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# BANKING

*by*

G. C. NORMAN

Associate of the Institute of Bankers

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## PUBLISHER'S FOREWORD

THIS LIBRARY OF BOOKS was started in order to help the younger generation to settle the increasingly difficult question: "where do the finest opportunities lie?" By this we do not necessarily mean where can the highest pay be found but rather where and how can youngsters develop harmoniously in an environment that will suit their character and outlook so that they can employ their best qualities in the service both of their family and their fellow men.

In an age when the machine tomorrow may do the work of hundreds of men today, where atoms generate electricity, where business men fly across the world in a few hours, where nervous exhaustion is almost an epidemic, it is more than ever important that a youngster should know as much as possible about a job before he settles to it.

In these important volumes the leading experts in many fields of science, industry, the professions and the public services will explain in simple language, frankly and fairly, what certain jobs entail. This is an age of vast progress and far-reaching experiment, an age in which the choice of the right career offers tremendous prospects to youngsters willing to work—and happiness in life is closely allied to being in the right job to suit one's temperament. The future of Britain depends on its youth and we feel that a Publisher has a duty to that youth as well as to the country. These books have therefore been designed to give all those in public, secondary grammar, secondary modern and secondary technical schools a better idea of the opportunities that await them in many absorbing careers.



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## INTRODUCTION

DESPITE THE many and far-reaching changes that have taken place in recent years, Banking is haunted by out-of-date brand images. Dickensian spectres still stalk the banking halls which now echo to the laughter of young ladies: the gaunt shades glowering in managers' rooms have not been completely exorcised by the appointment of women to those august seats.

Only three years ago, a popular newspaper could run a spine-chilling series about bank employees under such headlines as: "Banks have their own Gestapo," "White Collar Slaves," and "Citadels of Feudalism," not a far cry, one would say, from "The Trial," Kafka's nightmarish allegory in which the bank official K. is pursued throughout by the emissaries of an unknown tribunal, found guilty of crimes unspecified and summarily despatched on a vacant lot!

Banking, we are glad to say, is not like that: but it is not easy to account for the haze of misconception which envelops the English bank clerk (though not, curiously enough, his colleagues abroad). Both in literature and in the public mind, the image is distorted. The nature of the business does not, admittedly, lend itself to colourful tales of bold adventure: money is a singularly unromantic article and the practice of Banking tends to promote discretion rather than defiance. Perhaps the very mightiness of the institutions tends to dwarf the inmates. Banks are necessarily hierarchic societies, though responsibility at the top should not imply irresponsibility at the bottom: like the lettering in the rock, the word runs right through. But the general public has always exaggerated the gap between the bank clerk and the bank manager—a powerful father-figure laden with archetypal undertones.

Bank staffs have of course suffered as much as any from the decline in middle-class standards since the war, and the expansionist recruiting policies of the 'twenties which produced the "age-bulge" of unappointed (and disappointed) men in the 'forties did nothing to raise the Banking career in the public esteem.

However, a stiff breeze is blowing through the banks today, carrying away whatever remains of these cobwebs of the past. Recruitment is based on individual career-planning with systematic training programmes, and the young banker is kept fully-informed on the vital subject of his future. Women too have found their place in Banking. Many, of course, are birds of passage, "Colourful migrants," as one bank chairman described them, "on their way to nesting grounds elsewhere." But for those who wish to stay, the banks now offer, for the first time in history, a life-long and progressive career.

It will be some justification for this guide if it helps to dispel myths. There is an elusive, fugitive quality about life in a bank which is difficult to capture on paper. Banking is unique: there is nothing else quite like it. It stands at the cross-roads where law and commerce meet. It is both art and science, industry and profession, a business, yes, but also a craft. The banker deals with money, but primarily with people: they are customers, not clients: debtors and creditors, yet they come to him for counsel. This special relationship is something that can only be learned by experience.

One last word. The term "bank" has never been satisfactorily defined. It is claimed nowadays by a variety of institutions, ranging from the Bank of England and the clearing banks, the merchant banks and the savings banks, to hire purchase finance companies and the numerous specialized financial concerns on the exotic fringes. In this book however we are dealing principally with the Bank of England and the English Clearing Banks and their affiliates in Scotland and

Ireland. A note on the Trustee Savings Banks will be found at Appendix C. Aspirants to other fields, though they will find much here to the point, are referred to the public advertisements.

Acknowledgement is gratefully made to the Big Five Banks who kindly supplied much of the information in these pages and all of the photographs.

G. C. NORMAN



## CHAPTER I

### BEHIND THE COUNTER

MANY MEMBERS of the public (including some of the banks' own customers) have an impression of banks and bank officials which bears much the same relation to reality as the Homeric legends to modern Greece. Even in these post-Freudian days of soul-searching and television depth-probes, banks have retained their mystery, and some indication of the confusion which must exist in the public mind may be given by two recent references in the Press:

“What you might call the upper-lower class of the population, bank clerks and doctors, that sort of person. . . .”

“The car was parked further up the street and from it emerged three men wearing bowler hats, dark moustaches and dark glasses. They were disguised as bank clerks.”

Dark glasses are not, of course, *de rigueur*. Nor should the young man or woman contemplating a banking career be discouraged by William Saroyan's satirical play *Sam, the Highest Jumper of them All*, in which Sam, the industrious bank clerk, is knocked on the head and wants to jump higher than anyone else in the world: and does, and becomes rich and famous, and isn't mad any more!

The fact is that the Englishman tends to regard his financial affairs in much the same light as he regards his religion—as a personal and very private affair—and as a result banks have never been properly understood. From Tellson's Bank in *A Tale of Two Cities*, to the whimsies of Leacock and Wodehouse, the legend has been perpetuated that a bank is either

a dull, dusty backwater for unadventurous ciphers, or a remote sanctuary inhabited by Olympian eccentrics: and sometimes a combination of both. It will be well, therefore, before entering upon a consideration of Banking as a career, to disperse some of the fog that obscures life behind the bank counter.

**Infinite Variety.** We may dispose at once of the notion that Banking is either monotonous or narrow. In the business world it is generally possible to sum up the activities of a company in a few words. Whether engaged in manufacture or distribution, it is possible for a company director to say: "We make steel tubing," "We export jewellery," "We deal in electrical fittings," and so on. In the case of Banking however, the raw material, so to speak, of the banker's business is not goods or money's worth, but money itself. Basically, banks exist to take in money, to look after money, to pay out money, to lend, borrow and exchange money. All the activities which may be observed by the casual visitor to a branch bank centre upon one or other of these aspects of the banker's relationship to money.

Here for instance is a shopkeeper paying in the takings of the previous day. There, a cashier is cashing the weekly wages cheque of a small factory. The chief clerk may be interviewing a lady who wants to sell her War Loan to buy a car. The gentleman in the waiting-room wants to see the manager about a loan to redecorate his house. The Foreign Clerk is talking on the telephone to a customer who is importing a shipment of grapes from Greece. One of the Big Five banks sums it up pithily in its advertising slogan: "*Money is our business.*"

Banks also perform a wide range of ancillary services for their customers, as we shall note later, but it is the transactions involving money that constitute their primary business and distinguish them from other financial institutions. With enigmatic

clarity the Bills of Exchange Act of 1882 defines a bank as a body of persons "who carry on the business of banking" and in fact, Banking embraces so many different activities as to defy exact definition. But essentially the banker is a dealer in money. He borrows in order to lend: the difference between the terms given and received constitutes his profit. This function, together with the concomitant one of honouring drafts drawn upon him by his customers make up the banker as he is known to the general public—a superficial portrait, perhaps, but we shall fill in the details later on.

At the receiving end of his services stand the banker's customers, ranging from a few hundreds at a small country branch to several thousands for busy urban offices. These are not the casual customers of the shopkeeper or the Post Office. A banker's customers are registered and identifiable: references will generally have been given and taken up, and cheque-books issued to those with current accounts.

The relationship of a banker to his customer is unique. It is a professional relationship, comparable with that of the doctor and the solicitor, but distinctive in that it springs from a continuing day-to-day contact. It is also highly confidential, protected by both law and custom, and the importance of professional discretion will be early impressed upon the newcomer to Banking. The banker never tells (except with the consent of his client, or under compulsion of law).

**Timorous Bank Clerks.** Regular contact means that bank officials frequently learn far more about the lives of their customers than is strictly required by the exigencies of business. In the course of posting entries to his account, a ledger-keeper may discover a good deal about a customer's private affairs, his habits and his vices. Whilst cashing a cheque, a cashier may become the recipient of all kinds of confidences, ranging from the merely clinical to the personal and domestic. Bank managers in particular tend to become confidants, called

upon to adjudicate in fiscal and family matters, and to provide comfort, admonition and advice on a variety of matters, including in at least one case instruction (to a customer about to marry) in the facts of life!

Banks have moved a long way since the days of Tellson's Bank by Temple Bar—"very small, very dark, very ugly, very incommodious"—with its two steps down, its miserable little shop and its wormy old wooden drawers. The modern branch bank with its classically-inspired proportions, its capacious banking hall and commodious staff quarters compares very favourably with the palaces of the past. And by the same token, the men and women who live and work amongst the mahogany and the marble are of a different calibre from the downtrodden bank clerks of fiction.

The cashier who receives your credit or cashes your cheque, as likely as not plays soccer in one of his bank's teams. That easy air of careless nonchalance is a camouflage for professional discretion and does not betray the fact that he has already sized you up, noting that you are a stranger, and that the cheque you proffer is payable to a third party, and bears a number from a cheque-book reported lost the previous day. (A telephone call to your father will reassure him.)

The young woman on the next till has passed her Institute of Bankers examinations and leaves next month to take up an appointment in the bank's Trustee Department. That lad on the telephone may be one of those selected as potential star material to be groomed for special responsibilities. At 28 he could be earning £1,000 a year.

**Men and Machines.** Banking hours and working conditions have changed considerably, even over the past ten years, and the picture of shiny-elbowed clerks on high stools poring over dusty ledgers until a late hour is totally unreal. Banks open to the public at 10 a.m. and close at 3 p.m. (9.30 to 11.30 on Saturdays). The staff begins work at 9 and leaves when the

day's work is done, usually about 5 or 5.30 p.m. After 5.30, overtime is generally paid but the banks share the staff's dislike of overtime, and every effort is made to do without it. Machines now perform many of the routine tasks and all branch banks of at least moderate size have ledger-posting machines in addition to adding and listing machines. Today's recruits to Banking can expect to see the introduction of electronic computers which will radically reduce the purely mechanical work of listing, sorting and ledger- and statement-posting. The banks have shown themselves to be enterprising institutions not afraid to experiment with new techniques, and many innovations in the past few years have made the headlines—personal loans, closed-circuit TV in branches, the abolition of endorsements, centralized book-keeping, delayed posting, drive-in banks, automatic coin sorters . . . the list is endless and the possibilities are inexhaustible.

Bank publicity provides a pointer to the changed climate in Banking. Whereas formerly a decorous black-edged summary of the balance sheet was all that a bank would permit itself by way of self-advertisement, today the banks make full use of all the gimmicks of the advertising agencies—status symbols, hidden persuaders, pretty girls, comic verses and all. We have not, it is true, adopted the completely uninhibited give-away tactics of American banks, who frequently press upon their astonished customers packets of peanuts, ballpoint pens, new laid eggs, and whatever suggests itself to advertise particular banking services. But British banks have shown that they are fully alive to the social and economic changes that are taking place (one bank has advertised on commercial television) and are determined to maintain the competitive nature of their business with the best personnel and equipment that their resources can command.

**Those Inspectors.** False, too, is the picture of the bank clerk persecuted by granite-faced inspectors, pursued into his private

life, his every pastime and hobby scrutinized. Indiscreet or reckless behaviour is naturally incompatible with the professional status of the bank officer. He shares in, as he contributes to, the reputation and standing of his bank. As we shall see, regulations are laid down in Staff Handbooks governing what the Americans expressively term "moonlighting"—paid spare-time employment—and kindred matters. But these are no more than one would expect in the nature of the case, and they bear no more hardly on the bank officer than do the regulations framed by other employers for their staffs.

In general, the private life of the bank clerk is his own: his political views and activities are no concern of the bank provided that he does not place himself in a position where outside loyalties may conflict with his duty to the bank and its customers. Many bank men and women take part in political and local affairs, and bank managers especially are much in demand as treasurers of local organizations, golf clubs, Residents' Associations, Chambers of Commerce, etc.

Life in a branch bank (and it is in branch banking that 90 per cent of bank officers make their careers) is wide and full and varied. The modern banker must be an all-rounder, mentally alert and alive to the spirit of the age, and technically equipped to deal with the legal and financial problems of his trade. But above all, he must be able to deal with people, he must be *sympatico*, and adaptable to the varying requirements of his customers.

What this means in practice to the budding banker, we will proceed to examine in the next chapter.

## CHAPTER II

### IF YOU WERE A BANK OFFICIAL

IN THE WEST END of London, at the intersection of two busy thoroughfares, stands a typical branch of one of the Big Five banks. A stone's throw away is Soho, that corner of Latin Europe washed up along the Charing Cross Road: a hundred yards to the north lies the "rag trade," the centre of London's garment industry: across the road the shops and theatres begin whose names are household words.

Banks open for public business at 10 a.m. (9.30 on Saturdays), but the staff is on duty by nine o'clock. Any branch bank in the metropolis is a busy office, and the one we have chosen is no exception. The first on the premises is Horsham, the bank messenger, who lives with his family in a flat above. He begins his daily routine cleaning at 8.30, dusting and polishing, changing pen-nibs and blotters, and generally setting the stage for the day's work.

At 8.40 he opens the door to admit the elderly first cashier, who likes to make a leisurely start. Unmarried, he lives in Bloomsbury and has no travelling problem. He is followed shortly after by the junior, Evans, who joined the branch straight from grammar school only three weeks ago. After signing the Appearance Book (from which any late work payments are calculated) Evans descends to the bookroom—in reality a strongroom secured at night by a key—and unlocks it. The strongrooms are below ground level, but there is a lift, and he assists the messenger to bring up the trolley on which the books were stacked the previous night, and they

redistribute them about the office—ledgers to their rack, security books to the securities desk, cashiers' books to their respective tills.

Meanwhile, the chief clerk has arrived and opened the post. The Clearing—bundles of cheques drawn on the branch by the branch's own customers, which have been paid in at other banks and branches—is taken from the Head Office sack and handed over to a machinist for listing. By the time our junior has machined the Clearing once and made his total agree with the figure arrived at independently by Miss Harvey, it is 9.20, and the day's work is in full spate. The book-keeping machines are briskly tapping out yesterday's debits and credits on to the customers' accounts, bags of silver are ringing on the counters as the cashiers prepare their tills for action, and the telephones (this branch has three lines) have awakened to insistent life.

The chief clerk, having scrutinized the mail for any nasty problems, and briefed himself on one or two points, passes it to the securities clerk who enters it in the Letters Received Book, and deposits it, together with the Head Office Circulars and the *Financial Times*, on the manager's desk.

The manager arrives soon after 9.30, looks quickly through the post and buzzes for the chief clerk, to discuss the day's programme, and Evans decides that this is a suitable time to slip out for a cup of coffee. He returns to the office before ten o'clock and settles down to some quiet sorting away of vouchers until he is roused by the voice of Mr. Parish, the first cashier, calling: "Door, Horsham. Open up!" and a ring on the outside bell by the first impatient customer.

Ten o'clock marks a complete change of atmosphere in the office. Cigarettes and pipes are extinguished, books and papers are removed from the counters, and cash is put away out of sight. The second cashier resumes his jacket, voices are lowered, and badinage all but ceases as the main doors of the

branch are folded back, and the banking hall is exposed to the first wave of customers.

From now until 3 p.m. the office will practically never be empty of customers. Shops, cinemas, restaurants and theatres will pay in their takings. Those who have used the bank's night safe during the week-end will come to collect the leather wallets and pay in the contents. Visitors from abroad will want to cash travellers' cheques: Italian waiters from a nearby hotel will remit money home. Private account customers will come to draw cash, check their balances, inspect their deed-boxes or call upon one or other of the numerous services that the bank provides for its clients.

Most of the business of the bank flows over the counter, though occasionally a customer will be ushered "inside" for an interview with the manager, or for some delicate transaction with the chief clerk. The junior's part is naturally on the fringe of these activities. He answers the Statement bell and hands out statements to customers or their authorized messengers. He accompanies the securities clerk to the strongroom (it is an inviolable rule that nobody must enter the strongroom unaccompanied) or the first cashier to the safe for a fresh supply of banknotes. Once a week the second cashier takes him on a lorry to an East End branch to collect copper and silver—perhaps on Wednesday, by which time business has slackened off somewhat.

And of course, there is the telephone.

Miss Joyce Grenfell claims telephoning as a hobby: in Banking it is a fine art. The correct use of the telephone calls for two important qualities that all bank officials must possess—responsibility and discretion. Slack telephone discipline, callers kept waiting, incoherence, shunting from one extension to another, can create a damaging picture of confusion, and a good chief clerk will early instruct his juniors in this important duty.

