

CANADIAN BANKING PRACTICE.

By H. M. P. Eckardt.

XXXIII.

How London Account is Operated.

But it is found best to have the London account operated directly by one or two of the central branches, such as Montreal or Toronto, or New York, if the bank has a New York agency. Then, though the lesser branches may draw on the London bankers, they do so on the central branch's account. The drafts they draw would be charged by the London bank to the central branch; the items they send for deposit would be credited also to it.

The New York items purchased go to the New York correspondents for credit of account. The sterling items may go to the central branch at debit, or they may go direct to London for credit of the central branch.

The fact that the banks send a great many of the sterling items they receive direct to London banks for credit is in no sense a contradiction of the statement made, a short distance back, that New York is the sterling exchange market for this continent. For whenever the banks wish to adjust their London balances—draw down a credit balance that is too large, or cover an overdraft—they are accustomed to do it in New York.

Teller Must Not Initial Customers' Pass Books.

Some of the principal modes of receipts which the teller will be called on to handle have been discussed in the foregoing paragraphs. It is hardly necessary to mention more, but it should be said, while on the subject, that in every well-regulated branch it is strictly laid down that the teller shall not initial the customers' pass books, nor make any entries therein. He is the officer to accept, check, and certify their deposits, but he must not be the one to receipt for them on behalf of the bank. That is the function of the ledger-keeper. This rule is the bank's defence against what is, perhaps, the most frequently practised of all the forms of defalcation—the taking of money by tellers from customers' deposits. This is more apt to occur with savings bank customers than with depositors in current account. It is a very foolish proceeding, and practically certain to be discovered before it runs so very long, but that does not deter silly and unscrupulous youths from the practice when they have got themselves into tight corners through extravagant living or crazy speculations.

The method they follow is to select some customer who comes to the bank very infrequently—say, once in five or six months or so—and, on his making a deposit, if circumstances are favorable, to appropriate all or part of it instead of crediting it to the customer on the bank's books. There may be several favoring circumstances permitting this. The customer may have forgotten to bring his pass book, and may not demand any receipt or acknowledgment of his deposit; or he may suffer the teller himself to enter the deposit in his book, the teller being able to do so unnoticed by the other bank officers or because of loose discipline at the branch.

Tasks of the Guilty.

Having taken the money, he must keep a record of the man's name and of the amount stolen, and prevent as long as he can, the customer's coming to a knowledge of his account as it stands on the bank's books. Then, as other opportunities present themselves, he steals more and more, keeping track of names and amounts. If any of the customers, whose money has been taken, come in to withdraw their funds, or to make fresh deposits, he is careful to keep them away from the ledger-keeper. He honors their demands for cash, if presented, taking fresh money from other depositors to keep up the deception.

according to the reports of the experts in charge of this part of the work, there is one block of thirty acres of the land which has 700,000 tons of coal underlying it. There are 2,000 acres of this particular block of land that is pronounced equally good. The following are the directors and officers of the Diamond Vale and Iron Mines, Limited: T. J. Smith, Vancouver, president and manager; the Hon. Senator J. N. Kirchoffer, Brandon, Man., vice-president; R. A. Smith, Vancouver, treasurer; F. J. Lumsden, Vancouver, secretary; Geo. S. May, M.P.P., Ottawa; F. W. Jackson, Quilchena, B.C.; Dennis Murphy, Ottawa, and W. E. Huston, Lockport, N.Y. The company owns and operates its own sawmill.

Canada Consolidated Cobalt Company.

As the operations of the Canada Consolidated Cobalt Company now appear to be confined to London, the comments of The Statist, of that city, concerning this company's operations are interesting and timely: "The more the Canada Consolidated Cobalt Company green prospectus-like document, the delicate blue circular of the Canadian Syndicate, the offer of shares early in May and the offer of options in June and July as to Canada Consolidated Cobalt Co. shares by the Canadian Syndicate, etc., are considered, the more one becomes impressed that an investigation is requisite, and that such investigation should preferably be one conducted by juridical authorities.

"One reason alone of a multitude for making the suggestion needs to be set out. It is the evidence we give, officially vouched for, that the Canada Consolidated Cobalt Co. gets no more than 50 per cent. of the par value of the shares it issues. If it has been represented to the Stock Exchange Department, as we have been led to understand it has been, that the Company received 20s. per share in Canada, such a misstatement would be too gross to allow it to pass without penalty.

"We understand that the Canadian Syndicate broadcast circularized people in the United Kingdom on officially headed paper, and issued a green, prospectus-like document as far back as early in May. Particular notice is called to the fact that, though the Canada Consolidated Cobalt Co. was registered in Toronto April 14th, the official prospectus required by law was not filed until September 7th. Now, this filing of a prospectus so long after the registration of a company is out of order and looks funny. How comes it that the document filed in September has no reference whatever to baronets, knights, a lieutenant-colonel, a lieutenant-general, and a Minister of Militia being on the board. Then, further, two of the Toronto-recorded Canadian directors of the Canada Consolidated Cobalt Company, and the party to an agreement with the same Company, figure as directors of the Canadian Syndicate. Were they initial directors, or have they been appointed since the disclosure in May of the unwarranted use of some of the names of well-known men in Canada? Where do the London directors who have been signing share certificates figure? Did the London directors on behalf of the Company receive 20s. per share, or what, if anything, did they receive, and where is the money?

"The Canada Consolidated Cobalt Co., registered at Toronto,

"The Canadian Syndicate, represented to have been registered at Arizona, U.S.A., on its official paper describes itself as 'Limited,' and gives the capital as £25,000! not in dollars.

"The share-pushing by the Syndicate in London.

"The auditors engaged at Pittsburg (resigned).

"Toronto and Arizona, Pittsburg and London!"

The Metropolitan Gold and Silver Mining Co., of Lardeau, B.C., Limited, is to be wound up.

A statement sent from New York to the shareholders of the Cobalt Central Mines indicates an intention to sell 750,000 shares of the company's capital stock. The purchase of further properties is said to be under consideration.

The annual meeting of the Cobalt Central Company has been called for December 20th, in Augusta, Maine. While few of the shareholders reside in that State, the company holds a Maine charter, necessitating the calling of the annual meeting there.

Mr. A. N. Christopher, town treasurer of Ingersoll, Ont., died last week.

Mr. H. J. Collas of the Bank of Montreal staff at Vernon, B.C., has been transferred to Toronto.

Mr. R. N. Shaw of the Bank of Commerce at High River has been transferred to Medicine Hat.

Mr. Stanley Burton, of the Winnipeg branch of the Bank of Montreal, committed suicide last week.

Mr. R. G. Taylor, accountant, of the Bank of Commerce, at Red Deer, Alta., has been transferred to Prince Albert, Sask.

Mr. H. T. Jaffray is now manager of the Imperial Bank, Revelstoke, B.C. Mr. A. E. Phipps, who is chief inspector for the west, will make his headquarters in Calgary.

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