

## CANADIAN BANKING PRACTICE.

By H. M. P. Eckardt.

XXI.

The curator appointed by the Canadian Bankers' Association to superintend the liquidation of the Bank of Yarmouth, which failed in the spring of 1905, mentioned, as an illustration of the bad management that wrecked the concern, that no liability ledger was kept. In consequence the officials had no regular record of the indebtedness of the bank's customers. To try to run a bank without a liability ledger would be something like trying to navigate a ship without taking the regular reckonings as to its position or whereabouts.

The liability ledger informs the manager and the other officials at the branch how the liability of each customer stands, and how it is tending. Over this department of the branch's business, i.e., the discounts and customers' liability, the head office exercises the closest supervision. In conducting the most of the other business—deposits, transfers, exchange, etc.—the manager may exert his own authority, provided he keeps within the general instructions issued by the bank covering those departments.

**Branch Manager's Will not Absolute.**

But the branch manager's will is not absolute in regard to lending the bank's money. He may make small loans without reference to head office for permission, on his own authority, in fact. When the customer asks for an advance exceeding a certain sum, which varies with different banks, and again with different branches of the same bank, the application must be forwarded to the general manager for consideration.

When it is granted, if it is granted, the general manager requires to know all the time how the account progresses, how the conditions are lived up to, and all particulars necessary to enable him to follow the course of the account, and to overlook the branch manager's conduct of it.

Therefore, a considerable number of statements or reports dealing with the discounts are to be sent to the head office. So far as the whole subject of statements and reports is concerned, it will, perhaps, be best to deal with it separately, considering all of them in one chapter rather than to deal with them piecemeal while describing the duties in connection with the respective posts. But it will be well to except some of the discount and liability statements, and to treat of them under the above heading.

First of all, the general manager requires to be kept informed of the bills discounted from day to day. The statement in which these are reported may go to head office daily, tri-weekly, or semi-weekly, according to the size and importance of the branch. In it are supposed to be particulars of all bills discounted exceeding a certain sum, which may be fixed anywhere from \$200 up to \$500.

**Classification of Bills.**

They are classified thus: New Loan Bills, New Trade Bills, Renewal Loans, Renewal Trade Bills, and possibly some other special class or classes, if the general manager so desires.

The statement is simply the manager's report of the paper he has discounted in the period covered. The first column gives the name of the customer for whom discounted; the next gives the additional name or names, or the security pledged, and if the last, its value, then the time for which the bill runs, and lastly the amount and the rate of discount. In the margin opposite, the manager must say for what purpose the proceeds are to be used, or, if a trade bill, what transaction the bill is founded upon.

In the case of renewals, more particulars are required. The bank's chief officer wants to know, in the first place, why the bill was not paid; then he generally wants to know the number of times it has been renewed prior to this, and the original amount.

## AUSTRALIA'S TARIFF.

**Commonwealth Proposes a Tariff Replete with Prohibitory Taxes.**

(From our own Correspondent.)

Sydney, Aug. 20th.

The Federal Treasurer recently introduced with his Budget a new tariff, which is now in force. It was generally expected to be protectionist, and to provide higher duties on a number of lines, but its provisions amazed even the protectionists, manufacturers' associations amongst the others. The old tariff was high enough, with some little adjustments, to suit most of them, but this one has gone from 10 to 20 per cent. higher than the last. In some cases it is ridiculous. For instance, the minimum duty on a chair is 7s. 6d.—a chair that costs less than 2s.

**Tariff Prohibitory.**

The intention evidently was to make the tariff prohibitory, and in many lines it has succeeded. A number of Canadian exporters have been hit pretty badly. Agricultural implements have been notably advanced. Stripper harvesters, the machines that created such trouble two years ago, have been made £16 instead of £12, a duty of over 50 per cent. Other machinery has been fixed at 25 to 40 per cent. Boots and shoes have been made 35 per cent.; rubbers, 25 per cent.; leather, 30 per cent. Bicycles have had fixed a specific duty of £5 5s.; buggies, a similar duty of £9 18s.

In these lines the duty is practically prohibitory. It is not likely that the tariff will be allowed to pass in its present shape. It was received with singular calmness, but opposition is growing, and the feeling has become one of indignation as the details are grasped.

In view of the changes that are certain to be made in it, it is useless to send particulars at this moment. There is a possibility that a combination of the labor element and the protectionist may be made, which will pass a high tariff, but not in its present shape.

**Effect on Canadian Trade.**

The effect meantime upon Canadian trade, as upon trade generally, has been to suspend it. In a few cases orders have been cancelled by cable. One importer promptly cancelled an order for nearly seventy thousand chairs to a Canadian manufacturer. The majority of people are waiting the outcome before taking action. Such goods as are on the way will be forced upon New Zealand if it possibly can be done, in order to avoid the losses that the tariff would entail.

On a number of lines it provides a preference for the products of the United Kingdom. Where it is effective, it will bear heavily upon the Canadian exports. For example, on cotton piece goods the general tariff is 10 per cent.; on British goods it is 5 per cent. On some lines, as vehicles, the preference is so small that it will be of little value with the exception of motor cars, where the general tariff is 35 per cent., and on British goods it is 25 per cent. On news paper a duty is proposed of 10 per cent., except on products from the United Kingdom, which are admitted free. On other paper the duty is respectively 20 and 15 per cent. On cartridges the duty is 30 and 20 per cent., sufficient to kill Canadian trade in this line.

There is no provision for a preference to Canada, but in reply to questions Sir William Lyne has stated that the Government is prepared to enter into an agreement with Canada, and, as usual, throws the responsibility of delay upon the Canadian Government. He has stated in a published interview that he made a proposition to the Canadian Government when in London, but he has heard nothing further respecting it, and in the absence of a reply could do nothing.

**May Have Anticipated.**

There are items in the tariff which leads one to the belief that the Australian Government has, nevertheless, anticipated some reply, because it has increased the duty upon certain Canadian products, for which action no reason can be given, unless it anticipates making a reduction for concessions. For example, the duty on salmon has been advanced from one penny to 1½d.

The duty on large sizes undressed timber has been advanced from 6d. to 1s. 6d., and on other sizes from 1s. to 2s.; similarly with pickets, lathes, pulp, and roofing paper. A preference on these lines would certainly be of advantage to Canada, but as compared with the last tariff, it would be of no advantage to the Australian consumer.

F. W.

The pernicious example of the Dovercourt fire-bug appears to have infected the town of Chatham, Ont. Mr. Wm. Drader, who lost his planing mill by fire on Friday, was again on Sunday a sufferer from the act of an incendiary who set fire to his large hoop and stave mill. Several of the firemen and workers nearly lost their lives. An investigation will be held.