Telephones, statements, commissions for the chief clerk, sorting the first parcel of cheques over the counter: the hours pass rapidly. Towards midday, the typist puts the first batch of post in the post basket, and Evans seals and stamps the letters, and enters up the postage book. This is his first introduction to financial responsibility. Stamps and loose petty cash are in his sole custody under lock and key, and subject, like the cashiers' tills, to surprise checks every month. The bank attaches great importance to the correct handling of this first "till," for although the amount involved is not large—rarely exceeding ten pounds—the assumption of personal responsibility is an invaluable experience.

If there are registered letters to be recorded, another banking principle comes into action—dual control, and he arranges to take them to the post office accompanied by another member of the staff, who will initial with him the appropriate entry in the postage book.

He returns from lunch at 2 p.m. to find the customers three deep along the counters (Mondays is always a busy day), the waiting-room occupied by old Mrs. Pannell, who generally chooses such a time to check over the heirlooms in her strong-box, and a pile of cheques a foot high waiting to be listed.

Despite the insistence of the telephone, and interruptions from the manager, chief clerk and cashiers (all of whom tend to unload little jobs on to him when customers are pressing) Evans manages to get the cheques sorted into their respective banks and lists them section by section on the adding machine, of which he is now the confident master. The remittances, or "rems," as they are called, are the cheques drawn on other banks and branches which are paid in by the branch's own customers for collection and credit to their accounts. Such cheques are sent up to the Banks' Clearing Departments, and eventually reach the offices on which they are drawn by way of the morning clearing, where they are paid,

or returned unpaid if they cannot be debited to the drawer's account.

After being paid in over the counter, they are recorded by Miss Barry on the loose analysis sheets called (oddly) the Waste. At the end of the day the totals of the remittance lists will be proved by comparison with the totals in the Waste.

Meanwhile, the afternoon wears on. The Statement bell rings fitfully: there are numerous telephone calls: Mrs. Pannell at length hands back her strongbox which is returned to the strongroom by Evans and the securities clerk, who keeps him waiting for ten precious minutes while he searches among the customers' securities for a life policy. Cheques and cash continue to pour across the counter. The tide of remittances flows steadily and a spot check with Miss Barry's total at a given point reveals a fantastic difference of some hundreds of pounds. The clatter of cashiers' shovels, the shudder of swing doors, and the ceaseless background murmur of the bookkeeping machines make an unbroken pattern of sound.

Then suddenly, miraculously, at five minutes to three, the office empties. The cashiers hurriedly make use of this breathing space to write up their books and begin bagging silver and bundling up notes. The Waste basket clears. Miss Barry switches on the electric kettle. A trickle of late customers, a few last entries from the cashiers, a buzz from the manager who wants to cash a cheque, and then: "Door, Mr. Evans."

It is three o'clock. The branch relaxes.

Cigarettes and pipes are relit, the second cashier once more renounces his jacket, and the first cashier draws up his stool and settles down to cast the columns of his till book. Hors-ham brings round tea.

For the next hour, the main pre-occupation is to get the work right, which means balancing the cash, the remittances and the day's book-keeping entries. The book-keeping is primarily the responsibility of Mr. Mitchell, the O.C.

Mechanization (sometimes known as the control clerk) assisted by Evans and other members of the staff as they become available. The remittances come right after a brief struggle, the second cashier announces that he is £5 over, and the same difference shows itself in the debit side of the work. The experienced eye of the O.C. Mechanization quickly discovers a cheque entered up twice in the cashier's book, and by four o'clock, the cry goes up: "Work right!"

This is not a branch where late work is common, thanks to accuracy and good teamwork, and although this Monday has been a busy day, most of the staff expect to be away by five o'clock or soon after. Horsham stacks the cashiers' cans on the trolley and takes them to the strongroom. The cashiers meanwhile occupy themselves with various incidental jobs—the preparation of customers' standing order payments, calculation of interest, etc., and the ledger-keepers sort up the day's vouchers ready for posting the next day. Until quite recently, all entries to ledgers were posted on the day of receipt, which meant posting debits and credits in small batches. Now however, the bank has introduced delayed posting, which enables the machinists to post the entries the following day in one alphabetical run.

Evans meanwhile takes the postal orders received over the counter down to the post office and exchanges them for a warrant drawn on the Postmaster-General, which is sent up for payment with the remittances. He then attacks the last important task of the day—the post, which is again overflowing the basket, and carefully packs up the sack which is sent nightly to Head Office. The enclosures for Head Office are naturally amongst the most important items of a bank's daily mail, for they include not only letters to the specialized departments dealing with different aspects of the branch's work—reports on advances, applications for new loans and overdrafts, orders for cash and stationery, details of accounts

opened and closed, staff matters, etc., but also the response to the morning's clearing, and the remittances for the day. In addition, numerous daily and periodical returns are sent to Head Office to give the management an overall picture of the bank's financial position.

To facilitate the distribution of the contents when the sacks reach Head Office, coloured envelopes and wrappers are used. By the time Evans has affixed the leaden seal which secures the sack, Horsham has begun to collect up ledgers and unwanted books. The Foreign Clerk packs up his tin box, files are replaced in cabinets, papers tucked into drawers, and a general calm descends on the office, broken only by an occasional telephone call or a buzz from the manager for a ledger sheet or some vital statistic.

Eventually the chief clerk emerges from the manager's room with the day's queries settled, and the cry is heard: "Lock up!" Securities, cheque-books and other valuables are stowed away in the strongroom in the presence of the chief clerk and first cashier, and the securities clerk takes the opportunity of keeping the others waiting while he sorts a number of share certificates into their respective envelopes. Finally the inner grille door is shut with a clang and the huge outer door gently closed and locked on its two keys. With that symbolic action, the day virtually comes to an end.

Horsham is already taking the trolley-load of books to the bookroom. Some of the machinists have gone home, and Evans follows suit shortly after five o'clock. The first cashier likes to potter about and smoke a pipe. The rest of the staff depart to catch their trains and by 5.30 the branch is once more empty save for the manager, who is telephoning a customer, and the messenger, who is giving the mosaic floor of the banking hall its bi-weekly scrub.

Thus ends the day in a typical West End branch. Tomorrow will not be so busy, though other jobs will encroach

on the day—bullion to despatch or collect, perhaps a trip to Head Office with securities. Friday will be another hectic day, when wages are paid out, and some of Saturday's work is done the night before. Saturday will be leisurely, with half the staff away and a mere trickle of customers.

At the beginning of the month when dividends and trade accounts are paid, the work increases accordingly. The bank's own balance days are June 30 and December 31, when a certain amount of late work is inevitable, but much of the sting has been taken out of the balance by mechanized book-keeping and rationalized office methods. A good deal of the work is done before the Day, and the old time-consuming task of ruling off ledgers and passbooks has been swept away. Only ill-luck or faulty office routine now keeps a branch later than 7.30 or 8 on balance night.

No two branches are alike, however, and this account should not be taken as a universal picture. Suburban branches in mainly residential areas may be peaceful by comparison, but busier on Saturday morning. Others may find their activities geared to nearby factories, local market days or the seaside tourist trade. The staff in rural offices will generally work at lower pressure ("faking things quietly in the country," as the newspaper reported of the convalescent antique dealer): bustling town branches will recall the wry story of the two bank clerks who met in the next world. "Isn't Heaven marvellous after Banking," asked one. "This isn't Heaven, old boy," replied the other.

Even in London, with its 1,000 branch banks, offices only a stone's throw apart may be as different as chalk from cheese. Banks in Leadenhall Street, Mark Lane and St. Mary Axe, for example, will take their colour from the metal, grain and shipping interests which dominate those areas.

But although offices may differ widely in detail, the general pattern of life for the junior clerk remains much the same.

Naturally he begins at the bottom: in small branches with no messenger he may have to make tea and carry the books. He learns the "feel" of Banking and the tradition of responsibility and discretion on the lower rungs of the ladder. His novitiate may last a year, two years, but the accent today is on Youth—there is no waiting for dead men's shoes. A joint stock bank with hundreds, perhaps thousands of branches, is well able to give young men of promise a chance of that widening of experience which is the essential prelude to real promotion. "It's all useful experience" is the bank clerk's serio-comic reaction to every situation, from falling downstairs to coming £50 short in his till: but the irony conceals a grain of truth. Experience is the sinews of a Banking career and it is truer today than ever that the way to the top begins on the first rung of the ladder.

#### THE REST OF THE STAFF

Hitherto we have been looking at the most junior official in the branch. To complete this survey we will glance briefly at his colleagues.

**The Manager.** Mr. Brandon has made only a fitful appearance so far in our narrative, ringing the buzzer at intervals from the depths of "inside." In fact, he has been almost constantly engaged since he entered the office at 9.30 a.m. After looking through the post and retaining a number of letters for his personal attention, he took a telephone call from a borrowing customer whose cheque he had returned on Saturday morning, and firmly made it clear that the overdraft limit he had laid down must be respected.

At 10 a.m. he gave his first interview—a young man who wanted to borrow £2,000 against a life policy to buy a bungalow. At 10.30 he saw a private account customer who was anxious to appoint the bank his executor, and as soon as he had arranged an appointment with the bank's Trustee De-

partment, the chief clerk brought in a message to telephone Head Office about impending structural alterations to the branch premises.

At eleven o'clock he called his typist and dictated half-a-dozen letters, including a stern note of warning to a persistently overdrawn customer, and a polite explanation to a lady who complained of her bank charges.

After a cup of coffee, he was off to look over new premises recently acquired by a manufacturing furrier with help from the bank. *En route* he was able to fit in a valuation of a local property for a suburban branch manager, and returned to the office after lunch for more interviews, more dictation and more telephoning. At 3.30 the chief clerk brought in the queries—accounts overdrawn during the day.

Mr. Brandon is a man of quick decisions—generally the right ones. Not for him the backward glance—second thoughts in his job are apt to come too late, anyway.

“Ford’s up to five hundred again.”

“It’s the wages cheque,” murmured the chief clerk.

“He’s sound enough. But write to him.”

The pencil moved down the listed overdrafts.

“Mortimer’s high. What’s the cheque?”

Mr. Mortimer’s cheque is payable to a firm of stock-brokers.

“All right. But I don’t like it. He’s over-spending. I’ll see him tomorrow.” The chief clerk made a note.

“Mrs. Acworth? She’s all right. But she ought to transfer from deposit. I’ll give her a ring.”

And so it goes on, a trained mind critically assessing the financial responsibility of businessmen, traders, elderly wasters, and young hopefuls, achieving with his decisions a nice balance between the customers whose interests he must watch, and the bank whose money he controls. Later he looks forward to a quiet half-hour when he will study the balance

sheet of a company asking for a loan to finance its seasonal trade, and long after the last member of the staff has left, he will be found pondering over a business proposition, telephoning a customer, making notes for a report to Head Office.

The manager's job is to get and keep business for the bank. He is (or should be) the hardest-worked man in the branch, and the branch takes its tone from him. Mr. Brandon is on his toes and his energy and efficiency are reflected in every aspect of the work, down to the smallest detail. His reputation in the small world of Soho is such that he never has to look for business—he never has time. In fact, an assistant manager is becoming a necessity.

What makes a good manager? Ability and drive, of course, and sound technical knowledge. He must be a man of affairs, with experience of people, and a good mixer, certainly not timid in personal relations. He should be able to listen, shrewd in his judgement of men and their dependability, tactful where tact is called for. In the tight little local community of small country towns, he will enjoy the confidence and friendship of his customers, yet he must have an eye to business—he will acquire a working knowledge of many kinds of business during his career. It is upon his assessment of character that bank lendings ultimately rest, for a banker looks first to his customer, and only secondarily to his security.

A bank manager's job is a responsible one. He has wide discretionary powers, including authority to grant loans and overdrafts up to a specific figure without reference to Head Office, and he can run his branch pretty much as he pleases within broad policy limits. He works hard, but there is always promotion waiting for the right man, and he finds his job both rewarding and deeply satisfying, aware that he is in a unique position to give help and advice to many, and to play a significant part in the business life of the community.

**The Chief Clerk.** If the manager sets the tone of the branch, Mr. Ridley sets the pace. He understudies the manager, and runs the branch in his absence, but his chief responsibility is to implement the manager's decisions, control the discipline and routine of the office, and train the staff in their duties. Having (like the manager) started in the bank as a junior, he can do everybody's job, and it is his duty to organize the work so that it is evenly divided and flows smoothly.

He interviews many customers, opens new accounts, answers queries, writes innumerable letters. He listens a good deal and says little: his job is to know all the questions and all the answers. The customers, telephone calls and jobs that nobody else claims tend to gravitate towards him. Mr. Ridley is a harried man, but he contrives to remain good-humoured, and just in his decisions: he is the best-liked man in the office. He received his appointment two years ago at the age of 33, and looks upon every day spent with Mr. Brandon as one more day of experience which he will put to good use when he gets a branch of his own.

**The Securities Clerk.** "Securities" in Banking is a generic term covering the various kinds of documents of title—freehold deeds, life policies, share certificates, etc., which bankers usually take from their customers when they lend them money. It also includes similar documents which the bank holds on behalf of its customers in safe custody. As we have seen, the banker looks first to the man when he lends money—is he trustworthy, an able businessman, apt to keep his promises?—but this does not mean that the second line of defence is unimportant. If things go wrong, the banker may have to fall back on the security, and it is essential that his title to it should be unassailable.

It is the duty of the securities clerk to receive and record all securities held by his branch, and to ensure that the bank's forms of charge over those held as cover for advances are

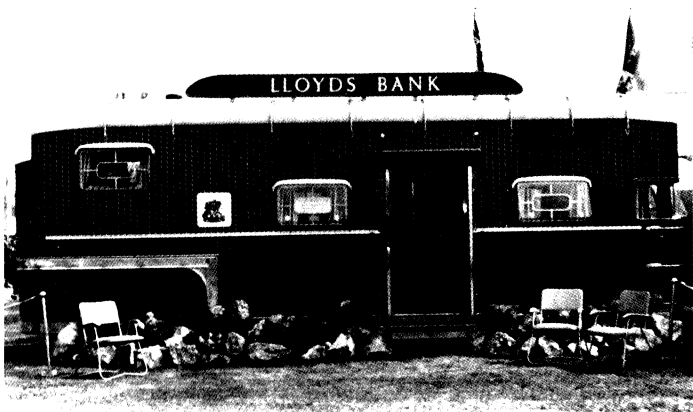


Science at your service: (*above*) a customer views his statement by television: (*below*) a fast and accurate note-counting machine at work





New ways in banking: (*above*) a "drive-in bank" at Gidea Park, Romford, Essex; (*below*) a mobile branch at an agricultural show



complete, that stamping and other dues are met, statutory notices given, etc. He is also responsible for the administrative work connected with bank lending—the preparation of the appropriate charge forms, and returns to Head Office Control. He handles Stock Exchange business on behalf of customers through the bank's brokers, and may also deal with foreign business in branches where there is no Foreign Clerk.

Mr. Holliday's job is one of the most exacting, demanding a close attention to detail, and a good technical equipment. His work is never two days the same, and he never quite finishes learning the job—there is always something new. His manager leans heavily upon him, and he may at times work under pressure, but the job gives him a clear insight into the technique of branch management and lending policy. He understudies the Chief Clerk, and hopes ultimately to get a branch of his own.

**The Foreign Clerk.** Post-war Exchange Control Regulations and the renewed interest in exports have led to an expansion of foreign work in Banking and enhanced the importance of the Foreign Clerk. In large branches he is employed full-time: in smaller offices he may double the job with that of cashier or assistant securities clerk. Mr. Edwards at Soho handles all the items of foreign business that come into the branch—foreign collections and credits, remittances abroad, purchases and sales of foreign currency, the issue of travellers' cheques: in general, every transaction that has the slightest "foreign" flavour will be unloaded onto him.

Customers wishing to embark on export business, or to make payments abroad, to travel overseas on business or pleasure, or to emigrate, come to him for advice. He is familiar with the current Exchange Control Regulations laid down by the Bank of England, and understands the documentation of foreign trade. Bills of lading, letters of credit, etc.,

have no secrets from him, and it often falls to his lot to interview foreign visitors who come into the branch, so that he has ample opportunity to air, or at least, to brush up, his French and German. Foreign trade and travel are increasing nowadays, and with the Common Market looming ahead, we may expect Foreign Clerks to be kept busier than ever in the future.

**The Cashiers.** To the average customer, who will neither a borrower nor a lender be,<sup>1</sup> the bank is represented by the cashiers. He may meet the manager or chief clerk but rarely: the cashiers he meets every time he enters the branch, and more often than not, a bank comes to be judged by the demeanour and deportment of a cashier. If he is courteous, helpful and efficient, the customer will be impressed. If he is pedantic, untidy and unsympathetic, the bank's reputation will suffer accordingly.

