

THE AMERICAN BANKERS' ASSOCIATION.

The leading journals of the United States devoted a lot of space last week to reporting the proceedings of this important and useful body. Its members seem to have no hesitation in discussing any question having even the most indirect connection with the finance and trade of the country. Thus we find them supporting the efforts being made to reform the Consular service, and also the creation of a department of commerce. Of those in attendance at the meeting, we are told the majority proclaimed their belief in "expansion and sound money." The speaking is said to have been of remarkably high quality, and the papers read most instructive and interesting.

An important step taken by the council was the adoption of the report of the Committee on Education in favour of the creation of a bankers' institute. The report was made by a committee headed by Wm. C. Cornwell, of Buffalo, who is well known in Canadian banking circles, and recommended the expenditure of \$10,000 in putting the plan in operation. It is proposed to found local institutes of bank clerks in each city, who will meet once a month or oftener, and listen to lectures and submit to examinations on practical banking work. The "Bulletin" says that the institutes will probably become independent in the long run of the American Bankers' Association, and will not put the association to any large expense. It is proposed at the outset to employ men to travel about the country, making appointments with bank officers and their clerks, in order to explain the proposed institutes, and set them on their feet. The work will follow in some respects that of the British Bankers' Institute, but the examinations and investigations will relate more exclusively to the practical banking matters.

The induction of the new officers is reported to have been an interesting ceremony. Alvah Trowbridge, of New York, the new president, made a simple but eloquent acknowledgment of the high honour conferred upon him, and vice-president, Myron T. Herrick, of Cleveland, received "the ovation which his personal popularity always brings."

A spontaneous act of generosity which received unanimous support was the gift of \$5,000 to the Galveston sufferers. The motion first made proposed only \$1,000, but shouts that it be made \$5,000 came from all over the hall. It was found necessary, under the rules, to refer the proposition to the council, but there was no opposition to immediate reference and the prompt adoption of the report which came back from the council.

Mr. George Hague, general manager of the Merchants' Bank of Canada and the delegate from the Canadian Bankers' Association, read an instructive paper on "The Education of the Banker," for which he was given a formal vote of thanks by the association.

He said in part:—

"I shall first refer very briefly to that which concerns subordinate officers. A young man before entering a banking office, we must presume, to have been well grounded at school in what are called the three R's—reading, writing and arithmetic—and particularly the last; and the more he knows of it, and of mathematics also, the better it will be for his future progress. In beginning a banking career, the young aspirant learns to use his eyes and his fingers before he uses his brain. He learns to count money accurately under penalty, and to note sharply the money he counts, also under penalty. He has to draw on his school education for his facility in calculation, and also for a knowledge of the geography of his own and other countries in connection with bank collections and foreign bills. He has to learn what constitutes a good bill—not the goodness of the names on the bill, but the legality of the document. As he proceeds, he passes on from work that is merely mechanical to work that is more and more intellectual. But he will soon find out that, as a lawyer's clerk is not a lawyer, and a doctor's assistant is not a doctor, so a bank clerk, however high his position as such, is not a banker. You all remember our friend, David Harum, and the description of him by his factotum, Chet, who, after enumerating his own work as a clerk and expressing the opinion that the "real business" was all left to him, went on to sagely observe:

"'Dave don't give himself no trouble about the business. All he does is to look after lending the money, an' seein' that it gets paid when the time comes, an' keep track of how much money the' is—here and in New York, an' what notes is comin' due, an' a few things like that,—all which well justified his shrewd employer's remark that "it hain't rained wisdom an' knowledqe in his part of the country for a consid'able spell.'"

"As a young banker's practical education proceeds, he will find that the duties of one in control of a bank may be summed up under three heads—the management of his officers and his office; the management of his reserves, and the management of his loans and discounts. Of the management of his officers, enough has been said; and I shall pass on to the second, namely, the management of his reserves. Around this he will come to find that every department of his business revolves. The care of reserves dominates everything. I have known a bank, though worth millions, brought to the brink of ruin through want of care in this respect. The moment a man receives the deposits of the public and issues notes for circulation, he is face to face with the question, how much of all those funds he can put out at interest with safety; for put out some of it he must. If he does not lend a certain quantity, he cannot pay interest and dividends. If he lends too much, he imperils his power to pay his depositors on demand. He is therefore always under pressure in two opposite directions, and it is part of a banker's education to know how to steer his ship between this Scylla and Charybdis. Your law requiring a reserve of twenty-five per cent. is a sort of standard set up for a banker—not that it is absolutely efficient, for the banks of the United States at times must infringe the law to keep faith with their creditors. That you know very well—which is the reason why the Canadian banks have resisted the imposition of such a law at all. But, though this is the minimum, there are times when prudence would require more; there are other times when