

the special transactions are safe beyond peradventure, immediate advice should be sent to Head Office, and confirmation or sanction of the irregularity asked for.

In conducting the correspondence with Head Office, a prime object should be to make the matter easily understood by the man at the other end—the General Manager or Superintendent. Until the manager has acquired the ability of expressing himself readily and clearly at first hand, the practice should be followed of drafting out the letter, and then polishing it up until it is as clear and concise as it can be made. It is well to remember that each communication addressed to Head Office, besides serving its immediate purpose, constitutes a record of the considered opinions of the writer, and contributes something to the estimate being formed by his superiors of his prudence and thoroughness.

Some managers adopt a mistaken attitude towards the inspector when he calls to make his periodical examination. Instead of throwing everything wide open to this accredited representative of the General Manager, they proceed upon the assumption that the inspector's object is merely to discover something with which to find fault. On the contrary, the inspector's prime purpose is to forward the interests of the bank. His duty is to satisfy himself that the loans and discounts are sound, the securities in proper form and according to law, and that the affairs and assets of the branch are exactly as set forth in the balance sheet. So the manager consults his own interest who gives the inspector all possible assistance in carrying out this work. Usually, too, the younger managers may obtain from the inspector advice or information that will be most helpful in enabling them to conduct the branch affairs wisely and safely.

#### ARTICLE V.

A PERIOD of abnormal business conditions, such as that prevailing in Canada during the great war, calls for the exercise of special watchfulness on the part of bankers of all classes, and it will perhaps be in order to emphasize, for the benefit of the younger managers, some of the points at which the bank may be involved in danger in conducting customers' accounts in such times, and also to mention a few of the safeguards that are commonly applied. Of course, it is the case that the abnormal conditions apply, in the greatest degree, to the business of the large firms and companies whose accounts are carried at the central branches;