This personal contact is underlined by the name-plates which are now standard in all banks, and serve to bring Mr. Parish and his assistants at Soho into a closer relationship with the customers, as well as identifying the cashier in case of need. Upon the man (or woman) behind the counter devolves the (at first) awful responsibility of cashing cheques, and receiving cash and cheques for customers' accounts. The young banker's first reaction on learning of the legal hazards incurred in paying and collecting cheques is to wonder how any business gets done at all, but the trained cashier takes the textbook in his stride. He knows the customers and their signatures: he cannot memorize all their balances, but he will

<sup>1</sup> In point of fact every customer is either a borrower or lender, since the relation between banker and customer is that of debtor and creditor. This is illustrated in the story of the bank manager who telephoned a customer to tell him that his account was ten pounds overdrawn. The customer asked what his balance had been the previous day. "Fifteen pounds in credit," was the reply. "And did I telephone you?" asked the customer.

recognize those likely to give trouble, and learn how tactfully to advise such customers of their financial straits.

He also has to deal with the strangers who invite him to cash crossed cheques, travellers stranded without cash, clients with tax problems, smart-alecs who are "personal friends of the Chairman," old ladies with bottles full of threepenny pieces, and of course the occasional forger. To all of these (except the last-named) he must present a dignified attitude, be ready to help, but ever-mindful of his responsibilities, and of the prescriptions of his Head Office instructions and the various enactments relating to cheques and bills of exchange. (Like the Irishman who was dumbfounded to learn that he had been speaking prose all his life, many bank customers would be surprised to learn that every time they wrote out a cheque, they drew a bill of exchange, on their banker.)

In addition to counter work, cashiers also have spare jobs about the office. Mr. Parish takes charge of the branch's cheque-books: Mr. Jones, the next in seniority is responsible for the arrangements by which customers cash cheques at other branches: Miss Humphreys helps with the standing orders and periodical payments made on behalf of customers, etc. The cashiers also take responsibility for a section of the clearing each day, ensuring that the cheques are technically in order, not stopped, and not drawn in excess of the credit balance or authorized limit on the account. Since the clearing is not actually posted to the accounts until the following morning, when it may be too late to dishonour a cheque, this is a very real responsibility, in which failure could involve the bank in financial loss.

A few years "on the counter" are an indispensable preliminary to progress in the bank, for apart from the responsibility of several thousand pounds of the bank's money, there is the daily contact with customers' problems, and the day-to-day experience of the essential banking function of receiving

money and honouring drafts. The till is a great teacher, and the young cashier who takes his job seriously acquires a working knowledge of the elements of the law of contract, bankruptcy law, account procedure, etc., besides learning the mechanics of weighing silver and counting notes. In former days, men would often settle on the till for life, without the opportunity to go further: today the till is normally held on a temporary tenancy. Women too are now seen behind the counter in increasing numbers.

**The O.C. Mechanization (or Control Clerk).** We have already met Mr. Mitchell, getting the day's work right. As his title implies, he is the official who is responsible for the proper functioning of the book-keeping system. He supervises the posting of the ledgers and statements by the machinists and ensures that errors are adjusted. Under his supervision statements are sent out to customers as required, and he supervises the periodic balancing of the ledgers. In addition, he performs a variety of administrative duties, keeps the register of specimen signatures and a record of stopped cheques, and prepares certain returns for Head Office. He keeps the records of customers up-to-date and notifies accounts opened and closed to Head Office. Like the chief clerk he is constantly in demand and is generally expected to know everything about everybody. The smooth running of the branch's daily routine depends a good deal upon his efficiency and his handling of the machine operators and juniors under his command.

In manual (i.e. non-mechanized) branches, where the volume of work is less, the post of O.C. Mechanization does not exist. There is usually one ledger-keeper and the balancing of the work is carried out by a junior clerk. Today, however, there are very few branches of the clearing banks which do not use at least one book-keeping machine.

**The Ledger-Keeper.** In Tellson's Bank the ledgers were hand-posted by prematurely aged clerks on high stools. In our Soho

bank, the four ledgers are posted by machines operated by young women on comfortably-padded chairs. Young men too pass through the machinist stage, but girls are in the majority and (dare it be admitted?) generally faster than their male colleagues.

The mechanics of machine-operating are learned at the bank's school, but ledger-posting is no automatic routine. The ledger-keeper too has to know the customers—the signatures, the special instructions and the bad hats. Mr. Benson signs “J. F. Benson” on his personal account and “John Benson” on his joint account. The Broadmoor Fur Company pays all its wages from the number two account, and never marks the cheques. All Miss Lockyer's dividends must be credited to her “House” account, and so on. There are stopped cheques to watch for, overdraft limits to be respected, open credit arrangements to check. Customers who pay in cheques should not draw against them until they are cleared: a solicitor's “Clients” account must always be in credit—if it suddenly goes into the red, the ledger-keeper must report it. Although clearing cheques are examined by senior officials who take the final responsibility for paying them, the ledger-keeper acts as a second line of defence, and the job carries its share of responsibility. For the girl who decides to make a career in the bank, her spell on the machines is “all useful experience.”

In addition to her ledger (a different one every month or so), she is also responsible for a section of customers' statements which she posts every day. The introduction of “non-narrative” statements with coded details instead of full particulars of debits and credits, while not universally acclaimed by customers, has somewhat simplified posting—a measure fully in line with the modern trend towards simplification of bank routine. Indeed, the present generation of ledger-keepers may well be the last of their line, at least so far as town branches

are concerned. Two banks in London have already installed electronic computers capable of handling the book-keeping of large groups of branches, and more are on the way.

**The Typist.** Miss Bellamy, the branch shorthand-typist, was trained at the bank's school, though the bank also recruits fully-trained girls. As a specialist she receives increments of salary above the normal scale. As correspondence is heavy, she is occupied full-time, but in less busy branches the typist helps with the day's work in the general office, for she remains a member of the branch staff, and ranks equally with her colleagues for holidays, scale rises, etc. Unless she expresses a wish otherwise, the bank will continue to promote her according to her ability within the range of her specialist duties, and suitable girls can attain one of the more exalted secretarial or administrative posts at Head Office and large branches. The first woman branch manager appointed by Barclays Bank began her career in the bank as a branch shorthand-typist.

These then are the officers one would expect to find in a branch bank of average size. Naturally there will be variations from this standard to meet local conditions—some branches with a heavy "till" will operate with more cashiers: others with active borrowing accounts may employ several securities clerks. Branch organization is flexible and the wise chief clerk will ensure that his staff are adaptable in emergencies.

So much for the daily routine. If we may use a military metaphor, the branch is the battle line, the point of engagement with the public. Further back lie the echelons, the district and area organizations, local head offices, specialized departments and the foreign branches. And in London are the headquarter units, the principal offices of the banks which

control the national networks of branches under the direction of the managements and boards of directors.

To complete our picture of the present we will take a brief look at the past and study in a little more detail the role of the banks in the economic life of the country.

## CHAPTER III

### THE STREET OF SIGNS

**How it all Began.** Banking comes of ancient stock. The great institutions which today are household words did not arrive on the scene fully grown and accoutred like the Sown Men of Cadmus. They are the end-products of a long historical process beginning in classical times and ending in Lombard Street—the street of signs. When a bank cashier pays a cheque over the counter, or receives a credit for a customer's account he is performing actions whose origins reach back to the Greeks and Romans.

It is probable that the narrow strip of land between Lombard Street and Cornhill, near the river, close to the Roman Forum and well within the London wall, has been a centre of trade and finance since the Roman occupation. When sea-going vessels sailed up the Walbrook past the Temple of Mithras to where the Bank of England now stands, the thriving town of Londinium boasted its money-changers and merchants. Private banking in fact began in Europe as a by-product of money-changing. Foreign exchange dealers were indispensable to the traders who frequented the great medieval fairs, and by the fourteenth century Venetian money-lenders and the great financial houses of Florence had emerged as keepers of deposits belonging to their customers. Through their agents in the principal cities, they were able to settle customers' debts by book transfers, thus obviating the physical transfer of specie.

**The Goldsmiths.** In England the Jews in and around Old Jewry were the first private bankers and moneylenders. After

their expulsion in 1290 they were succeeded by the Lombards—wealthy Italian merchants who settled in London and gave their name to the famous street, their patron saint to St. Nicholas' Church (destroyed in the Great Fire) and his emblem (the three golden balls) to the pawnbrokers. The Lombards are still commemorated in the commercial terms which they brought with them—cash, bank, bankrupt, etc., and of course, £.s.d. (lire, soldi, denari).

They were succeeded in their turn by goldsmiths who accepted money and treasure from clients for custody in their strongrooms. When they began to put this money out at interest, deposit banking was born.

**Private Bankers.** By late Stuart times, the goldsmith's shop had become an important banking establishment, accepting deposits against receipts (the goldsmiths' "notes") and offering facilities by way of loan. Banking thus began as a profitable side-line (Coutts were originally produce dealers: the Twinings tea business still continues, though the banking interest has been acquired by Lloyds Bank). Towards the end of the seventeenth century, however, a separation of function began to take place, and the private bankers emerged as specialized banking institutions. Banking may properly be said to have begun in England with the foundation of the Bank of England in 1694. A joint stock company with a capital of £1,200,000 and Government support, it soon began to dominate the London scene.

**Paper Money.** The receipts or "notes" given by the early goldsmiths in acknowledgement of deposits eventually began to circulate in settlement of debts. They became in effect, paper "tokens" representing deposits of specie or metal, and passed from hand to hand before being presented for payment. Later, to facilitate partial withdrawals, smaller notes of equal value were used and accepted freely as money, at a time when circulating coinage was so scarce that even wealthy

people frequently had recourse to pawnbrokers to obtain cash for their daily expenses.

Astute goldsmith-bankers soon realized that only a proportion of the deposits left with them would normally be withdrawn at any one time, so that they could safely issue notes to customers who came merely to borrow without the formality of depositing precious metal. Such notes, though unbacked, were nevertheless freely accepted in payment of debts, if they bore the name of a reliable house. At one stroke, paper money had arrived and the first principle of banking had been adumbrated. The bankers had discovered how to create money: or more accurately, how to turn their own good name into a circulating medium.

The note issue came to be regarded as a principle source of profit for country bankers until about 1830. In London, although notes continued to be issued until well into the nineteenth century, the dominance of the Bank of England and its notes led the private bankers to develop the use of the cheque as an alternative instrument. The first cheques—drafts drawn upon them by their depositors in favour of third parties—were handwritten. One of the earliest still preserved, dated 1656, is drawn on Mr. Richard Hoare at the Golden Bottle in Cheapside. The first printed cheques were issued in 1762. In 1773 the London bankers established the London Clearing House to clear cheques by mutual set-off.

The goldsmith thus acted as midwife at the birth of the cheque and the banknote, and a lusty set of twins they turned out to be. Henceforth paper money was to augment the restricted and frequently debased metal coinage of Tudor and Stuart times, and in due course to replace the gold coinage entirely. Gold coins have not been seen in general circulation in England for nearly fifty years.

It is interesting to note how, even in their early days, bankers came to meet the needs of the times, providing the

circulating medium and the loan facilities to finance the enormous expansion of business activity which ushered in the modern capitalist era. In the same way, with travellers' cheques, personal loans, credit clearing, specialized forms of credit for exporters, farmers, etc., the banker of our own day adapts his business to the contemporary scene. Not that we wish to impute false motives: the banker is a businessman, not a civil servant or a philanthropist: and a strict regard for the realities of business compels us to admit that every innovation must justify itself in terms of £.s.d. The important point is that whereas the early bankers served principally the wealthier classes and the gentry, the services of modern bankers are now available to and freely used by a large and increasing section of the community.

**The Country Bankers.** But to return to our rapid historical survey: while the goldsmiths of London were learning the arts of banking, a parallel development was taking place in the country, where merchants and traders also began to undertake deposit banking. A typical example was Thomas Smith, a Nottingham mercer who set up business in 1658. His connections with leading goldsmith-bankers enabled him to remit funds to London for the conduct of his own business, and on behalf of other local merchants, who left deposits with him for the purpose. When the balances assumed large enough proportions, he would employ them to earn interest, and it was but a short step to the establishment of the important Smith banking business with offices in London, Lincoln, Hull and Derby. Eventually, Smiths joined the Union Bank of London, and the Union of London and Smiths Bank finally amalgamated with the National Provincial Bank of England to form the National Provincial Bank Ltd.

The development of country banking was rapid—too rapid, perhaps. In 1797 there were 230 private country banks. By 1810 there were 721, many of them small, insecure craft, often

only a counter in a general store, all issuing notes against deposits, which circulated locally with varying degrees of confidence. For the most part they were ill-equipped to meet the successive financial crises of the early nineteenth century. Between 1814 and 1816, 240 country banks failed: in the 1825-26 crises, a further 104 closed their doors.

There are many tales of the old private bankers. The story of the run on a country bank in *John Halifax, Gentlemen*, averted at the eleventh hour by Mr. Halifax's deposit of £5,000 in gold, must have been enacted many times in real life. One of the best-known stories recalls the drive of Jonathan Backhouse to London to obtain sufficient gold to meet a large presentation of his notes of which he had been forewarned. On the return journey a wheel of his chaise came off and to avoid delay, he stacked the gold at the back, and drove into Darlington on three wheels, "balancing the cash" to save the bank. During the 1825 crisis a banker in Wisbech forestalled a run by nailing an upturned bushel measure to the counter and covering the top with gold coins to simulate a bushel of gold for the benefit of anxious customers.

**The Big Five.** But after 1825 the days of the private banks were numbered. They were ill-equipped to meet the demands of the rapidly expanding mining, manufacturing and mercantile interests of the nineteenth century. Once more the banking community rose to the occasion. Hitherto banking companies with more than six partners had been hampered by various legal restrictions but after 1825 changes in the law encouraged the growth of joint stock banks with capital contributed by a large number of members—118 were formed between 1825 and 1840—and a process of amalgamation began which reduced the number of banks, but increased the number of branches, since from the first, the joint stock banks concentrated on the branch system. The first groupings took place which foreshadowed the modern banking system—the

nation-wide network of branches dominated by the Big Five, with the country's note-issue concentrated in the Bank of England.

The London and Westminster Bank, the first of the London joint stock banks, opened in 1834, against the violent opposition of the Bank of England, and after absorbing a number of smaller banks, was joined by the London and County Banking Company and Parr's Bank, eventually adopting the style Westminster Bank Ltd. in 1923.

The Midland began in 1836 as the Birmingham and Midland Bank, and quickly absorbed numerous smaller institutions in the North and Midlands. The acquisition of the Central Bank of London in 1891 brought a seat in the Clearing House, other amalgamations and absorptions followed, and the present title was assumed in 1923.

The coalescence in 1896 of twenty London and country banking firms, many dating back to goldsmith days, formed the nucleus upon which Barclays Bank was founded. Essentially an outgrowth of private and family banks, Barclays has never lost its "family" character, despite the numerous amalgamations and absorptions which followed. In 1953 Barclays acquired the last of the old private country banks—Gunner and Company.

Like Barclays, Lloyds Bank sprang from private bankers of Quaker origin. Lloyds and Company, founded in 1765, became joint stock in 1865 and after following the usual take-over pattern, emerged in its present form in 1918. Fox, Fowler and Company, acquired in 1921, was the last of the private bankers to issue its own notes.

Between them these five banks (the National Provincial was mentioned earlier) muster some 9,200 branches, with subsidiaries and affiliations in Scotland and Ireland. Their confreres in the Clearing House—the Little Six—are Coutts, Glyn's, Martins, District, National, and Williams Deacons,

who between them number some 1,600 branches. The history of any one of these banks is bound up with the history of England as a mercantile nation, and many of them still bear the names and marks of the goldsmiths from whom they take their origin. Humphrey Stoke, the "little goldsmith" of Samuel Pepys, at the Black Horse in Lombard Street, gave his sign to Lloyds Bank. Smiths' Bank still stands at No. 1 Lombard Street, and at No. 54 the Head Office of Barclays displays the Black Spread Eagle of John Freame, a goldsmith-banker who moved to Lombard Street in 1728. The representatives of the ancient families on the present boards of the banks, the Lloyds, Smiths, Barclays, Gurneys, etc., also serve to underline their continuity with the past.

**The Bankers' Funds.** Today the head offices of the principal banks stand on or near Lombard Street, the financial hub of the Commonwealth. The banks have travelled far since goldsmiths' shops kept "running cashes" and lent money on plate. With total deposits exceeding £7,500 millions, they have become a major constituent of the London Money Market: their lending policy is an important financial lever manipulated by the Government of the day to regulate the supply of credit.

Government intervention in the banks' affairs may take the form of:

1. variations in the bank rate (the rate at which the Bank of England will discount first-class bills for non-customers) to which most other interest rates are linked;
2. Treasury directives;
3. levies on the bankers' deposits—the "special deposits" described below.

As we have seen, to receive his customers' money and to honour drafts upon it is one of the banker's essential functions. Most of this money is left unused on current and

deposit accounts so that he requires only to keep a small proportion in cash to meet possible withdrawals. The banks thus collect and aggregate an enormous sum of idle money and savings, the profitable use of which constitutes the primary source of their income. But not all can be used in the same way—deposits are repayable on demand or at short notice and the banker must keep his assets reasonably liquid. He therefore puts out his disposable funds in an ascending scale of availability, the clue to which is provided by his balance sheet.

