has been written off bank premises, and \$500,000 has been transferred to rest account.

Of the remainder, the annual contribution of \$30,000 has been made to the Officers' Pension Fund, \$25,000 was subscribed to the San Francisco relief fund, and the balance of \$103,562 is carried forward. As compared with last year the net profits are greater by \$364,958, or an increase from 13.7 per cent. on the capital of \$10,000,000 to 17.4 per cent. Last year there was no bonus.

The amount written off bank premises was less this year by \$122,201, and the balance, which explains the addition then of \$1,000,000 to the rest account. The most important comparisons between the general statement of last year and this with the percentage of change follows:—

	1905.	1906.	Change
Liabilities to shareholders	\$23,647,798	\$24,753,270	+ 4.6
Liabilities to public	74,727,799	88,792,690	+18.8
Total liabilities	98,375,597	113,545,960	+15.3
Quick assets	32,686,520	32,467,662	- .6
Other assets	65,680,075	81,078,298	+23.4
Gross assets	98,375,597	113,545,960	+15.4

The percentage of quick assets to gross assets is 33.2 this year against 28.5 last year, and to other assets 49.9 against 40, while the percentage of quick assets to liabilities to the public declined from 43.7 to 36.5.

Mr. John Hadden, of Cloverdale, B. C., has erected an up-to-date milling plant at Elgin, capable of cutting twenty thousand feet of lumber a day.

The new postoffice, which will be listed as Prince Rupert in Government annals, is at present located in the temporary staff premises of the G. T. P. All coasting steamers passing up and down between Vancouver and the Yukon coast are now required to call there for the delivery and collection of mails.

BANK

The old Eastern Bank bought by Dr. G.

The Royal Bank Cienfuegos, Cuba; Streets, Montreal,

During the first made by the Gran \$10 shares for new basis of ten for on 1,350,000 outstanding turned in to the B.

Mr. Shirley O. been elected a director other new director Winnipeg, these go H. B. Brown, who C. Miner, of Gran

The Canadian at Bawlf, Alta., w Lorimer, Que., w Alta., with Mr. W. with Mr. C. S. F. Mr. A. L. Jensen W. E. D. Farmer

The annual m Corporation was h factory report wa directors elected f Cox and G. H. G. A. Machray, T. L. J. Hugo Ross, an elected Mr. Drew Metcalfe, second aging director.

At the annual Keewatin Flour the following were ensuing year: Jan Meighen, Robt. N. Montreal, G. V. Winnipeg: G. H. of directors the Crathern, preside Meighen, treasure

The companie Consolidated Rub Co., the Granby Co. The following and earnings of t 635.83; total diabi serves, \$779,211.0 \$4,577,424.75. T the past three ye \$386,241.05; 1905 for the past three

At a meeting Jacob H. Schiff o that it be referred rency to examine devising measures 6 per cent. upon Exchange can be sent." Mr. Schi ment, in which he call loan market dent; that there open at 6 per cent and bounds to 25 noon, only to dec not know what re but it was eviden the evil.

The National adoption of the c principal bankers time now seems t made. It would the island had it fact that the wag Spanish silver, an