**The Balance Sheet.** Below is a simplified form of the balance sheet of Barclays Bank Ltd. as at 31st December 1960.

*Figure 1*

LIABILITIES	£	ASSETS	£	per cent of deposits
Capital and Reserves	64,362,828	Cash in hand and at the Bank of England	153,744,177	8.9
Current, Deposit and Other Accounts	1,727,870,499	Cheques in course of collection	108,039,366	6.3
		Money at Call	161,690,000	9.4
		Treasury and other Bills	226,655,934	13.1
		Special Deposits	32,600,000	1.9
		Investments	293,950,193	17.0
		Advances	767,138,793	44.4
		Investments in Subsidiaries	29,323,102	
		Premises	19,091,762	
	<u>1,792,233,327</u>		<u>1,792,233,327</u>	

The liabilities indicate the source of the bank's funds—capital subscribed by the stockholders, and the deposits of customers.

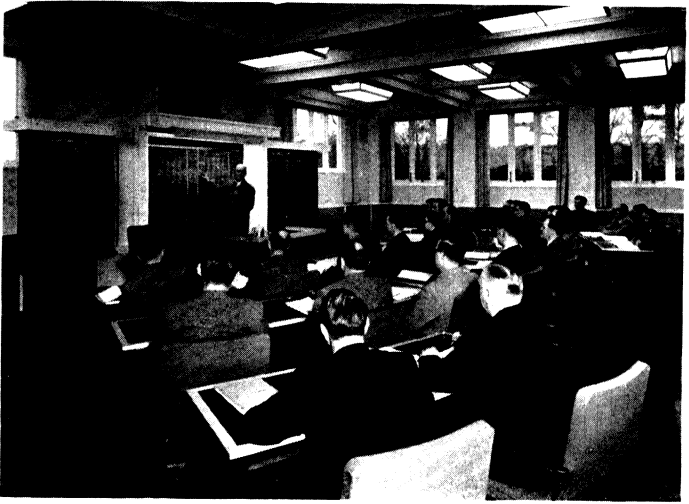
The assets indicate what use has been made of these funds.

They are listed in a descending scale of liquidity, which is also an ascending scale of profitability, since the banker naturally expects a larger return on assets which are less easily realizable. Interest rates vary from day to day, but Figure 2 indicates their relative position on a day in March 1962, when the Bank Rate was 6 per cent:

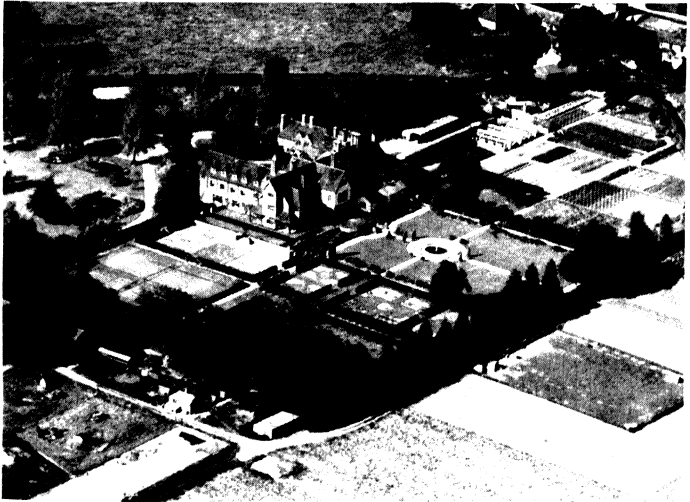
*Figure 2*

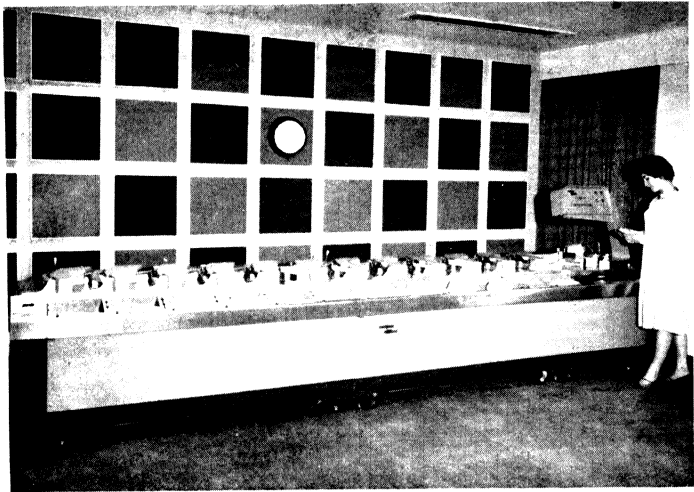
DISPOSAL OF FUNDS (Assets)	AVAILABILITY	INTEREST EARNED
Cash	Immediate	Nil
Money at Call	1—3 days	5½%
Treasury Bills	Up to 3 months	5½%
Investments	May be difficult to	6¼% (average)
Advances	realize without loss in an emergency	7%

Cash in hand and at the Bank of England which is required for the daily running of his business is traditionally kept at about 8 per cent of deposits. "Call money" lent overnight or on short term to the discount houses and bill brokers of the Money Market is quickly available and attracts a rate of interest below bank rate, which varies with the supply and demand. Treasury Bills, by which the Government finances its spending in anticipation of taxation receipts, and trade bills which the bank buys from customers or from the market, may run for longer terms and attract a slightly higher rate of interest. These three items make up the bank's liquid assets, which are maintained at about 30 per cent of deposits. Of the remaining 70 per cent, 17 per cent is represented here by investments in Government securities, 44.4 per cent is lent to customers, and 1.9 per cent is "dead" money (actually 2 per cent of bank deposits at the time of the levy) kept at the Bank of England under a Government regulation. This special deposit was authorized in the 1960 Budget and called up in the same year in order to restrict bank lending by freezing a



Training for management: (*above*) an advanced course in session;  
(*below*) Lloyds Bank Residential College at Kingswood, Surrey





Electronic sorters like this can handle 1,200 cheques per minute



An automatic coin-sorter at work in a bank bullion department

proportion of the banks' available funds. The banks were obliged to reduce their advances in order to maintain their traditional liquidity ratio, thus helping to produce the deflationary effect which Government policy was intended to secure.

The figure for cheques in course of collection represents those cheques credited to customers' accounts for which the bank has not yet received payment through the Clearing House. The final items represent the bank's interest in its subsidiaries, and the (greatly written down) value of its Head Office and branch premises, which are properly provided from the stockholders' capital.

We may mention one further item which does not appear on the balance sheet—the hidden reserves. Under Company Law, banks and certain other institutions are permitted to accumulate unpublished reserves, and these are included in the figures for "Current, Deposit and Other Accounts." There is room for difference of opinion about the necessity for secret reserves and the subject has been hotly debated by financial journalists in financial and banking publications. It is also one of the matters considered by the Jenkins' Committee on Company Law.<sup>1</sup> A hint was given by a bank chairman some years ago that the figure for his bank approximated to the paid-up capital and published reserves. In order to prevent the curious from calculating the figure, banks are also released from the necessity of publishing their gross profit before transfers to and from the reserves, but it is generally understood that the published profit reflects the general trend of their business, which for many years has shown a regular upward swing.

<sup>1</sup> The Report of the Committee published in June 1962 recommended no change in the present practice so far as banks are concerned.

## CHAPTER IV

### THE BANK'S CUSTOMERS

SO FAR we have seen a good deal of the customers' money, but little of the customers who pour their shower of gold so liberally into the banker's lap. People open bank accounts for various reasons, but principally as a means of keeping their money safe yet readily accessible, and in order to make payments easily without having to transport notes and coin. These facilities are taken for granted but a moment's thought will show how difficult commercial life would be without branch banks and the cheque system.

Money may be deposited with a bank on deposit or current account. Current accounts are operated by means of cheques and bear no interest, though they may attract a commission charge if the average balance kept is insufficient to reimburse the bank's running costs. Deposit accounts attract no charges, but bear interest at the London deposit rate, normally 2 per cent below bank rate. Money on deposit may be withdrawn by the depositor after the prescribed notice—at present seven days—which is usually waived.

The bank provides a deposit pass-book and a running Statement of current account free of charge, together with paying-in slips and cheque-books. The stamp duty of 2d. per cheque is borne by the customer. Current account customers are required to furnish references, because the relationship between banker and customer is a contractual one, safeguarded by law and mercantile usage. A cheque-book in the hands of a rogue could easily involve innocent people in loss.

**The Clearing of Cheques.** One of the important services performed by banks is the clearing of cheques paid in by customers. We will consider the case of Mr. John Selmore of Newtown, Yorks, who has taken over a grocery store. His father is a customer at another branch of Barclays Bank, and the son's account is readily accepted by the local office. Mr. Selmore opens two accounts, a personal account and a business account headed "Selmore Stores." Every day he pays in his takings and every week he cashes a wages cheque. On the 4th of each month he posts off cheques to his wholesalers in settlement of their monthly accounts. Let us follow the course of one such cheque, payable to Dobbs Biscuits.

Dobbs keep their account at a National Provincial Bank branch in the West End of London, and the Selmore cheque is duly received and paid into the company's account. The National Provincial now has a cheque drawn on Barclays in Newtown, for which it must obtain payment. One method would be to send a messenger up to Yorkshire and get payment direct from Barclays, and this is in effect what might have happened two hundred years ago, and could happen today in special circumstances. Or the cheque could be sent by post, and cash or a money order remitted in return. But it would be uneconomic to present each cheque in this way to the branch on which it was drawn. Instead the cheque is parcelled up with the rest of the National Provincial branch's remittances for that day and sent up to Head Office where it is joined by parcels of cheques from other National Provincial branches. The cheques on the various banks are sorted out and listed, and taken to the Head Offices of the respective banks. The Selmore cheque, with thousands of other such items, is presented to the Head Office Clearing Department of Barclays, who in turn present a list of cheques received from their branches, drawn on branches of the National Provincial. A balance is struck between the totals, and the

difference is paid over by means of a draft on the debtor bank's account with the Bank of England.

Barclays then completes the operation by sorting out the cheques thus received from the National Provincial and the other nine clearing banks, and despatching them in the Head Office letter to reach their respective branches the following morning. On receipt they are debited to the customers' accounts and the transfer of funds from Selmore to Dobbs is complete. Mr. Selmore's cheque thus reaches his account two days after being paid in by Dobbs. If for any reason the cheque cannot be paid, it will have to be sent back by return of post to the National Provincial branch (who will have branded it with their crossing stamp on receipt) with the reason for dishonour clearly stated on the cheque e.g. Refer to Drawer (a customary euphemism which normally indicates lack of funds), Post-dated, Words and Figures Differ, etc.

Cheques drawn on the collecting banker's own branches are similarly treated, at the bank's own Clearing Department. Cheques drawn on accounts kept at the branch where they are paid in are of course debited to those accounts the same day.

In some provincial towns, arrangements exist whereby cheques drawn on local branches are cleared locally without the intervention of the banks' Clearing Departments.

In the City of London there is a Town clearing for a number of offices within walking distance of Lombard Street, which enables banks to clear cheques of £500 and over (£5,000 on Saturdays) the same day, and smaller cheques the following day. The Town Clearing is the only instance nowadays in which the Bankers' Clearing House becomes physically involved with cheques, though the settlement of the General Clearing described above is made each morning on its premises and according to its rules.

**Credit Clearing.** In 1960 the clearing system was extended to cover credits as well as debits. Banks already made payments on behalf of their customers to the bank accounts of creditors, and in connection with mortgage and hire purchase repayments, insurance premiums, club subscriptions, etc. In April 1960 these payments were incorporated into a credit transfer system on standardized forms which are sent to the respective Head Offices, sorted out and cleared with other banks in the same way as cheques.

In October 1960 the system was extended to cover credits paid in over bank counters, for accounts at other offices, and in March 1961 members of the public, whether or not they kept bank accounts, were invited to use the service. Anybody can now pay in at any branch bank for the credit of an account anywhere in the United Kingdom. Many public bodies and hire purchase companies render their invoices in a form which incorporates a credit transfer slip.

**The Borrowing Customer.** We noted in the balance sheet in Chapter III that 44.4 per cent of customers' deposits had been lent to other customers of the bank. Bank advances are taken by way of:

1. Loan, when a fixed sum is credited immediately to the customer's account, repayable by stated periodical instalments;
2. Overdraft, where the customer is permitted to overdraw his account up to an agreed limit for a fixed period. The term may be renewed on expiry; or
3. Discount, in which case the bank purchases and becomes the holder of a bill of exchange, obtaining reimbursement, with interest, by presenting the bill on the due date.

The bank will advance money to customers of good standing, for legitimate purposes, with or without the deposit of

security, subject to the availability of its resources, and the requirements of the Treasury. Primarily, the banker looks to the borrower, his integrity and business ability, and his motive for borrowing. If any of these are suspect, no considerations of security offered will persuade a prudent manager to part with the bank's money. The banker is not a money-lender or pawnbroker. Neither will the bank enter into arrangements which entail tying up funds for long or indefinite periods, e.g. for house purchase on long mortgage: this is the function of a building society. Bank lending is essentially on a short-term basis: advances are generally made for specific self-liquidating purposes, and even if renewable on expiry, they can be called in at short notice should circumstances require it.

In recent years the banks have broken fresh ground with investments in hire-purchase finance companies, and unsecured personal loans to clients of good standing, repayable by fixed instalments. Banks sometimes lend money on an "in and out" basis for business purposes, on the strength of the enterprise as disclosed by the balance sheet, but in general the borrower will be required to provide some security in the form of title deeds to land, life policies, marketable Stock Exchange securities, etc., or a guarantee signed by a person of known worth who undertakes to repay the loan on default by the principal borrower.

Interest on bank lending, like the interest allowed on deposit accounts, is geared to the bank rate, and varies with circumstances. It is calculated (in the case of overdrafts) in a special column of the ledger sheet by means of decimal products (days  $\times$  balance) which are cast up and evaluated at the quarterly or half-yearly balance according to the practice of the branch concerned.

## OTHER BANK SERVICES

**Safe Custody.** Like his goldsmith predecessor, the banker is willing to give the shelter of his strongroom to customers' valuables, whether documentary or tangible. Unless the items can be clearly identified, tangible property is admitted only in sealed parcels or locked boxes, and so described in the bank's register. Unlike the goldsmith, the bank does not normally issue receipts, to obviate the embarrassing situation that might arise if a receipt were lost.

The bank will pay premiums on life policies held in safe custody, and look to such matters as rights issues, repayment of drawn bonds, payment of coupons, etc., in respect of Stock Exchange securities. Stocks and shares may be transferred into the name of the bank's nominee company who will then receive all relative correspondence and take what action is necessary, under authority from the customer. This is a service particularly useful to customers who are not familiar with Stock Exchange procedures, or who spend long periods abroad.

Banks will also buy and sell stocks and shares on behalf of clients through reputable stockbrokers, and will obtain advice and brokers' reports for intending investors.

**Foreign Trade.** In view of the importance that exports have assumed since the war, this department of the bank's business has expanded considerably. Services to customers engaged in foreign trade may be summarized under three headings:

Information  
Documentation  
Finance

Through its specialized departments, the bank will suggest outlets for customers products, provide reports on conditions of trade in specific areas, and obtain status information on traders overseas. The Foreign Clerk is ready to advise on the

preparation of shipping documents, and to help with Exchange control procedure. As an official of the Treasury the bank is empowered to authorize many transactions without reference to the Bank of England.

The bank will also collect or purchase bills drawn on foreign importers, and arrange for payments to be made overseas by mail or telegraph, or by the establishment of a documentary credit with one of its agents in the foreign exporter's own town.

**Facilities for Travellers.** Customers often wish to have money available when travelling in Britain or abroad, without having to carry cash on their person. The bank can arrange for cheques to be cashed at specific branch banks anywhere in the world, or the customer may elect to take a Circular Letter of Credit, which allows him to draw up to a stipulated total at any of the bank's agencies at home or abroad. The bank will also issue foreign currency and travellers' cheques for holidays abroad, and deal with applications for business and other allowances involving the purchase of foreign currency. Finally, the bank is willing to obtain passports for customers, and to deal with the formalities of emigration.

**Night Safes.** Shopkeepers, publicans, rent collectors and other customers who receive cash after bank closing hours are glad to make use of the night safes with which many branches are equipped. The cash is deposited in a locked leather wallet through a trap in the outside wall of the branch, whence it drops into a burglar-proof shaft and down to a safe below, to be retrieved next morning by officials of the branch. The wallet may either be opened with a master key and the contents checked, or held pending the arrival of the customer.

**Distribution of Cash.** A largely unrecognized service performed by banks free of charge is that of making cash available to the trading community at the time and in the form required. The thousands of pounds paid in on Mondays at one

end of the town will be paid out again in wages on Fridays at the other: the sacks of silver and copper collected by Gas and Electricity Boards, railways and buses, have to be re-distributed amongst the shops and restaurants and wage-packets in the correct proportions. Old and soiled notes must be withdrawn from circulation and replaced by new issues. The transportation services of the banks carry out these tasks smoothly and efficiently, as we shall see when we look at the work of the specialized Head Office departments.

**Trustee and Executorship Services.** Banks are willing to be appointed executors or trustees, and to help with the drawing up of wills. These services are undertaken by separate departments and branches, the members of which are expected to qualify themselves by taking the appropriate diploma of the Institute of Bankers. The banks are also prepared to attend to personal income tax returns and maintenance claims on behalf of customers. These services naturally involve considerable work outside the ordinary scope of the banks' business and fees are charged according to scale. These are fields in which women staff have made great headway in recent years.

Such are the principal benefits which may be drawn from the possession of a bank account. There are many others that will be encountered in the course of a career in banking, and in fact, like the proverbial housewife's, the banker's work is never done, for he stands rather more intimately to his customer than the ordinary businessman.

The bank manager's wide experience and his extensive knowledge of legal and financial affairs make him the natural confidant of his clients, and a father confessor to some. Moreover the banks are always ready to accept new responsibilities, whether at Government behest (e.g. the war-time clothing coupons, exchange control, etc.) or to further their own business, for it must not be forgotten that for all their com-

mon practice and co-operation in technical fields, the banks are in competition with one another, and striving continually to thrust out ahead of their rivals, to the benefit of both the general public and, on occasion, the staff.

## CHAPTER V

### BANKING IN THE NEWS

IN THE PAST British banks have not courted publicity. With characteristic reticence they have maintained a somewhat empyrean detachment and have shown no desire to emulate the spirited advertising tactics of the Americans. Only in recent years have they discarded the severely formal type of advertisement in favour of the popular approach, and recognized the value of the P.R.O. and the Press release. It is quite consistent with the banker's traditional discretion that even today many who use Lombard Street daily are unable to point out the Bankers' Clearing House, tucked away from curious eyes behind a post office.

Once upon a time, a bank could be sure of making headline news when it failed. There were many such headlines in the nineteenth century, but it is over forty years since customers of a British bank lost their money—a claim by the way that can scarcely be paralleled in any other major country of the free world. More recently however banks and Banking have been in the headlines more often, public interest having been aroused by the manner in which this traditionally sober business has responded both to the lifting of Government restrictions, and to the opportunities offered by technological developments.

**Beating the Bandits.** Unfortunately there have been headlines also about bank raids, and it may be as well to put these in perspective before talking about the more agreeable matters. The existence of a crime wave is well enough known, and the banks are naturally an attractive target for well organized

bandits. Bank raids are also one of the most dramatic forms of crime and the publicity they attract probably conceals the fact that very few are successful. There are over 10,000 branch banks in England and Wales alone and the proportion of those attacked successfully over a year is not very alarming. One bank chairman has given some figures for his own bank which has over 2,300 branches. Out of thirty-nine attacks made on premises and staff between 1949 and 1960, twenty-nine were total failures.

However, robberies do take place and the banks take their counter-measures. Most of the larger banks have welcomed retired Scotland Yard officers to their staff, to advise on the development of security programmes and to ensure close co-operation with the police. In addition bank security departments are in close touch with the manufacturers of strong-rooms and security devices, and though the less said publicly about such matters the better, we may be sure that the resources of science are not the monopoly of the criminal classes.

**Banking Innovations.** On a happier note we may mention briefly a number of innovations in which the banks have shown their determination in recent years to catch the attention of the public and expand their business to match the expanding economy.

*Personal cheques*, sold at 6d. each in blocks of ten, offer the facilities of a simplified form of current account with pre-determined charges and the minimum of formality. Launched by the Midland Bank in 1958 and backed up by a television campaign, they were immediately taken up by a section of the public new to Banking.

*Personal Loans*, mentioned in an earlier chapter, were another innovation which was welcomed by the public.

The first "*drive-in bank*" opened by the Westminster Bank was quickly matched by others, though this facility for

motorists has not yet achieved the popularity of its counterpart in the U.S.A.

*Mobile Banks* have long been a familiar sight at outdoor shows, and of course all the big banks maintain branches at important exhibitions and at rail and air terminals. At London Airport, there is a round-the-clock service provided in rotation by all the banks established there.

Although they are scarcely an innovation (they date from 1920), the Midland Bank's branches on four Cunard liners may be noticed here. A posting to one of these floating offices is understood to be a promising pointer to a future career.

**Changes at the Counter.** The wider use of bank accounts and the increasing volume of money in circulation as a result of post-war inflation create problems for cashiers, who are often called upon in busy branches to count thousands of notes daily. An expert cashier counts about 6,000 notes in his first hour (rather less thereafter) but note-counting machines which can deal with 20,000 notes an hour, and highly sensitive note-weighers, now relieve counter staff of many hours of tedious work. Coin-sorting and coin-bagging machines in bank bullion departments also perform quickly and accurately work which formerly had to be done by hand.

Television has made its *début* in a number of large branches where congested accommodation necessitates the re-siting of ledger and statement sections away from the public counters. The problem of communication between management and ledgers on the one hand, and customer and statement clerks on the other, is solved by a closed-circuit television installation which permits records to be viewed on a screen under conditions of secrecy, either in the manager's office or in a suitable cubicle in the banking hall.

**Electronics in Banking.** But undoubtedly the most sensational developments in Banking have been in the field of electronics. Bankers were among the first to see the possibilities of apply-

ing electronic devices to their business, and the clearing banks formed a joint committee in 1956 to facilitate the orderly introduction of automation into Banking, and to co-ordinate the approach to electronic banking and centralized book-keeping.

One by one the larger banks have ordered computers, each of which, working accurately at high speeds, will be able to handle many thousands of accounts for groups of branches. The first Computer Centre opened in London by Barclays Bank in 1961 marked a decisive stage in the development of automation in banking processes and prefigured the exciting pattern of the future. With great economy of staff and premises it handles initially the book-keeping entries on 40,000 accounts kept at a number of the bank's branches. Information about the operations on the accounts is fed to the Centre by the branches concerned on punched paper-tape over teleprinter lines. Magnetic tapes bearing a complete record of all customers' accounts to date are also fed into the computer, which then combines all this information to produce up-to-date records. At the same time the new balances on the accounts are compared with overdraft limits and other special instructions, and interest is calculated where necessary. Meanwhile a report on the accounts is prepared by the computer and transmitted back to the appropriate branch over teleprinter lines.

The Midland Bank computer planned for 1962 will be able to handle 100,000 current accounts, and the National Provincial Bank installation will, it is claimed, be able to deal with over 150,000—the equivalent of some sixty branches. Some idea of the unprecedented nature of these developments may be conveyed by the fact that a computer can receive information at the rate of 1,000 characters *per second* and can print out results at the rate of 6/900 lines per minute. A computer handling the accounts of sixty branches will be able to

apply a day's work to the accounts in under five hours, with a staff of only twelve.

**Twenty Cheques a Second.** These fantastic working speeds are matched by the document-sorting machinery now coming into use in Clearing Departments. Using electronic circuits they can read, sort and list cheques and other vouchers at a rate of 1,000/1,200 items a minute. The documents move through the machine faster than the eye can follow them, and multi-channel scanners read off the particulars which have been pre-printed on each voucher in magnetic ink characters. The machine sorts the material according to the operator's instructions and prepares tabulated lists and totals as desired. It is intended that all cheques shall eventually carry encoded particulars of the issuing bank and branch, customer's account number and the value of the cheque, so that fully automatic clearing operations will become possible.

**The Future.** Enough has been said to indicate that the banks, those prudent custodians of the nation's savings, are keeping up with the technological Joneses, and already encroaching on what, a few years ago, would have been considered the realm of science fiction.

When one reflects that the science of electronics is scarcely out of its cradle (the first computer was built in 1946) it is clear that today's recruit to Banking need not fear a dead-end job, or the longueurs of encrusted tradition. On the contrary the increasing mechanization of routine tasks will mean more responsibility for bank staff, not less. The next decade will be one of exciting opportunity.

## CHAPTER VI

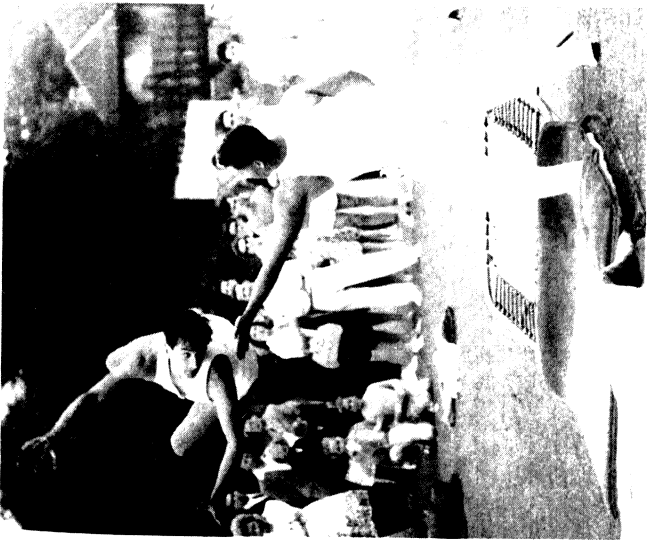
### WHAT THE BANK WANTS

IN PREVIOUS CHAPTERS we have taken a long look at banks and Banking. It is time now to be more particular, and to inquire what the bank expects from those who wish to join its staff.

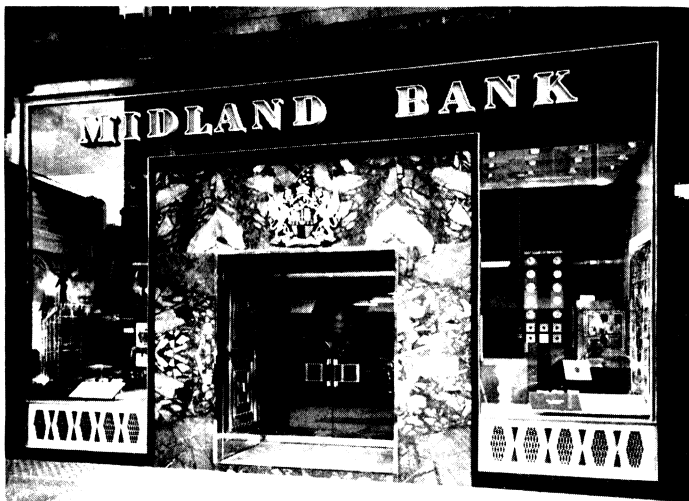
A few preliminary points should be borne in mind:

1. Banking offers a *continuing* career. The young bank officer does not flit from bank to bank like an ambitious butterfly, to improve his situation. The branch system in the principal banks ensures that promotion occurs within the bank. The bank official is a Company Man, in the best sense of the term.
2. Banking is a *progressive* career in which everybody is on the move. Promotion is not by any means automatic, but there is no place for dead-beats, and there are many opportunities for a full and satisfying life.
3. The ripe fruit drops last. Others may fare better in the early stages of their career, but the banker's future begins to open out as he approaches thirty.
4. Banking is *secure*. It is unthinkable that any of the important British banks should fail. It is unheard of for a member of the staff to be dismissed except for gross misconduct (also fortunately rare).

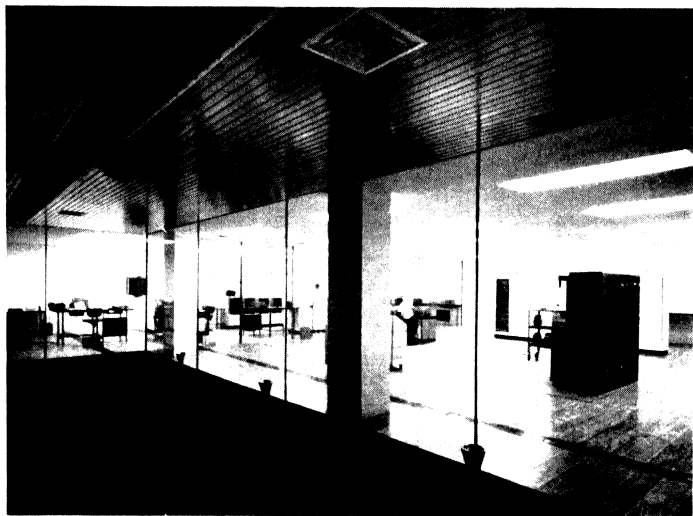
**Personality.** The most important asset of a bank, as of any other business, is one that does not appear in the balance sheet—the quality of its staff. The banker is concerned much with money: he is also involved very intimately with people,



It's not banking! but bank sports facilities are second to none



The present: (*above*) an overseas branch in the West End of London—and the future: (*below*) Barclays Bank Computer Centre



and great importance is attached in the selection of personnel to those personal qualities which are best collectively expressed in the word Integrity—a quality more easily recognized than defined. The ability to mix and converse freely is of course a *sine qua non* for the potential bank manager: excessive reserve and lack of sympathy and understanding can be serious disabilities in a career which leans so heavily upon personal relationships.

Integrity, personality, address: to these must be added the ability to express himself lucidly and grammatically in writing, for the banker will often be called upon to draft letters to customers and to his superiors. The banker is expected to be something of an all-rounder, but if the standard appears high at first sight, it must be remembered that the new entrant will not be expected to be a paragon of all the virtues at seventeen or eighteen. It will be sufficient if he can show that he has the intellectual equipment to learn his job and the potential qualities of personality to carry it out.

**Education.** Intellectual equipment in the case of bankers includes a good G.C.E. preferably including passes in English and mathematics. Some banks offer additional inducements to those who have gained passes at A level, and to university graduates. In the case of girls, while the G.C.E. is an advantage, it is generally sufficient if they have had the benefit of full-time education up to the age of sixteen.

The story is still told of the young man being interviewed by a bank staff manager, who fainted on being asked a question about simple interest. Another version is that he gave the correct answer, whereupon the staff manager fainted. Whatever the moral of these (we hope) apocryphal tales, a good school record is required of recruits to Banking today, and we may note in passing that the examinations of the Institute of Bankers presuppose an educational level approximating to G.C.E. standard.

New entrants usually join a bank between the ages of sixteen and eighteen from grammar and public schools, but provision is also made for later entrants with suitable qualifications. The banks tend to proceed along somewhat individual lines in their recruitment of new staff and the intending applicant should apply to the bank of his choice (a list of addresses of the principal banks will be found at Appendix B) for up-to-date details.

**Health.** Physical fitness is essential (the standard required is a first-class insurance life) and before joining the permanent staff, the new entrant will be given a thorough medical examination by the bank's doctor. It may be mentioned here that all banks have pension schemes including provision for retirement due to ill-health. Salaries are generally paid in full for the first few months of absence due to illness.

The banks also insist upon a good standard of dress and deportment. Slovenliness and a casual manner can do a good deal of harm to the bank's reputation and a staff manager will be quick to notice these points.

**Staff Regulations.** Discretion is a virtue singularly appropriate to the bank official, and all members of the staff are required to sign a declaration of secrecy in respect of their professional duties.

Staff Regulations are issued for the guidance of the staff in such matters as spare-time employment, financial difficulties, etc. These requirements do not, of course, go beyond what most people would regard as the normal standard for the professional man. It is important to underline this point because it is often assumed that the bank clerk's every movement is watched, his financial affairs closely scrutinized and his garden dug over by bank inspectors at regular intervals. While there may have been some justification in the past for legends of this sort, the truth is far different today. However, the bank clerk does stand in a rather special relationship to

his employer compared with, say, the advertising man or the commercial artist, and it must obviously be of some concern to a bank manager if one of his staff overdraws his account or begins to issue cheques to moneylenders. But indiscretions apart, there is no interference in the private affairs of the staff, and the banks lean over backwards to avoid giving even the appearance of it.

Loyalty, honesty, integrity, are very much taken for granted in banks, and rarely if ever referred to, yet it is to these qualities that the British banker owes his unimpeachable and world-wide reputation, and the trust placed in him by the Government which has laid upon him so many responsibilities. It is worth recalling that transactions involving millions of pounds are regularly concluded in the City of London by word of mouth alone—something unique amongst the world's financial centres.

**Staff Reports.** Regular reports are made on members of the staff by branch managers, Head Office inspectors who visit the branches regularly, and other senior officials whose duty it is to keep in touch with the men and women under their jurisdiction.

These reports have no sinister significance. Staff Department is no Big Brother, but it is in the interests of both the bank and the staff that the best possible use be made of the latter's capacities. Staff reports form the ground on which annual salary increases are awarded: supplemented by periodic personal interviews they help to build up a picture of the man concerned from which his potentialities for training can be assessed and the development of his career envisaged.

Staff managers have to know their men and they are continually alert for potential star material to provide the leadership of the future. As we shall see, positive encouragement and assistance is given to outstanding recruits to fit them for early responsibility.

**Women Staff.** All of the foregoing applies equally to women members of the staff who now constitute a large proportion of the staff of most banks. In addition to school leavers, the banks are generally willing to consider older women with a good educational background and health record. Initially girls may be trained as machine operators and office juniors, but qualified shorthand-typists are also required for Head Offices and branches. Girls who decide to make a career in Banking will find ample opportunities and will naturally draw considerable advantage from the possession of one or other of the Diplomas of the Institute of Bankers.

**Hours of Work.** Banks are open from 10 a.m. till 3 p.m. but the staff are expected to begin work by 9 a.m. and to leave when the work of the day is completed. It is one of the facts of life which the bank officer must face at the outset that bank staffs have no fixed hours—the time of departure will vary between banks and branches according to the nature of the business and the incidence of the work.

Rural branches will tend to be earlier than busy city and suburban branches, though market days and dependent sub-branches may invalidate this generalization. Branches expect to work late on the two balance nights of the year and at certain other times when the day's work is exceptionally heavy, for instance on the first day of the month when dividends and standing orders fall due. However, it is fairly safe to say that the average time of departure lies between 5 and 5.30. Most banks pay overtime for late work, but new methods and new machines have done a good deal in recent years to regularize hours of work, and the banks certainly have no wish to see their staffs work longer than is necessary.

Another inescapable fact about life in a bank is the Saturday morning opening from 9.30 to 11.30. Saturday work is restricted to a minimum, and only a proportion of the staff is required to put in an appearance. Where regular Saturday

morning leave cannot be given for one reason or another, time off in lieu may be granted during the week. Many banks in Europe and other parts of the world now close all day Saturday without ill effects, and no doubt British banks will be overtaken by this amenity in due course.

## CHAPTER VII

### THE WAY TO THE TOP

**Salaries.** If we have come a long way in this book without mentioning salaries, this must not be taken to indicate any personal indifference on the part of the banker to the raw material of his business. He is quite willing to agree with Belloc that money gives him pleasure all the time, and bearing in mind what was said earlier about Banking as a progressive career, the inquiring reader will not find this aspect of bank life unattractive.

Initially, salaries in banks are paid according to fixed scales, based on age. If the top of the scale is reached (usually after about fifteen years' service) before appointment, further increases are awarded according to merit and responsibility. Despite superficial variations and varying methods of presentation, the salary scales in the principal banks are roughly equivalent, and it will be sufficient for our purpose if we quote the current scale of one of the Big Five (as at April 1st 1962).

<i>Age</i>	<i>Salary (Men)</i> £	<i>Age</i>	<i>Salary (Men)</i> £
16	300	24	570
17	315	25	625
18	375	26	710
19	395	27	780
20	420	28	815
21	450	29	850
22	480	30	880
23	510	31	925

Pensions in this bank are paid on a non-contributory basis. As in most other banks there is an additional non-pensionable allowance for staff working in London and large towns, ranging from £30 in towns of 250,000 or over, to £100 in Central London.

Candidates holding a G.C.E. with two passes at "A" level in academic subjects, and graduates who obtained their degrees as full time students at a university receive one and three years' seniority on the scale respectively. A graduate joining this particular bank at age 25 would thus receive a minimum salary of £815, plus £100 if working in Central London.

It must be stressed that the scale is the basic minimum for satisfactory service. Additional increments are given for merit, and all banks now operate special grades with substantial jumps in salary for men and women of promise. Those who measure up to the highest standards can expect to be earning a basic salary of £1,000 at age 28. The man of average ability who does not assume any special responsibilities will usually reach a figure of about £1,200 by retirement.

**Promotion.** The basic scale is clearly enough to keep the wolf from the door, but the ambitious young man will be looking to the future, and it is more than ever a feature of Banking today that everybody on the staff can have a future. Promotion is by merit, and though there is no general agreement about the exact proportion, most banks claim that about fifty per cent of young men entering banks today will eventually sit in a manager's chair, with a starting salary of about £1,700 a year. The manager of an important branch can earn £5,000 a year or more, and above the branch managers there are area and district managers, Controllers, Head Office officials and departmental heads, and the coruscating world of management and executives. If every banker's briefcase does not secrete a chairman's gavel, at least the Road to the Top is

open to all, and those who today help to guide the destinies of the great banks served their apprenticeship on the ledgers and behind the counter. Any young man whose ability and ambition impel him towards the centre of the promotion spiral can expect to be well satisfied with his reward.

It is worth noting too that the steady expansion of branch banking, combined with the regular retirement of senior officials ensures a constant demand for managerial staff, so much so that every young man who joins a bank today is regarded as a career prospect, a management trainee.

**Staff Training.** Training and promotion naturally go hand in hand and all the banks have introduced systematic training schemes to ensure that instruction keeps pace with ability and experience. Training falls under three headings:

*Practical* Inter-branch transfers and periods of duty at Head Office ensure that the young banker gains experience of a wide range of duties and types of business.

*Theoretical* The banks encourage their staffs to gain the diplomas of the Institute of Bankers by awarding grants of money (about £90) to successful candidates. Some banks have gone further with schemes for day-time release, which enable candidates to pursue their studies during paid leave.

*Courses* Most banks have set up training colleges with courses arranged in progressive stages to cover:

preliminary training, branch routine and machine-operating, counter and security work, management training.

The junior courses take the form of lectures by qualified members of the staff who are temporarily seconded to the college. Here the new entrants learn the meaning of the work they have been doing or may expect to do, and aspirants to the counter are given practical experience in a model branch, complete with cash, cheques, tills and most of the perils to which cashiers are exposed. In later stages, initial training

in foreign business and security work is given as realistically as possible.

The management course for senior officials often takes place at a residential college in a country house environment. Trainees and staff live together in close community for several weeks, and advanced instruction in the technique of branch management is given by means of lectures and discussions. There is also an opportunity to meet the highest officers of the bank, who come to talk on the role of the banks as financial institutions, and their relations with industry, the Money Market and the Government.

There is no examination or "passing-out parade" for the management training course. Those who are nominated to the course have already been marked out as having the requisite ability for branch management. These weeks spent in a relaxed, informal atmosphere with colleagues from branches all over the country are intended to mark the assumption of new responsibilities. They often help to establish contacts and friendships which prove invaluable later on and many branch managers look back upon them as some of the most memorable in their careers.

**A Typical Career.** If this sounds rather too much like the sixth form all over again, it must be remembered that the training described above will probably be spread over about twenty years. Perhaps we may sum up this chapter with a glimpse into the career of a young man who joins one of the Big Five at the age of eighteen, with passes at "A" level in English and Economics.

After a month in a London branch he attends a training course at the bank's machine school, and returns to his branch as a ledger-keeper. A year of machine-operating follows, during which time he begins to study for his Institute of Bankers diploma. He is transferred to a West End branch where he shows some promise and is promoted to O.C. Mechanization.

At the age of 22 he is sent on an intermediate training course, and graduates to the till where he remains for two years. At this point he is interviewed by a staff manager and placed in the bank's "A" category as showing promise and initiative with a salary of £700.

Transfer to a City branch follows, and here he learns the mechanics of overseas trade and sees a good deal of discount and Stock Exchange business. He remains in the City for four years, during which time he completes his diploma examinations, and is then transferred to a small branch in South London, consisting of the manager, chief clerk, himself, a cashier and junior staff. He runs a relief till and shares the security work with the chief clerk. His salary is now £950.

The chief clerk who loves a willing worker sees to it that he gets a good grounding in lending against property and life policies, which are the branch's staple diet, and here he interviews his first customers, during the manager's absence. He works hard but his reward comes soon after his thirty-first birthday. He is called to Staff Department and comes away with his first appointment—to chief clerk of an East End branch at a salary of £1,300.

By now his feet are firmly on the ladder, and none of his friends is surprised when he becomes assistant manager of a neighbouring branch, and a branch manager at thirty-seven after a course at the management training school. We leave him as manager of suburban branch with a salary of £2,250 at the age of thirty-nine. Capable, friendly, a trained banker, he is clearly set for a successful career and fully expects to reach his £4,000-a-year branch by retirement, unless in the meantime he has been selected for a Head Office appointment. In his fifties he could, if he has exceptional talent, become an Assistant General Manager or General Manager, rewarded perhaps on retirement with a seat on the Board of the bank whose business he has helped to prosper.

**Short of the Top.** This by no means improbable history will be re-enacted, at least up to branch manager level, by one out of every two or three young men who enter banks today. Some 11,000 managerial appointments and as many subordinate appointments in branch banks offer a wide field to the aspirant to promotion—there is room at the Top, and it is open to all comers.

There will be many, of course, who although ready to take responsibility do not possess the necessary talent for management. Even today, we cannot all be managers, and as the gondoliers discovered:

When everyone is somebodee  
Then no—one's anybody.

But managers need assistant managers, chief clerks and senior officials: Banking too has its mute inglorious Miltons, and as George Rae pointed out in that prose classic *The Country Banker*, it need be no more a reproach to a subordinate that he has not the special capacities required for high office, than that he was not born to command the Channel Fleet. The banks are big enough to provide scope and a satisfying career for every kind of ambition and talent from the large world of broad policy decisions to the smaller intimate worlds of the country branch and the specialist's niche.

Those who do not make the V.I.P. deck will find that the suites prepared for them in the cabin class are comfortable enough and command an attractive prospect.

Some other amenities enjoyed by bankmen and women may be mentioned briefly:

**Pensions (Men).** Pensions are payable on retirement at the age of 65, unless ill-health or special circumstances intervene. The normal pension is about two-thirds of salary at retirement, and in most banks part can be commuted for a

cash payment. It is also possible to allocate an amount to be paid as an annuity to a widow.

**Widows' Fund and Insurance Benefits.** Pensions and widows will seem remote to the young man at the outset of his career, but it is worth noting that a minimum provision for widows is compulsory in the major banks, and optional increased annuities are offered on very generous terms.

Most banks also have arrangements whereby members of the staff can provide at low rates for a sum of money to be paid to their nominees at death. Life Assurance, Health Insurance and similar schemes are available at special rates to the bank officer, as well as car and householder's insurances, etc.

**Holidays and Sick Leave.** Annual holidays are granted according to salary or appointment, and range from two to four and a half weeks. Special additional leave is granted to volunteer members of the Armed Forces, to enable them to attend annual training camps.

An initial period of sick leave is granted on full pay. Where extended leave is required, each case is treated on its merits, but the banks are invariably helpful and generous to members of their staffs overtaken by misfortune.

**Housing Loans.** Most banks have special mortgage schemes to assist members of the staff to purchase their houses. The mortgage runs until retirement if required, and interest is charged at a very low rate—important advantages in times of dear money.

Where transfer to another branch involves a change of residence, the bank will usually assist with removal expenses and legal charges, and will bear the major part of any loss incurred by enforced sale.

**Staff Accounts.** Accounts for members of the staff and their wives are conducted free of charge, and interest is allowed on balances.

Members of the staff qualify for personal loans on very favourable terms, for educational expenses, improvements to property and similar purposes. Some banks also make an issue of bank stock to the staff at advantageous rates.

**Ideas Committee.** Most banks encourage members of the staff to make suggestions for improvement or extension of their services, and grants are awarded where proposals are adopted, or by way of encouragement.

**Bank Clerks' Orphanage.** Controlled by a committee drawn from the major banks, the orphanage exists to provide for the education and maintenance of the children of bank officials who are left in necessitous circumstances by the death or premature retirement through ill-health of the father. There is no actual institution, but grants are made in respect of the children of registered members or subscribers.

**Sports and Social Activities.** Bank sports clubs are second to none in the excellent facilities they provide for sport and recreation of all kinds, rugger, soccer, cricket, tennis, fencing, swimming, golf, and most other indoor and outdoor activities. There are well-equipped sports grounds in the Home Counties, and local committees arrange sporting and social events in other parts of the country with generous help and encouragement from the banks.

A list of bank sportsmen of international status (amongst others Gordon Pirie and Miss Natalia Steward, the Olympic swimmer, both of whom were on the staff of Lloyds Bank) would quickly dispose of any idea that Banking is for the weak or weedy.

Dramatic, musical and operatic societies flourish in many banks and painters, gardeners, philatelists and devotees of most crafts and pastimes will find their interests catered for.

Staff magazines provide an outlet for literary ambitions and give a comprehensive picture of the life of the bank throughout the country.

**Staff Representation.** Although the Bank Officers' Guild was founded as long ago as 1919, bank staffs generally have been slow to recognize the value of organization. The postwar years however have seen a quickened interest in staff representation. Most of the large banks have individual staff associations which serve the interests of the staff, meeting the managements to discuss salaries and conditions of service, etc. Each staff association is controlled by elected officials who are serving members of their banks. The various associations are loosely federated in the Central Committee of Bank Staff Associations.

In addition to these internal bodies there is also an independent trade union, formerly the Bank Officers' Guild, which is now styled the National Union of Bank Employees. This is a registered trade union with headquarters in London and current membership of nearly 60,000. The National Union, which is recognized as a negotiating body by two of the clearing banks, is controlled by elected officers who are serving bankmen, and a full-time secretarial and administrative staff. There is a parallel organization in Ireland.

There is much to be said for and against both types of representation, and for the newcomer to Banking, membership must remain a matter of personal choice, assisted by the broadsides of leaflets and handbooks to which he will early be exposed.

**Opportunities for Women.** Nearly 50 per cent of bank employees today are women, and the proportion is steadily increasing. The banks have much to offer the young woman, whether or not she is looking for a life-long career, and a good deal of attention has been paid to the provision of attractive conditions of service and worth-while prospects. Much of what has been said in this chapter and the previous one applies equally well to women as to men, but there are some important deviations affecting the women staff.

The majority of women still see marriage and a family on their personal horizon, and few would wish it otherwise. For this reason, complete equality of opportunity between men and women is not always important, neither is it always practicable. As we have seen, the training of a banker is spread over many years, and most girls who enter Banking do not seek a long-term career. But equality does exist over a wide field, for those women who have the inclination and ability to take their place on the promotion ladder alongside their male colleagues. Two women bank managers have been appointed and the possibility of further appointments is not excluded. A number of bank women also hold appointments of equivalent status in Staff, Trustee and Income-tax Departments and some have reached chief clerk status in branches. Such appointments can be expected to grow more numerous as the banks have already indicated their willingness to promote women able and willing to take responsibility.

**Salaries (Women).** The basic salary scale for women in the bank quoted above is initially the same as for men, rising from £300 at age 16 to £510 at age 23. Thereafter it rises by stages to £750 at age 41. Women also qualify for seniority (in this bank) for G.C.E. at "A" level or for a university degree, on the same basis as for men, and of course the London and Large Town Allowance is payable at the same rate. Once again it must be emphasised that the salary scale is the *minimum* reward for satisfactory service, and many women do in fact receive salaries above scale.

**Pensions for Women.** Pension provisions are by no means identical in all banks but in general terms, women can take a pension under various options between the ages of fifty and sixty, subject to a minimum period of service (usually ten years). If a member of the women staff has to resign for ill-health, she may be granted a pension based on length of service, or a leaving gratuity if she has not served for the

qualifying period. Deferred pensions (payable at retirement age) are granted in some banks to those who leave before the normal age of retirement, subject to certain provisions of age and service.

**Training and Promotion.** Most girls joining banks will begin as junior clerks or machine operators after an initial training course. Experience of branch routine is an essential preliminary to advancement into the more responsible grades of cashier and ledger supervisor, taxation and trust officer, inspector and the higher appointments which are open to them. Training courses are open to them on the same basis as for men, and the same encouragement is given to those who study for the diplomas of the Institute of Bankers.

Women today have shown that there are few jobs which they cannot fill as well as men, and the banks are not dragging their feet on this issue. The career woman will find that the prizes to be won by initiative and ability are not less rewarding in Banking than in other walks of life. It is safe to say that many girls entering banks will attain salaries of £1,000 a year, and the most able will exceed this figure. Some banks have already announced the creation of special streams in which the women staff can qualify for advancement on the same terms as men, with equal pay throughout for equal qualifications and responsibilities.

**The Shorthand Typist.** A good shorthand typist is valued wherever she works, and special avenues of promotion are open to her in banking. She may begin her career in a branch or a Head Office typing pool, but eventually the girl of ability and personality will graduate to a secretarial post in a large branch or Head Office Department. Her ultimate goal may be a General Managers' appointment as private secretary to a senior bank official. Many of the women who have reached responsible positions in banks began as branch shorthand typists.



Women play an important part in banking today. A scene in the branch of the first woman bank manager



On their toes! Behind the scenes at a bank operatic society performance

**Other Amenities for Women.** Marriage gratuities are payable after a minimum period of service (usually five years), under conditions which vary somewhat from bank to bank. Marriage is not a barrier to continuing service.

Special consideration is given to the girl entrant's place of residence, so that as far as possible she will be able to live at home, if she so desires. Conversely, transfers to London from the provinces can usually be arranged. To help with accommodation problems, some banks maintain hostels in London.

Luncheon clubs operate in London and many large towns, and staff rooms for recreation are provided in all branches where possible. Regular visits to branches by staff managers and their assistants, inspectors and other senior officers, provide opportunities for the discussion of any problems that may arise, and some banks have appointed women staff managers to look after the interests of this growing section of the staff.

Women enter fully into the banks' sporting, cultural and social activities; and if some of them eventually establish more permanent (non-banking) relationships with male colleagues, this too must be counted amongst the advantages of a banking career!

**Summing Up.** The banks can offer to men and women excellent prospects for an interesting and rewarding career. The banks are just and even generous employers, but their standards are high and may be expected to rise higher. There is no room for passengers in modern Banking. Young men will find in Banking a stimulating challenge: young women will find opportunities commensurate with their abilities.

The young banker will be expected to work hard and to show a wholesome respect for accuracy. He will be engaged on repetitive tasks at first, though these are gradually being assumed by machines. He cannot always depend upon regular

hours of work, and he will have to face up to study and training to fit himself for promotion which may not, in the formative years, come as quickly as he might wish—responsibility comes with maturity. “If you don’t want responsibility” as one bank advertisement declares “we don’t want you”: but those who are able to profit by training and experience will not be dissatisfied with the result.

clerks and officials of equivalent rank hold appointments granted by the General Managers. The Management puts into effect the policy decisions of the Board, and scrutinizes regularly through its Controllers all advances made by the bank. Applications for facilities beyond the discretionary limits of branch managers are referred to a Head Office official at the appropriate level.

All posts in the hierarchy of management are, as we have seen, open to all members of the staff who measure up to the required standards. It is here that the highest rewards of the profession lie. The proportion of managerial appointments has risen in recent years and is expected to increase still further.

Head Office also shelters numerous specialist departments which deal with aspects of the bank's work that cannot be efficiently or economically handled in branches.

**Staff Department.** To Staff Department belongs the important responsibility of attracting the right kind of staff, and drawing from them their fullest potentialities by training and promotion. Records of each member of the staff (including pensioners) are kept up to date, and evaluated for promotion and salary increases.

Staff Department has to keep the bank's branches adequately supplied with staff of the appropriate grades, and arrange regular inter-branch postings so that the staff may acquire experience.

Interviews with new entrants, candidates for promotion and disgruntled or erring members of the staff take up a considerable part of a staff manager's time, and he (or she) must be able to combine sympathy and understanding with sure judgement. Interviews often take place in branches which are visited regularly by Staff Department officials.

**Inspection Department.** Bank inspectors combine the duties of internal auditors, legal advisers, security experts and fraud

squad. Much of their work is routine checking, with occasional incursions into the limelight when a fraud or forgery is uncovered. Recruits to Inspection Department are usually chosen from promising young men working in the branches, and specially trained for this important and exacting work.

The life of inspectors and their assistants consists in the main of visiting branches up and down the country (without prior warning, though it is said that some branch managers develop an uncanny prophetic instinct) for periods varying from a few days to several weeks.

Few would maintain that visits from the inspectors

“—winged hours of bliss have been  
Like angel visits few and far between”

but the granite-faced inspectors of yesterday have given place to more friendly visitants, chiefly concerned to help and guide their colleagues in conformity with the bank's system.

Inspection Department provides excellent opportunities for young men (and women) who do not object to travel, periodic absence from home and (occasionally) irregular hours. Wide experience makes the inspector a good candidate for branch management and many find advancement in this way.

**Organization and Method, and Mechanization Departments.**

As the possibilities inherent in electronic operations became apparent, the banks set up their own departments to study and solve the problems raised, and to recommend changes in branch organization and routine. O. and M. officials and Mechanization staff work in close concert with Inspection and Staff Departments, and their work may be expected to increase in importance as the electronic revolution gets under way.

**Intelligence and Economic Departments.** Statistical information and reports on trading conditions in different countries are compiled by specialists, who also advise traders on suit-

able markets for their products. Confidential reports on overseas firms are obtained by Credit Information Department, from their extensive files, or through their outside staff who know from long experience where in the City or abroad information on particular concerns is likely to be found. Credit Information Department also answers incoming inquiries made by branches and by other British or overseas banks on companies and firms in this country.

**Public Relations and Advertising Departments.** Departments under this heading handle the bank's own advertising and public relations, issue Press releases, and produce the numerous booklets which are today a feature of bank counters.

**Foreign Branches.** Foreign trade has never been simple: today it is more than ever complicated by Exchange Control Regulations, licensing controls and politics, and the banks' customers are glad to make use of the expert advice and guidance available from foreign branches.

In their foreign departments, the banks have a corps of trained and experienced officials, able to cope with the complexities of foreign bills, shipping documents, credits, foreign exchange, etc., with a facility born of long practice. Much of the work is necessarily of a routine nature, and promotion is not perhaps as rapid as in general banking, but the foreign branch often appeals to those who are content with an unspectacular, specialized niche outside the main stream.

Work in a foreign branch (there are many in the provinces) does not normally involve travel or the use of foreign languages. Opportunities abroad are dealt with in the next chapter.

### **Other Departments**

*Premises Department* is responsible for the building, maintenance and alteration of Head Office and branches.

*Registrars Department* keeps the bank's own Share

Registers, and also those of other companies, and handles new issues of shares to the public for its clients.

*Chief Accountant's Department* is responsible for collating the figures from branches, recording the bank's financial position and preparing the balance sheet.

*Bullion Department* organizes the distribution of notes and coin to branches and arranges for the collection and exchange of Scotch and Irish notes, withdrawn banknotes, etc.

*Income-Tax, Executor and Trustee Departments, Clearing Department* and *Credit Transfers* have already been mentioned.

Three major banks also maintain a Card Index of all their customers.

Bank specialists are usually members of the staff who have graduated to Head Office from branch banking. The banks believe that a background of general banking is essential even to those who are destined for a specialized career. In this way, the danger of remoteness from the life of those whom they exist to serve is largely avoided.

Suitability for departmental work depends primarily on temperament. Not everybody has the necessary drive to become a branch manager: many in branches would be utterly miserable in the regular but comparatively restricted life of a Head Office. Both types are essential to the smooth and efficient running of the bank, and in both fields of duty, ambition and ability can find their appropriate reward.

## CHAPTER IX

### CAREERS ABROAD

**BRITISH BANKS** carry on their foreign business through their agents in foreign countries, and in some cases by setting up branches and subsidiaries. In the reverse direction, a number of foreign banks have London branches, corners of a foreign field that are forever France, Spain, Italy, etc. Such branches recruit staff in London in the same way as the clearing banks, by advertisement and recommendation. Abroad, their offices are of course staffed by their own nationals. A number of British and Commonwealth banks however offer careers abroad: for convenience they may be divided into three main groups:

- The Eastern Exchange Banks,
- Banks established in Africa,
- Banks established in the West Indies

**Eastern Countries.** British banking groups have long been established in the East, and although most of their overseas staff is now recruited locally, British personnel are still sent abroad to fill posts in management and specialized departments. Young men of good personality and education (a good G.C.E. at "A" level is the norm) join the bank in London where they serve for two or three years before proceeding overseas. They are expected to take part of the Institute of Bankers examinations, and to complete the diploma when they reach their overseas station. Salaries and allowances are generous and home leave is granted, but overseas staff are expected to complete their service abroad, which means setting-up home in a foreign country.

At the present time there is a waiting list in many Eastern banks. Intending applicants may obtain details of vacancies from the Secretary, British Overseas Bankers' Association, 10 Clements Lane, London, E.C.4.

**Africa.** British banks are established in South Africa, the Rhodesias, East and West Africa and the Sudan. Young men of the right calibre, preferably with G.C.E. at "A" level, are accepted for training, and are required to have made some headway with their diploma examinations before proceeding overseas. Candidates with previous banking experience are welcomed. Opportunities for promotion are good, and salaries and allowance are on a generous scale. The following newspaper advertisement may be taken as generally typical of the opportunities offered:

"Applicants between twenty and twenty-eight years of age who can show successful academic careers at their Public or Grammar Schools will be considered for appointments in West Africa. Preference will be given to those with a banking or accountancy qualification.

"Minimum commencing emoluments £1,100 p.a. increasing to at least £1,350 p.a. at the beginning of the fifth year. Such salaries, plus free furnished quarters and often additional allowances, ensure an excellent standard of living. Upon marriage officers receive additional benefits including fares paid for family, substantial educational assistance, etc. A first-class non-contributory pension scheme provides an extremely generous pension upon retirement at age fifty-five."

Details of vacancies may be obtained from the London offices of banks established in the territories mentioned, principally:

BARCLAYS BANK, D.C.O.,

85 Gracechurch Street, London, E.C.3.

**STANDARD BANK OF SOUTH AFRICA LTD.,**

10 Clements Lane, London, E.C.3.

**BANK OF WEST AFRICA, LTD.,**

37 Gracechurch Street, London, E.C.3.

**The West Indies.** A number of Canadian banks with offices in London are also willing to consider young men for service in their Canadian and West Indian branches. Barclays Bank D.C.O. also offers vacancies in its West Indian offices. Applicants should write to:

**THE ROYAL BANK OF CANADA,**

6 Lothbury, London, E.C.3.

**THE BANK OF NOVA SCOTIA,**

24/6 Walbrook, London, E.C.4.

**THE CANADIAN IMPERIAL BANK OF COMMERCE,**

2 Lombard Street, London, E.C.3.

**Foreign Service.** Life abroad is often invested with a spurious glamour, and bright hopes are not always justified in the event. Conditions vary enormously from territory to territory, and though life in overseas banking is not monotonous, the migrating banker should not expect one long safari. But foreign service does provide opportunities for travel, and an outlet for adventurous spirits, while the generous remuneration and better promotion prospects compensate for the separation from the home country and the somewhat less settled existence.

## CHAPTER X

### THE BANK OF ENGLAND

THE BANK OF ENGLAND occupies the key position in the financial affairs of the country. Founded by Royal Charter in 1694, it has always maintained close links with the Government of the day, an association which was formalized in 1946 by Act of Parliament. But although the Bank is in public ownership, the staff are not civil servants, and the governors and directors are appointed by the Crown.

Today the business of the Bank may be broadly classified under three headings:

1. It is the Central Bank of the country and acts as adviser to the Government and the regular channel of communication between the Treasury and the great financial institutions.
2. It acts as banker to the Government, keeps the register of the National Debt, manages the note issue, and administers the country's reserves of foreign exchange.
3. It acts as banker to the Clearing Banks and the other financial institutions, and to the Central Banks of other countries.

The Bank occupies several buildings in the City of London in addition to the familiar island site in Threadneedle Street, and there are branches in Manchester, Birmingham, Liverpool, Bristol, Leeds, Newcastle and Southampton, as well as one near the Law Courts in London.

**Opportunities for Men.** Candidates of ability and personality between the ages of seventeen and twenty-five are considered

to fill vacancies on the staff. The minimum requirement is G.C.E. at "O" level in English and mathematics and at least two other subjects from geography, history, a foreign language and a science.

Duties range widely between routine clerical work to specialized work on Government Stocks, Banking and Exchange Control: in the fields of research, intelligence and publications: and in connection with the Bank's accounts and committees, staff, premises, etc.

Standards are high and competition is keen, but remuneration tends to be on a more generous scale than in the clearing banks. Entrants are appointed on probation for a period varying from one to two years, on a scale which provides for annual increases up to a maximum of £1,529 at age forty-one. The initial stages are as follows:

Minimum	£485
Age 18	545
19	605
20	675
21	745
25	885

Additional increases may be granted as a reward for good work, and selection for promotion to the many posts carrying salaries above the scale may be made at any time. Over 200 attract a minimum of £2,500 a year, with some substantially above this level.

**Opportunities for Women.** Women are employed in all London and provincial branches and now outnumber the men on the staff. Women can enter into direct competition with men for the higher posts, and there are excellent opportunities for a worth-while career. New entrants are appointed either as Women Clerks for the more routine work or direct to a higher grade known as Classed Staff.

Women Clerks are recruited between the ages of sixteen and thirty. Applicants are normally required to be educated up to the G.C.E. at "O" level. The current salary scale for Women Clerks provides as follows:

Minimum	£415
Age 17	450
18	480
25	705
37	890 (Maximum)

Additional Salary may be awarded for merit and women clerks with the capacity to accept more responsibility may be selected for promotion to the Classed Staff.

Candidates for direct entry to the Classed Staff should be between the ages of seventeen and twenty-five. The minimum educational requirement is the same as for men (see above) and considerable weight is given to personal qualities. Staff in this category receive longer annual leave and earlier opportunity for advancement to posts of responsibility. The salary scale runs by annual steps to a maximum of £1,184 at age forty-one. The initial stages are as follows:

Minimum	£485
Age 18	545
19	605
20	675
25	750

Additional increases may be granted as a reward for good work and selection for promotion to the many posts carrying salaries above the scale may be made on merit.

Further information may be obtained from the Chief of Establishments, Bank of England, London, E.C.2.

## CHAPTER XI

### THE INSTITUTE OF BANKERS

SO FAR only a fleeting reference has been made to the Institute of Bankers, in its less endearing capacity of examining body. As the banker's professional association, it necessarily sets the standard of his professional qualifications, but it would be a mistake to see in the Institute no more than a grandmotherly pedagogue.

Founded in 1879 (there are counterparts in Scotland and Ireland) it preceded the Big Five by a generation or more, and can thus already claim a respectable lineage. It is important to note that it is not an association of banks but of bankers, whose membership is open to everyone on the staff of a recognized bank. There are at present over 50,000 members.

The two main functions of the Institute are comparable with the functions of other professional organizations: to afford opportunities for the acquisition of knowledge of the theory of banking, and to facilitate the consideration and discussion of matters of interest to bankers.

In pursuance of these objects, the Institute:

1. Conducts examinations.
2. Publishes a journal, important reference books and the text of lectures.
3. Promotes programmes of lectures and discussions on banking and allied subjects in London and seventy-nine provincial centres.
4. Maintains in Lombard Street a reference and lending library, a reading-room and an information service.

**Professional Qualifications.** The Institute examinations cover both Banking and Trusteeship, and the successful candidate under either heading receives a diploma and earns the right to use the suffix A.I.B. (Associate of the Institute of Bankers). Candidates must be members of the Institute (annual subscription is £2 2s.).

The syllabus is divided into two parts, of which the first, comprising English, economics, book-keeping, law and commercial geography, is intended to provide a basic education in general and commercial subjects. Part I is common to both Banking and Trustee Diplomas.

In Part II of the Banking Diploma, candidates proceed to more specialized studies with papers on Law Relating to Banking, Monetary Theory and Practice, Accountancy, Finance of Foreign Trade and Practice of Banking.

Candidates for Part II of the Trustee Diploma must satisfy the examiners in:

- Law Relating to Wills, Executors, Administrators and Trustees
- Law of Real Property and Elementary Conveyancing
- Trust Taxation
- Trust Accounting
- Principles and Practice of Investment
- Practical Trust Administration.

In addition there are certain optional subjects, including languages.

The examinations present no difficulty to the candidate willing to study, but it should be stressed that these are professional examinations designed to confer professional status. The standard of Part I is broadly equivalent to the "A" level of the G.C.E. and that of Part II to a University pass degree. A number of exemptions from Part I subjects are granted, notably to those who hold a G.C.E. at "A" level. These par-

ticulars are contained in the Syllabus which may be obtained on application to the Institute, 10 Lombard Street, London, E.C.3.

**Methods of Study.** A candidate can earn his diploma in three sittings, but the examiners have tended in recent years to give due weight to the practical aspects of the syllabus. The wise candidate will therefore be in no hurry to get the examinations behind him, and in any case the rules ensure that the papers which enter more deeply in the banker's practical experience are taken last.

The Institute does not provide instruction, but it has licensed over 100 teaching institutions in England and Wales to hold their own examinations in Part I subjects, for the benefit of their own students. A list of these institutions will be found at Appendix A.

Different schools of thought exist about the most suitable method of study. Private study must be ruled out as inappropriate to technical subjects. A correspondence course with a good college has much to commend it—individual tuition, flexibility, practice in the technique of writing answers. Many of the tutors are responsible and capable men, keen to maintain the reputation of their organization, with many successes to their credit.

On the other hand, the many distractions of daily life press hardly upon the student, who may be called upon to exercise stern self-discipline to maintain his weekly study stint. But attendance at evening classes also has its disadvantages. A long journey to a night school, followed by two hours at a desk after a day's work in a branch, may present a wearisome prospect to the young man or woman who had hoped to be finished with studies. But there is really nothing to replace the immediacy of personal contact, the on-the-spot discussion and inter-change that only direct tuition can provide. By licensing teaching institutions, it is apparent that the Institute

wishes to encourage students to benefit from oral teaching where their personal circumstances permit.

**After the Examinations.** For the bank officer who is anxious to push ahead in his profession education does not come to a full stop when the examination room door closes behind him. His studies have given him the essential technical and legal equipment for his job, but this skeleton must now be clothed with the flesh and blood of experience, and fortified by regular reading of the professional and financial press, and by attendance at lectures and other functions which the Institute arranges. The banker is expected to bring mature judgement and understanding as well as technical ability to the consideration of his customers' affairs, and it is here that the comprehensive services of the Institute and its provincial and overseas centres make a valuable contribution.

A perennial debate in banking circles revolves around the question whether banking is to be considered an art, an industry or a profession. The true answer is that it partakes of the nature of all three. Perhaps we may conclude this account of the Institute of Bankers by quoting from the remarks of a former President:

“Banking is our job in life . . . and it makes no difference whether we call it a profession or not. What does matter, however, is the type of candidates we obtain in our banks and their attitude towards their work. . . . When they have gained their certificates and have been trained by their banks in banking methods, those who win their way to positions of high managerial responsibility, though they still remain salaried servants of great financial institutions, are justly entitled to regard themselves as qualified members of a worthy profession. . . . A due observance of the ethics and traditions of banking can spring from no finer motive than a feeling of professional pride.”

## CHAPTER XII

### A BANKING CAREER—HOW TO BEGIN

IT IS PERHAPS not unreasonable to assume that the reader who has progressed thus far is already half-convinced that a career in Banking may be worth a trial (and here, as elsewhere in this book unless otherwise stated, the masculine embraces the feminine). The next step therefore is to apply for an interview with a bank Staff Department. A list of the principal banks in the British Isles will be found at Appendix B.

Young men and women are attracted to particular banks for a variety of reasons, through family connections, by recommendation or perhaps by the appeal of an advertisement in the Press. Although conditions of service in the leading banks follow the same broad pattern, historical and geographical factors lend to each a distinctive character, and there are certain differences of emphasis which may be brought out by a perusal of recruiting literature, or by an informal talk with the manager of a local branch. An interview may be arranged by the local manager or by direct application to Staff Department. Some banks pay travelling expenses to Head Office, others arrange for interviews to take place at provincial centres.

The candidate will be required to supply testimonials from his headmaster and other responsible persons to whom he is well known, and the interviewer will satisfy himself that the applicant has reached the desired standard of education. In some banks, applicants who do not offer the requisite qualifications may be asked to sit for the bank's own entrance examination.

The Staff Manager will ensure that the applicant appreciates the nature of the work he will be called upon to do, and the responsibilities he may expect to assume. He will also assess the personal qualities of the candidate so far as they can be revealed by an interview, and ensure that potentially at least he measures up to the required standards. These hurdles safely negotiated, and the medical examination proving satisfactory, an appointment to the staff follows for a probationary period of six months.

**The Permanent Staff.** At the end of this period, if both sides are satisfied, appointment to the permanent staff follows, and the final arrangements for life assurance, pensions, Widows Fund, etc., are concluded. Henceforward, brochures must be laid aside, career books give place to the realities which they attempt to describe and life begins in earnest. Instruction, study, training will go on, and interviews too: for Banking, despite the many changes taking place, remains an intensely personal affair in which, if the pun be permitted, people count more than machines.

The machines, so much more clever than their operators, are after all only tools of the trade. If a private banker of the year 1800 could visit a modern branch bank, he would not recognize the electronic furniture, and he might be surprised to see so many young ladies: but he would be quite at home with the essential business of Banking—receiving and paying money, lending and the employment of funds, for these operations have not changed, and depend upon the same qualities today as actuated our forbears in and about Lombard Street.

Success in Banking demands the same intimate knowledge of men, their motives, prejudices and weaknesses—something that will be forever beyond the range of the machine. Behind the counter, across the manager's desk, wherever the art of Banking is practised, it is personality that makes the impact,

the seam of experience which is the ground of judgement, and these are not to be won from books.

Those who join the staff of a bank today may be sure that wherever ambition may lead them, they will mature in a sphere of activities where the highest value is put upon personal integrity, industry and moral fibre. Perhaps there can be no better recommendation for a career in Banking.

## APPENDIX A

### TEACHING INSTITUTIONS LICENSED TO CONDUCT THE EXAMINATIONS OF THE INSTITUTE OF BANKERS

#### LONDON AND SUBURBAN

- BALHAM AND TOOTING COLLEGE OF COMMERCE, Tooting Broadway,  
S.W.17.
- BROMLEY TECHNICAL COLLEGE, The Rookery, Bromley Common,  
Kent.
- CATFORD COLLEGE OF COMMERCE, Plassy Road, S.E.6.
- CHISWICK POLYTECHNIC, Bath Road, Bedford Park, W.4.
- CITY OF LONDON COLLEGE, Moorgate, E.C. 2.
- CITY OF WESTMINSTER COLLEGE, Francis Street, S.W.1.
- CROYDON TECHNICAL COLLEGE, Fairfield, Croydon.
- EALING TECHNICAL COLLEGE, Warwick Road, W.5.
- HARROW TECHNICAL COLLEGE, Northwick Park, Watford Road,  
Harrow.
- HENDON TECHNICAL COLLEGE, The Burroughs, Hendon, N.W.4.  
(Classes also held at FINCHLEY GRAMMAR SCHOOL, High Road, N.12.)
- HIGHBURY COLLEGE OF COMMERCE, Laycock Street, Upper Street, N.1.
- ISLEWORTH POLYTECHNIC, London Road, Isleworth.
- KILBURN POLYTECHNIC, Priory Park Road, Kilburn, N.W.6.
- KINGSTON TECHNICAL COLLEGE, Kingston-upon-Thames.
- NORTH-WESTERN POLYTECHNIC, Prince of Wales Road, N.W.5.
- NORWOOD TECHNICAL COLLEGE, Knight's Hill, West Norwood, S.E.27.
- THE POLYTECHNIC, 307-311 Regent Street, W.1.
- SOUTH-EAST ESSEX TECHNICAL COLLEGE, Longbridge Road, Dagen-  
ham.
- SOUTHGATE TECHNICAL INSTITUTE, Minchenden G.S., Southgate, N.14.
- SOUTH-WEST ESSEX TECHNICAL COLLEGE, Walthamstow, E.17.
- TOTTENHAM TECHNICAL COLLEGE, High Road, N.15.
- WATFORD TECHNICAL COLLEGE, Hempstead Road, Watford, Herts.
- WEST HAM COLLEGE OF TECHNOLOGY, Romford Road, E.15.
- WEST LONDON COLLEGE OF COMMERCE, Airlie Gardens, W.8.
- WOOLWICH POLYTECHNIC, Thomas Street, Woolwich, S.E.18.

#### THE PROVINCES

- BARNSELY—BARNSELY COLLEGE OF TECHNOLOGY.
- BARNSTAPLE—NORTH DEVON TECHNICAL COLLEGE.

BATH—TECHNICAL COLLEGE.  
BEDFORD—THE MANDER COLLEGE.  
BIRKENHEAD—TECHNICAL COLLEGE.  
BIRMINGHAM—CITY OF BIRMINGHAM COLLEGE OF COMMERCE.  
BLACKBURN—MUNICIPAL TECHNICAL COLLEGE.  
BLACKPOOL—TECHNICAL COLLEGE AND SCHOOL OF ART.  
BOLTON—TECHNICAL COLLEGE.  
BOURNEMOUTH—MUNICIPAL COLLEGE.  
BRADFORD—BRADFORD TECHNICAL COLLEGE.  
BRIGHTON—TECHNICAL COLLEGE.  
BRISTOL—COLLEGE OF COMMERCE.  
BURNLEY—MUNICIPAL COLLEGE.  
BURY—TECHNICAL COLLEGE.  
CAMBRIDGE—CAMBRIDGESHIRE TECHNICAL COLLEGE.  
CARDIFF—WELSH COLLEGE OF ADVANCED TECHNOLOGY.  
CARLISLE—TECHNICAL COLLEGE.  
CHELMSFORD—MID-ESSEX TECHNICAL COLLEGE.  
CHELTENHAM—NORTH GLOUCESTERSHIRE TECHNICAL COLLEGE.  
CHESTER—COLLEGE OF FURTHER EDUCATION.  
CONNAH'S QUAY—FLINTSHIRE TECHNICAL COLLEGE.  
COVENTRY—LANCHESTER COLLEGE OF TECHNOLOGY.  
CRAWLEY—COLLEGE OF FURTHER EDUCATION.  
CREWE—COLLEGE OF FURTHER EDUCATION.  
DARLINGTON—COLLEGE OF FURTHER EDUCATION.  
DERBY—DERBY AND DISTRICT COLLEGE OF TECHNOLOGY.  
DONCASTER—TECHNICAL COLLEGE.  
DURHAM—TECHNICAL COLLEGE.  
EXETER—CENTRAL TECHNICAL COLLEGE.  
FARNBOROUGH—TECHNICAL COLLEGE.  
GLOUCESTER—TECHNICAL COLLEGE.  
GUILDFORD—COUNTY TECHNICAL COLLEGE.  
HALIFAX—PERCIVAL WHITLEY COLLEGE OF FURTHER EDUCATION.  
HASTINGS—COLLEGE OF FURTHER EDUCATION.  
HATFIELD—COLLEGE OF TECHNOLOGY.  
HEREFORD—TECHNICAL COLLEGE.  
HIGH WYCOMBE—COLLEGE OF FURTHER EDUCATION.  
HUDDERSFIELD—COLLEGE OF TECHNOLOGY.  
HULL—CITY OF HULL COLLEGE OF COMMERCE.  
IPSWICH—CIVIC COLLEGE.  
LEEDS—COLLEGE OF COMMERCE.  
LEICESTER—COLLEGE OF TECHNOLOGY.  
LINCOLN—TECHNICAL COLLEGE.  
LIVERPOOL—CITY OF LIVERPOOL COLLEGE OF COMMERCE.  
LUTON—LUTON AND SOUTH BEDS. COLLEGE OF FURTHER EDUCATION.  
MANCHESTER—COLLEGE OF COMMERCE.  
MANCHESTER—THE MANCHESTER AND DISTRICT BANKERS' INSTITUTE.  
MIDDLESBROUGH—CONSTANTINE TECHNICAL COLLEGE.  
NEWCASTLE-UPON-TYNE—MUNICIPAL COLLEGE OF COMMERCE.  
NEWPORT, MON.—COLLEGE OF FURTHER EDUCATION.  
NORTHAMPTON—COLLEGE OF TECHNOLOGY.

- NORWICH—CITY COLLEGE AND ART SCHOOL.  
 NOTTINGHAM—NOTTINGHAM AND DISTRICT TECHNICAL COLLEGE.  
 OLDHAM—MUNICIPAL COLLEGE OF COMMERCE.  
 OXFORD—COLLEGE OF TECHNOLOGY, ART AND COMMERCE.  
 PETERBOROUGH—TECHNICAL COLLEGE.  
 PLYMOUTH AND DEVONPORT—TECHNICAL COLLEGE.  
 POOLE—COLLEGE FOR EDUCATION.  
 PORTSMOUTH—COLLEGE OF TECHNOLOGY.  
 PRESTON—THE HARRIS COLLEGE.  
 READING—TECHNICAL COLLEGE.  
 REDRUTH—CORNWALL TECHNICAL COLLEGE.  
 ROCHESTER } MEDWAY COLLEGE OF TECHNOLOGY, Maidstone Road,  
 AND CHATHAM } Chatham.  
 ROTHERHAM—COLLEGE OF TECHNOLOGY.  
 SALISBURY—SALISBURY AND SOUTH WILTS. COLLEGE OF FURTHER  
 EDUCATION.  
 SCARBOROUGH—TECHNICAL COLLEGE.  
 SHEFFIELD—COLLEGE OF COMMERCE AND TECHNOLOGY.  
 SHREWSBURY—TECHNICAL COLLEGE.  
 SLOUGH—COLLEGE OF FURTHER EDUCATION.  
 SOUTHAMPTON—TECHNICAL COLLEGE.  
 SOUTHBEND-ON-SEA—MUNICIPAL COLLEGE.  
 SOUTHPORT—TECHNICAL COLLEGE.  
 SOUTH SHIELDS—MARINE AND TECHNICAL COLLEGE.  
 STAFFORD—COLLEGE OF FURTHER EDUCATION.  
 STOCKPORT—COLLEGE FOR FURTHER EDUCATION.  
 STOCKTON-ON-TEES—STOCKTON-BILLINGHAM TECHNICAL COLLEGE,  
 Billingham.  
 STOKE-ON-TRENT—COLLEGE OF COMMERCE.  
 SUNDERLAND—TECHNICAL COLLEGE.  
 SWANSEA—TECHNICAL COLLEGE.  
 SWINDON—THE COLLEGE.  
 TAUNTON—TECHNICAL COLLEGE.  
 TORQUAY—SOUTH DEVON TECHNICAL COLLEGE.  
 WAKEFIELD—TECHNICAL COLLEGE.  
 WALLASEY—TECHNICAL COLLEGE.  
 WEDNESBURY—STAFFORDSHIRE COLLEGE OF COMMERCE.  
 WIGAN—WIGAN AND DISTRICT MINING AND TECHNICAL COLLEGE.  
 WOLVERHAMPTON—WOLVERHAMPTON AND STAFFORDSHIRE COLLEGE OF  
 TECHNOLOGY.  
 WORCESTER—VICTORIA INSTITUTE.  
 WORTHING—COLLEGE OF FURTHER EDUCATION.  
 WREXHAM—DENBIGHSHIRE TECHNICAL COLLEGE.  
 YORK—TECHNICAL COLLEGE.

## APPENDIX B

### THE PRINCIPAL BANKS OF GREAT BRITAIN AND IRELAND

BANK AND HEAD OFFICE	BRANCHES
Bank of England, Threadneedle Street, London, E.C.2	9
<b>The Clearing Banks</b>	
Barclays Bank Ltd., 54 Lombard Street, London E.C.3	over 2,300
Coutts and Co., 440 Strand, London, W.C.2	6
District Bank Ltd., 17 Spring Gardens, Manchester	over 570
Glyn Mills and Co., 67 Lombard Street, London, E.C.3	3
Lloyds Bank Ltd., 71 Lombard Street, London, E.C.3	over 1,850
Martins Bank Ltd., 4 Water Street, Liverpool, 2	over 600
Midland Bank Ltd., 27/32 Poultry, London, E.C.2	over 2,300
National Bank Ltd., 13/17 Old Broad Street, London, E.C.2	over 250
National Provincial Bank Ltd., 15 Bishopsgate, London, E.C.2	over 1,550
Westminster Bank Ltd., 41 Lothbury, London, E.C.3	over 1,250
Williams Deacons Bank Ltd., Mosley Street, Manchester	over 220
<b>The Scottish Banks</b>	
Bank of Scotland, The Mound, Edinburgh, 1	over 400
British Linen Bank, 38 St. Andrew's Square, Edinburgh, 2	over 200

Clydesdale and North of Scotland Bank Ltd., 30 St. Vincent Place, Glasgow, C.1	over 350
National Commercial Bank of Scotland Ltd., 42 St. Andrew's Square, Edinburgh	over 400
Royal Bank of Scotland, St. Andrew's Square, Edinburgh, 2	over 250
<b>The Irish Banks</b>	
Bank of Ireland, College Green, Dublin, 2	over 90
Belfast Banking Co. Ltd., 2 Waring Street, Belfast, 2	over 50
Hibernian Bank Ltd., 27 College Green, Dublin, C.1	over 50
Munster and Leinster Bank Ltd., 66 South Mall, Cork	over 120
National Bank Ltd., 34 College Green, Dublin	over 130
Northern Bank Ltd., 16 Victoria Street, Belfast	over 80
Provincial Bank of Ireland Ltd., 5 College Street, Dublin, 2	over 80
Royal Bank of Ireland Ltd., 3/4 Foster Place, Dublin, 2	over 50
Ulster Bank Ltd., Waring Street, Belfast	over 100

## APPENDIX C

### THE TRUSTEE SAVINGS BANKS

Banks for Savings began to spring up at the beginning of the nineteenth century as part of a philanthropic movement, and spread rapidly. Now called Trustee Savings Banks, their operations are regulated by Acts of Parliament and are subject to government supervision. They are distinguished from deposit banks by the fact that they accept deposits only for the benefit of the depositor—the relationship between Trustee banker and customer is one of trustee and beneficiary and the Trustee Banks must conform to the law relating to Trusteeship. They do not therefore have the deposit banks' freedom to employ their customers' monies, and Trustee Banks' funds are in fact invested with the National Debt Commissioners and guaranteed by the State.

In addition to conducting savings accounts which bear interest, Trustee Banks also offer certain other facilities, including:

dealings in Government stocks  
travel drafts  
periodical payments  
safe custody, etc.

Terms have also been agreed with the clearing banks on which the Trustee Banks could operate a cheque scheme for their customers, if the necessary legislation were forthcoming.

#### *Salaries*

Current scales range as follows:

<i>Men</i>	£265 at age 16 to £800 at age 31
<i>Women</i>	£235 at age 16 to £605 at age 31

Branch managers' salaries range from £900 to £1,700 according to age and size of branch.

**The Savings Bank Institute.** Professional examinations are conducted by the Savings Bank Institute on similar lines to the Institute of Bankers. Exemptions are granted from a number of subjects, and full information may be obtained from the Institute, 22 Manchester Square, London, W.1.



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